

CCI clears Tata Motors of anti-trust violations

CLEAN CHIT. Allegations of dominant position abuse, restrictive practices found baseless

KR Srivats
New Delhi

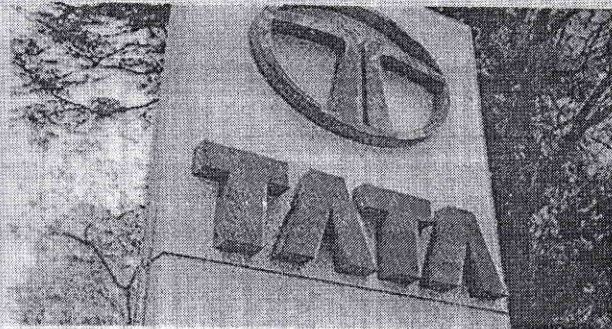
The Competition Commission of India (CCI) on Wednesday ruled that Tata Motors has not violated the provisions of the Competition Act, 2002.

The fair trade watchdog's crucial verdict brings to close a contentious investigation, putting the auto giant under intense scrutiny.

ACCUSATIONS

At the centre of the controversy were two long-standing authorised dealers of Tata Motors. Their terminated or non-operational dealership agreements led them to file formal complaints against Tata Motors.

The accusations included



SCANTY EVIDENCE. The CCI said without substantial evidence to demonstrate adverse effect on competition, it was impossible to ascertain the real-world implications of a policy

Tata Motors abusing its dominant position by dictating vehicle off-take preferences to dealers.

The company was also accused of imposing certain restrictive clauses in their dealership agreements, notably, the requirement for

dealers to obtain a No Objection Certificate (NOC) before venturing into or acquiring new businesses.

Another point of contention was Tata Motors' alleged vertical restraint on its dealers, restricting them from selling vehicles outside

their designated territory.

Post-receipt of these complaints, the Commission noted *prima facie* infraction of competition law and directed its investigation arm — the Director General (DG) — to probe deeper into the allegations.

RELIEF FOR COMPANY

The most significant point of relief for Tata Motors was the CCI's stance on the territorial restriction allegations.

The CCI reasoned in its order that without substantial evidence to demonstrate appreciable adverse effect on competition — actual or likely, it was impossible to ascertain the real-world implications of such a policy on competition.