
In the Competition Commission Of India

Case No : Case No. 08 of 2026

Ms. Meher Mansi Tatineni

APPELLANT

Vs

Hensel Electric India Private Limited

RESPONDENT

Date of Decision : 05-08-2026

Acts Referred:

Competition Act, 2002 — Section 26(2), 19(1)(a), 3, 4, 3(4)(e), 3(4)(c), 4(2)(a)(ii);
Section 19(1)(a)

Hon'ble Judges : Ravneet Kaur, J;Sweta Kakkad, J;Deepak Anurag, J

Bench : Full Bench

Final Decision : Information closed

Judgement

1. The present Information has been filed by Ms. Meher Mansi Tatineni ('**Informant**'), under Section 19(1)(a) of the Competition Act, 2002 ('**Act**'), alleging contravention of the provisions of Sections 3 and 4 of the Act by Hensel Electric India Private Limited ('**Opposite Party**'/ '**OP**').

2. It is stated that the Informant has been a distributor of the OP for 15 years in Rajahmundry, Andhra Pradesh and has entered into a Distribution Agreement ('**Agreement**') dated 01.01.2025, with the OP for distribution of industrial grade cable junction boxes (IP 55/65) ('**industrial grade cable junction boxes**'). As per information available in the public domain, the OP is a wholly owned subsidiary of Gustav Hensel GmbH & Co. KG., Germany, established in 2003 with its headquarters near Chennai. OP's products are used globally in electrical installation and distribution technology, mostly in demanding environments, *e.g.*, for assembly in industrial buildings.

3. The Informant has alleged that Clause 7.1 of the Agreement between it and the OP, is in contravention of Section 3(4)(e) of the Act. It has been alleged that the said Clause while providing that the Informant/distributor is free to decide the price, stipulates that the OP is entitled to decide the margins through which discount control is enforced. The Informant has further alleged that Clause 7.4 of the Agreement is in contravention of Section 3(4)(c) of the Act.

4. It has been averred that on 23.12.2024, a transaction happened between the

OP and one M/s Sri Shiva Parvathi Projects and Constructions (**'M/s Sri Shiva'**) for sale of industrial grade cable junction boxes, wherein the OP offered the product at a discount of 48% on the list price and bypassed its distributor *i.e.* the Informant, who had offered the product at 38% discount on the list price. The said transaction is alleged to be in violation of Section 4 of the Act as the OP offered a price that was predatory in nature being below the market price offered by any of its competitors. The Informant has also alleged that the OP has abused its dominant position in the relevant product market of '*industrial grade cable junction boxes*'.

5. The Informant has prayed for compensation for losses suffered as an exclusive dealer for 15 years and losing countless opportunities of earning profit over that period of time.

6. In the ordinary meeting held on 24.06.2026, the Commission considered the Information and decided to pass an appropriate order in due course.

7. At the outset, the Commission notes that the Informant is aggrieved by Clauses 7.1 and 7.4 of the Agreement between the Informant and the OP. The Informant has alleged that Clause 7.1 of the Agreement is related to '*resale price maintenance agreement*', in contravention of Section 3(4)(e) of the Act and Clause 7.4 of the Agreement is related to '*exclusive distribution agreement*', in contravention of Section 3(4)(c) of the Act. Further, the Informant is also aggrieved that the OP entered into a direct sale transaction with M/s Sri Shiva, allegedly offering a predatory discount of 48%, thereby contravening Section 4(2)(a)(ii) of the Act.

8. Before analyzing the allegations, the Commission deems it advisable to discuss about the product in question which is '*industrial grade cable junction boxes*' in relation to which the allegations under Sections 3 and 4 of the Act have been made by the Informant. As per information available in the public domain, industrial grade cable junction boxes are specialized electrical enclosures designed to protect wiring connections from environmental hazards, such as dust and water, in harsh industrial environments.

9. The Commission notes that while raising allegations under Sections 3(4) and 4 of the Act, the Informant has broadly identified the relevant market as the '*market of industrial grade cable junction boxes*'. However, the Informant has not identified any relevant geographic market. The Informant has neither provided any information with respect to the players operating in the product segment of industrial grade cable junction boxes nor indicated any market shares. Having regard to the nature of allegations raised in the Information, the Commission is of the view that delineation of the relevant market and subsequent assessment of dominance may not be necessary in the present case. Nevertheless, for the relevant product market identified by the Informant, the Commission notes that there are many players like Polycab India, Pyrotech, Chabbi Electricals, Sibass Electric Private Limited, VSM Plast Enclosures, Electromac FRP Systems, Popular

Systems, Shiv Shakti Engineering, Havells India Ltd., etc. apart from the OP, which are engaged in manufacturing of industrial grade cable junction boxes in India. Therefore, the Commission is of the view that the '*market of industrial grade cable junction boxes*' in India appears to be competitive, featuring a mix of established international brands and specialized Indian manufacturers, with apparently no single entity holding enough influence to dictate market trends. Accordingly, the Commission observes that the OP neither seems to enjoy dominance nor position of strength in the relevant product segment identified by the Informant.

10. With regard to the allegation that Clause 7.1 of the Agreement is in contravention of Section 3(4)(e) of the Act, the Commission has perused the said clause which reads as "*Hensel distributors shall not resell products at prices higher than the MRP. Otherwise, the distributor is free to decide the pricing policy. However, Hensel would be entitled to decide margins in case of projects/competition*". The Commission notes that the restriction has been made with regard to selling products at a price higher than the MRP. Further, Clause 20.3 of the Agreement states that "*the distributor is entitled to set its own resale prices and terms*". Therefore, on a conjoint reading of Clauses 7.1 and 20.3 of the Agreement, the Commission is of the view that the restriction has been made with regard to selling products at a price higher than the MRP with liberty being granted to the Informant to set its own resale price and terms.

11. As regards the allegation raised by the Informant that Clause 7.4 of the Agreement which states that "*the distributor shall not offer, sell, advertise or market products of competitors of Hensel, if any.*" is in contravention of Section 3(4)(c) of the Act, the Commission notes that the Informant appears to be an exclusive distributor of the OP in relation to Hensel products including industrial grade cable junction boxes with its area of operation being Rajahmundry, Andhra Pradesh. In this regard, the Commission is of the view that a manufacturer can generally require its exclusive distributor to not sell the products of competitors to encourage distributors to specialize in their brand in order to provide better marketing and support services. It is also common that an exclusive dealer is restricted by contract from selling competing brands or granted sole rights to sell a specific brand within a defined geographic territory.

12. With regard to the allegation that the OP offered a predatory discount of 48% to M/s Sri Shiva in contravention of Section 4(2)(a)(ii) of the Act, the Commission observes that Clause 7.3 of the Agreement, reads that "*Standard Hensel products would be sold to customers only through authorised distributor channels. However, Hensel reserves the right to enter into direct business arrangements with specific customers where market conditions do not permit involvement of a distributor. The decision of Hensel in this regard would be final and binding on all Distributors.*" Upon perusal of the same, the Commission is of the view that the terms of the Agreement in the instant case allow a manufacturer to directly sell to consumers in certain market conditions and

accordingly, seem to raise no concern under the precincts of the Competition Act.

13. In view of the foregoing, the Commission is of the view that no *prima facie* case of contravention of the provisions of Section 3 and/or Section 4 of the Act is made out against the OP. Accordingly, the Information be closed forthwith in terms of Section 26(2) of the Act.

14. The Secretary is directed to communicate the order to the Informant, accordingly. **Sd/-(Ravneet Kaur) Chairperson Sd/-(Sweta Kakkad) Member Sd/-(Deepak Anurag) Member Place: New Delhi**