



COMPETITION COMMISSION OF INDIA

Case No. 43 of 2023

In Re:

Harmit Ahuja

A-20, Multitech Towers, SAS Nagar,
Sector – 91, Mohali, Punjab – 140 308.

Informant

And

Maruti Suzuki India Limited

Plot No. 1, Nelson Mandela Marg,
Vasant Kunj, New Delhi – 110 070.

Opposite Party

CORAM

Ms. Ravneet Kaur

Chairperson

Mr. Anil Agrawal

Member

Ms. Sweta Kakkad

Member

Mr. Deepak Anurag

Member

ORDER UNDER SECTION 26(2) OF THE COMPETITION ACT, 2002

1. The present Information has been filed by Shri Harmit Ahuja ('Informant') under Section 19(1)(a) of the Competition Act, 2002 (the 'Act') against Maruti Suzuki India Limited ('OP') alleging contravention of the provisions of Section 4 of the Act.
2. The Informant is an individual who is a customer of the OP. The OP (formerly Maruti Udyog Limited), Indian subsidiary of the Japanese automaker Suzuki Motor Corporation, is a prominent automobile manufacturers in India.
3. As per the Information, in January 2023, bookings for the OP's newly launched Sports Utility Vehicle ('SUV') 'Jimny' were opened in the Indian market. The Informant booked 2 Alpha models (MT and AT) of the same by paying a booking amount of ₹25,000/- each (which was earlier ₹11,000/-). As per the Informant, such booking amount was to be deposited without knowing the price of the car and without knowing when the vehicle would be made available. The Informant has stated that the OP,



without sharing prices and delivery time frame of the car, picked up over 30,000 bookings of 'Jimny' in the first 5 months of its launch.

4. As per the Information, the car was launched in June 2023 when prices and delivery time frame of the same was announced. The base model called Zeta MT was launched at ₹12.74 lacs (ex-showroom price) and the other models were priced accordingly. As per the Informant, this was an unreal price for the product as the market was expecting the prices to be around ₹10.00 lacs. Further, as per the Informant, a lot of dealers forced accessories, extended warranty *etc.* to customers before promising delivery of their much-awaited 'Jimny'.
5. The Informant has stated that by its such conduct, the OP generated an artificial hype in the market that there will be 8 to 10 months of waiting on this product. Hence, the customers, expecting a huge waiting period, forthwith proceeded to buy the car without thinking through. However, as per the Informant, after announcement of prices, the sales pattern of 'Jimny' emerged as under:

June 2023	:	3,071 units
July 2023	:	3,778 units
August 2023	:	3,104 units
September 2023	:	2,561 units
October 2023	:	1,852 units
November 2023	:	1,020 units

6. As per the Information, when in November 2023, only 1,020 units of 'Jimny' were sold, the OP took a step of discounting the price of the base 'Jimny' to ₹10.74 lacs. In addition, the OP also loaded the product with freebie accessories which the customers in earlier months had to buy. Further, extended warranty was also offered by many dealers which had to be separately purchased by the initial customers. The OP called this model 'Thunder'. As per the Informant, there was a clear discount between the two models (Zeta MT and Thunder) of approx. ₹2.30 lacs within just 5 months of 'Jimny' product launch. This phenomenally depreciated the value of the Informant's products.
7. As such, the Informant has stated that it addressed an e-mail dated 04.12.2023 to the OP to bring to their notice the sentiments of the initial loyal customers and how the OP had failed to protect their interest. In reply thereto received on the same date, the OP stated that there was no reduction in price of 'Jimny' and that discount of any product



varies from dealer to dealer depending on many factors including inventory levels. The Informant then replied to the e-mail of the OP enclosing corporate advertisement of 'Jimny' released by the OP stating the price of 'Thunder' edition as ₹10.74 lacs and stating that this was a company communication to the public and not a dealer advertisement. Also, the Informant intimated to the OP that a dealer cannot give such discount without receiving support from the company and that the OP was just passing the buck onto the dealers. In reply, the Informant received an e-mail from the OP stating that the advertisement pertained to a limited edition vehicle and there was no discount. Nevertheless, the OP confirmed that it has taken the Informant's feedback and will introspect the same. The Informant then again sent an e-mail dated 09.12.2023 along with a summary note to the OP as well as wrote an e-mail dated 13.12.2023 saying that he is still awaiting his refund that the OP charged in excess for the 2 Jimny Alpha Variant's (MT & AT) bought by him. However, *vide* an e-mail of same date, the OP stated that "*they are not planning any refund*".

8. Aggrieved by the refusal of the OP to grant him a refund, the Informant has filed the present Information alleging that the OP has abused its dominant position in the market and imposed unfair and unethical pricing strategy with respect to 'Jimny', which also amounts to an unfair trade practice. As per the Informant, the OP has benefitted almost ₹300 crores/- by cheating the initial 15,476 (June to November 2023 sales) customers, and thus, it should be penalised as well as directed to refund the excess charged from the Informant for the 2 Alpha Jimny bought by him.
9. Further, as an interim relief, the Informant has also stated that till the time the Commission's inquiry in the matter is completed, the OP be stopped from any selling 'Jimny' cars in the Indian Market.
10. The Commission has perused the Information filed by the Informant and the documents annexed therewith.
11. The Commission notes that the basic grievance of the Informant is the alleged introduction of limited edition 'Thunder' Model of Maruti Jimny by the OP in India in June 2023, costing ₹10.74 lacs, laced with several freebie accessories and extended warranty free of cost, which not only led to the initial customers of Jimny, who had bought the car from the OP at higher prices, feeling cheated, but also led to a downfall



- in the resale prices of the cars purchased by them as this new model was available at a discount of around ₹2.30 lacs. Further, the Commission notes that the Informant seems to be aggrieved by the fact that when he asked the OP for a refund of the excess amount paid by him for purchasing the Jimny cars, the OP refused to provide him such refund.
12. Evidently, the Informant has made allegations with regard to abuse of dominant position by the OP. As such, the first step the Commission shall advert to is to define a ‘relevant market’ and assess whether the OP is in a position of dominance in the same.
 13. The Informant has not defined any ‘relevant market’ for the purposes of assessment in the present matter.
 14. However, it is noted from the information available in the public domain¹ that in 2023, the OP had the largest market share of 41.6% in the passenger vehicle segment in India, the next highest being of Hyundai Motor India Limited of 14.7%. It is also noted by the Commission that in *Suo Motu* Case No. 01 of 2019 titled *In Re: Alleged anti-competitive conduct by Maruti Suzuki India Limited in implementing discount control policy vis-à-vis dealers*, the Commission, in its final order dated 23.08.2021 passed under Section 27 of the Act had also noted the DG’s observation that “*In the upstream market, i.e., the passenger vehicles segment (which comprises passenger cars, utility vehicles and vans), MSIL had the highest market share in FY 2018–19, i.e., 51.22%, the second largest being 16.14% of Hyundai Motor India Ltd. Further, the DG found that MSIL’s market share had shown a consistently growing trend from 2011–12 onwards.*”
 15. It is however, also noted that in *Suo Motu* Case No. 01 of 2019 (*supra*), the Commission had not examined the conduct of the OP under the provisions of Section 4 of the Act, despite noting its high market share.
 16. Further, it is noted that passenger vehicle segment can also be further sub-divided into various categories *viz.* Hatchback, Sedan, SUV and MPV (Multi-Purpose Vehicles).
 17. As the allegations made in the present Information pertain to the car ‘Jimny’, an SUV, it is noted from the information available in the public domain² that the sale of SUVs in

¹ Passenger car market share across India in 2023, by vendor, <https://www.statista.com/statistics/316850/indian-passenger-car-market-share/>, last accessed on 19.04.2024.

² SUVs - India | Statista Market Forecast, <https://www.statista.com/outlook/mmo/passenger-cars/suvs/india>, last accessed on 19.04.2024.



the passenger vehicle market in India in 2022 and 2023 by several automobile manufacturers, were as under:

2022

S. No.	Automobile Manufacturer	Number of SUV sold in India
1.	Ford	35,600
2.	Honda	41,600
3.	Hyundai	1,30,500
4.	Mahindra	2,39,800
5.	Maruti Suzuki	2,49,100
6.	Nissan	54,000
7.	Renault	1,11,800
8.	Tata	1,53,400
9.	Toyota	1,07,800
10.	Volkswagen	9,100

2023

S. No.	Automobile Manufacturer	Number of SUV sold in India
1.	Ford	31,000
2.	Honda	34,500
3.	Hyundai	1,14,200
4.	Mahindra	2,04,500
5.	Maruti Suzuki	2,06,200
6.	Nissan	46,100
7.	Renault	86,600
8.	Tata	1,33,800
9.	Toyota	89,700
10.	Volkswagen	7,800

Evidently, in 2022 and 2023, the SUV sales made by the OP were 2,49,100 and 2,06,200 respectively, while the sales made by Mahindra & Mahindra were 2,39,800 and 2,04,500, respectively. Assuming that the above-stated data comprises the entire SUV segment of the passenger cars market in India, the market share of the OP in the same in 2022 and 2023 comes to approx. 22% and 21.5% respectively.

18. In light of the data extracted above, in the opinion of the Commission, the OP does not hold a market share large enough to enable it to operate independently of competitive forces prevailing in the market or to affect its competitors or consumers or the market in its favour, especially in the SUV segment of passenger vehicles. As such, the OP does not appear to be a dominant player in the market. Therefore, in the opinion of the



Commission, a case of violation of the provisions of Section 4 of the Act cannot be made out against the OP.

19. Further, the Commission also notes that the grievance raised by the Informant is an *inter-se* dispute between the Informant and the OP regarding price of the product sold by the OP to the Informant. In the opinion of the Commission, on the basis of the grievances alleged by the Informant, no competition issue or concern seems to arise from the facts and allegations stated by the Informant. Once a buyer purchases a product from a seller at a given price, it cannot insist to avail benefit of any future discount which may be offered on such product by the seller. The discounted price alleged also does not seem to be predatory in nature.
20. In view of the above, the Commission is of the considered opinion that no *prima facie* case of contravention of the provisions of Section 4 of the Act is made out against the OP in the present matter. Hence, the matter is directed to be closed in terms of the provisions contained in Section 26(2) of the Act.
21. The Secretary is directed to communicate the same to the Informant, accordingly.

Sd/-
(Ravneet Kaur)
Chairperson

Sd/-
(Anil Agrawal)
Member

Sd/-
(Sweta Kakkad)
Member

Sd/-
(Deepak Anurag)
Member

New Delhi
Date: 06.05.2024