

JUNE 2024

NEWSLETTER



**THE BRICS CHAMBER OF
COMMERCE AND INDUSTRY**

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Mr. Vijay Chavan

**CHAIRMAN
ARNAV INDUSTRIES**

CORPORATE MEMBER

Mr. Vijay Chavan is the **Chairman of Arnav Industries**, a premier provider of innovative electrical solutions renowned for their dedication to quality and exceptional service. This forward-thinking company is committed to meeting the evolving needs of its customers with a strong emphasis on safety, sustainability, and reliability. Striving to be a global leader in the electrical industry, Arnav Industries and Electricals is recognized for their unwavering commitment to excellence, innovation, and customer satisfaction.

Arnav Industries and Electricals is truly shaping the future of the electrical industry with cutting-edge innovations and a steadfast focus on sustainability.

NEW MEMBERS



Mr. Harshit Aggarwal

**FOUNDER
NOVAMAX INDUSTRIES
LLP**

ASSOCIATE MEMBER

Harshit Aggarwal, 26, is the dynamic Founder of Novamax Industries LLP, a leading air cooler manufacturer. He launched Novamax in 2018, achieving a turnover of Rs. 164 crore in under six years. Starting in a 10,000 sq ft rented space, Novamax now spans 100,000 sq ft and plans to move to a new 400,000 sq ft facility. With over 350 employees, Novamax sold 2.05 lakh units in FY 2023-24. Harshit, inspired by his father's entrepreneurial journey, also expanded into electrical appliances. He aims to make Novamax the top player in the industry, reflecting his innovative and ambitious spirit.

BUSINESS MEETS & EVENTS

MR. PRANN SHARMA JOINS THE SPIEF 2024 ROUND TABLE DISCUSSION, "THE BEGINNING OF THE FUTURE: STRENGTHENING BRICS THROUGH COLLABORATIVE FOUNDATIONS"



Mr. Prann Sharma, **Executive Director-Strategy at BRICS CCI** and President of BRICS CCI-Healthcare Vertical, showcased exemplary leadership at **SPIEF 2024**. During the plenary session on "**Drug Security in BRICS Countries**" at the Russian Pharmaceutical Forum on **June 5, 2024**, he shared insights on strategies to ensure access to essential medicines and vaccines within the BRICS community. Mr. Sharma emphasized the potential of traditional medicines, particularly India's integration of Ayurvedic wisdom with modern pharmaceutical research, supported by the **Ministry of AYUSH**.

On **June 7, 2024**, Mr. Sharma participated in the Round Table Discussion "**The Beginning of the Future: How Foundations Can Work Together to Make BRICS Stronger**." He facilitated dialogue among key stakeholders on collaborative initiatives to strengthen the BRICS framework. Notably, he formalized a cooperation agreement within the **BRICS+ League of Foundations**, aiming to promote scientific and educational activities and address future challenges through knowledge and resource exchange. Mr. Sharma's contributions highlight BRICS CCI's commitment to advancing **healthcare and economic** cooperation within the BRICS ecosystem.

BUSINESS MEETS & EVENTS

MR. ALOK KUMAR STRENGTHENS GLOBAL PARTNERSHIPS AT THE ST. PETERSBURG INTERNATIONAL ECONOMIC FORUM (SPIEF) 2024



Mr. Alok Kumar, **Honorary Director of BRICS CCI Russia Chapter**, made significant contributions at **SPIEF 2024**, Russia's premier economic forum by participating in three key panel discussions, namely, **Sovereignty of Technology, BRICS Collaboration, and Climate Finance**. Mr. Kumar emphasized the need for technological independence, international cooperation, and sustainable finance within the BRICS framework. He highlighted the importance of technological sovereignty, deeper BRICS integration, and innovative financial models to combat climate change.

On behalf of BRICS CCI, Mr. Kumar **signed two significant MOUs during the forum**. The first, with the Roscongress Foundation, aims to enhance collaboration and joint initiatives. The second, with the Industrial Cluster of the Republic of Tatarstan, focuses on fostering industrial cooperation and trade.

Mr. Kumar's engagement at SPIEF 2024 reinforces **BRICS CCI's role in global economic discourse and sets the stage for future collaborations**, driving impactful changes within the BRICS community.

BRICS AND BEYOND

CYRIL RAMAPHOSA SWORN IN FOR SECOND TERM AS SOUTH AFRICAN PRESIDENT

Cyril Ramaphosa, leader of the African National Congress (ANC), was sworn in as South Africa's president for the next five years at a ceremony in Pretoria. Reelected by the National Assembly on June 14, Ramaphosa received 283 votes against 44 from his opponent, Julius Malema of the Economic Freedom

Fighters. Ramaphosa, 71, emphasized unity, inviting all parties and sectors to address national challenges. The ANC secured 159 out of 400 seats in the May 29 elections, prompting a coalition government. Ramaphosa aims to forge a social compact to fulfill the National Development Plan's aspirations.



Source: IANS, PTI



THAILAND PREPARES FOR BRICS MEMBERSHIP

Thailand has officially expressed its desire to join BRICS, one of the largest economies in Southeast Asia. On May 28, 2024, Thailand's cabinet approved a draft letter stating the country's intention to become a BRICS member. Thailand's government spokesperson, Chai Wacharonke, emphasized the benefits of BRICS

membership, including enhanced international roles and opportunities for co-creating a new world order. Thailand has participated in BRICS+ meetings since 2017 and China's BRI projects. Joining BRICS could bring more investments and trade, positioning Thailand as a key player in Southeast Asia and potentially influencing ASEAN-BRICS relations.

Source: BRICS+ Analytics

BRICS AND BEYOND

JOINT STATEMENT OF THE BRICS MINISTERS OF FOREIGN AFFAIRS / INTERNATIONAL RELATIONS

The BRICS Ministers of Foreign Affairs/International Relations met on 10 June 2024 in Nizhny Novgorod, Russian Federation. They exchanged views on major global and regional trends and issues. They reaffirmed their commitment to strengthening the framework of BRICS Strategic Partnership under the three pillars

of cooperation – politics and security, economy and finance, cultural and people-to-people exchanges. They reaffirmed their commitment to the BRICS spirit featuring mutual respect and understanding, equality, solidarity, openness, inclusiveness, and consensus.



Source - Ministry of External Affairs



NARENDRA MODI SWORN IN FOR HISTORIC THIRD TERM AS PRIME MINISTER OF INDIA

Narendra Modi has been sworn in as India's prime minister for a historic third term, marking a significant shift in his leadership. The ceremony at the presidential palace saw Modi joined by BJP leaders Rajnath Singh and Amit Shah. Despite winning the most seats, the BJP fell short of an absolute majority, forcing Modi to form a

coalition government with smaller regional parties. This new era of coalition politics is expected to bring more diverse perspectives into governance, potentially strengthening India's democratic framework. Modi's ability to form a coalition underscores his political acumen and adaptability in navigating India's complex political landscape.

Source: The Hindu

BRICS AND BEYOND

BRICS EVENTS UNDER RUSSIA'S CHAIRMANSHIP



Under Russia's chairmanship, a series of significant BRICS events were held throughout June 2024:

- *June 2-4:* The BRICS Women's Entrepreneurship Forum in Moscow.
- *June 5:* BRICS Healthcare Regulatory Authorities met at SPIEF 2024.
- *June 6:* Multiple events at SPIEF 2024 in St. Petersburg, including a roundtable on the International North-South Transport Corridor, a panel on BRICS expansion and business cooperation, the first meeting of BRICS Ministers of Transport, and a discussion on cooperation in the diamond industry.
- *June 6-7:* The BRICS Anti-Corruption Working Group's second meeting.
- *June 8:* The 8th Creative Business Forum and BRICS National Brands Exhibition at SPIEF 2024.
- *June 11:* The 11th Meeting of BRICS Education Ministers in Kazan, chaired by Russian Minister of Science and Higher Education Valery Falkov.
- *June 13-15:* The 6th meeting of the BRICS Ocean and Polar Science and Technology Working Group in Murmansk.
- *June 20-21:* The first BRICS International Forum on Nuclear Medicine in St. Petersburg, organized by the Russian Ministry of Health and Rosatom.
- *June 21:* The BRICS Urbanization Forum at the International RUSSIA EXPO.
- *June 25:* The BRICS Seminar on Population Matters online at the World Trade Centre in Moscow.
- Closing ceremony of the 7th BRICS International Festival of Theatre Schools at the International RUSSIA EXPO at Moscow

Source: BRICS Russia 2024

BRICS CCI PRESENTS LAW | NEWS DIGEST

MR. RAHUL BAGGA



CONVENER, BRICS CCI LAW &
ARBITRATION VERTICAL
FOUNDER, AUMIRAH

India sees 83,000 patents being filed, a growth of 24.6%

<https://timesofindia.indiatimes.com/city/delhi/amendments-to-indian-patents-act-to-strengthen-provisions/articleshow/110477203.cms>

The department for promotion of industry and internal trade (DPIIT) will soon move amendments to the Indian Patents Act to strengthen provisions around disclosures related to use of traditional knowledge and genetic resources, while filing patent applications.

Last week, developing countries, including India, managed to secure a commitment for disclosure of traditional knowledge and genetic resources at the World Intellectual Property Organisation (WIPO), with 15 countries already endorsing the treaty, dubbed as the first to address the issue that has been under discussion since 1999.

Zee seeks termination fee of \$90 million from Sony for calling off \$10 billion deal

For ending the \$10 billion media deal, Zee Entertainment on Thursday announced that it has asked Sony Group Corporation's India media unit, Culver Max Entertainment, and Bangla Entertainment Pvt. Ltd. (BEPL) to pay \$90 million as part of termination fee.

"Culver Max and BEPL have failed to comply with their obligations under the MCA. Therefore, the Company has terminated the MCA and called upon Culver Max and BEPL to pay the termination fee i.e. the aggregate amount equal to \$90,000,000, in accordance with the MCA," said the company in the statement.

<https://economictimes.indiatimes.com/industry/media/entertainment/media/zee-asks-sonys-culver-max-and-bepl-to-pay-90-million-as-termination-fee-for-ending-10-billion-deal/articleshow/110370466.cms>

BRICS CCI PRESENTS LAW | NEWS DIGEST

NCLT approves Vistara, Air India merger

The National Company Law Tribunal (NCLT) on Thursday granted approval to Vistara's merger with Air India.

While the airlines are targeting December end to complete the integration, NCLT has granted them nine months to complete the merger after obtaining necessary permissions such as foreign direct investment approval, security clearances and other relevant approvals from civil aviation ministry.

<https://www.thehindubusinessline.com/companies/nclt-approves-vistara-air-india-merger/article68260254.ece>

MCA fines LinkedIn India, Satya Nadella and 8 others for violation of Companies Act, 2013

New Delhi: The Ministry of Corporate Affairs (MCA) on Wednesday imposed penalties totalling ₹27,10,800 on Microsoft-owned professional networking platform LinkedIn India, Satya Nadella, LinkedIn chief executive Ryan Roslansky and seven other individuals, citing their violation of the significant beneficial owner (SBO) norms under the Companies Act, 2013.

<https://economictimes.indiatimes.com/news/company/corporate-trends/mca-fines-linkedin-india-satya-nadella-and-8-others-for-violation-of-companies-act-2013/articleshow/110342560.cms>

NCLT approves Raymond group entities' strategic demerger, amalgamation

The National Company Law Tribunal (NCLT) has approved Raymond's composite scheme of arrangement and restructuring involving the demerger of its lifestyle business and the amalgamation of its consumer trading arm, paving way for a more focused and streamlined corporate structure.

<https://economictimes.indiatimes.com/news/company/corporate-trends/nclt-approves-raymond-group-entities-strategic-demerger-amalgamation/articleshow/111211638.cms>

BRICS CCI PRESENTS LAW | NEWS DIGEST

CCI unable to prove market dominance, Google tells NCLAT

The Competition Commission of India (CCI) order levying a Rs 936-crore penalty on Google was "amorphous and overbearing", the company told the National Company Law Appellate Tribunal (NCLAT) on Wednesday, arguing that the regulator was unable to establish that Google's policies had eroded competition.

The senior counsel, continuing his arguments from Tuesday, noted that CCI had expressed concerns based on assumptions, but it had not shown contravention of norms by Google in terming the operation of Google Play Billing System (GPBS) and Google Pay as an abuse of dominance.

<https://economictimes.indiatimes.com/news/economy/policy/cci-unable-to-prove-market-dominance-google-tells-nclat/articleshow/109958267.cms>

Sony Entertainment Television's 'Shark Tank India' faces legal trouble over alleged trademark violations

Sony Entertainment Television's 'Shark Tank India,' launched in 2021 and now in its third season, continues to grapple with controversies. The latest fracas involves the founder of the nutritional food brand Fit & Flex, who has accused the channel of unfairly targeting it for trademark violations, The Indian Express reported.

<https://www.livemint.com/companies/news/sony-entertainment-television-s-shark-tank-india-faces-legal-trouble-over-alleged-trademark-violations-11719282090270.html>

Bombay HC temporarily restrains Cognizant from using trademark logo identical to Atyati Tech

The Bombay High Court has temporarily restrained US information technology major Cognizant Technology Solutions from using in India a trademark logo that is allegedly identical to the logo of Bengaluru-based Atyati Technologies Pvt Ltd.

The court, in its ex-parte order, also observed that Atyati Technologies has made out a prima facie case and the balance of convenience also tilts in its favour.

<https://economictimes.indiatimes.com/tech/information-tech/bombay-hc-temporarily-restrains-cognizant-from-using-trademark-logo-identical-to-atyati-tech/articleshow/109381488.cms?from=mdr>

BRICS CCI PRESENTS LAW | NEWS DIGEST

Weizmann to move court against Western Union on trademark, logo issue

Mumbai-based Weizmann, part of a diversified group, will take to court its former partner Western Union Holdings, the American money-transfer giant, alleging that the United States-based company has imitated its trademark and logo.

This, its lawyers say, constitutes a case of infringement and dilution of its intellectual-property rights. It is planning to initiate legal proceedings under Indian law and seek damages.

Caltech ends patent lawsuit against HP

The California Institute of Technology (Caltech) has dropped its lawsuit against Hewlett-Packard Inc. (HP), according to a filing in a Texas federal court. The lawsuit accused HP of infringing on Caltech's patents related to wireless communication technologies.

Both parties informed the court of their decision to dismiss the case "with prejudice," meaning Caltech cannot refile the lawsuit.

<https://timesofindia.indiatimes.com/technology/tech-news/caltech-ends-patent-lawsuit-against-hp/articleshow/109572419.cms>

Indian patent office grants record 1 lakh patents in past year

The Patent Office granted over one lakh patents in the last 1 year (15-Mar-2023 to 14-Mar-2024). Every working day, 250 patents were granted, the ministry said. Alongside patent grants, there has been a notable surge in GI registrations, demonstrating a threefold increase compared to the previous year. Currently, India boasts 573 registered GIs, with 98 new registrations in the fiscal year 2023-24, according to the release.

<https://www.indiatvnews.com/business/news/indian-patent-office-grants-record-1-lakh-patents-in-past-year-latest-business-updates-2024-03-17-921902>

EXCHANGE TRADED FUNDS (ETFs)



MS. PRITI GOEL

**FOUNDER & CEO OF PRISHA
WEALTH MANAGEMENT PRIVATE
LIMITED AND A CERTIFIED
INVESTMENT ADVISOR
ASSOCIATE MEMBER, BRICS CCI**

Exchange Traded Funds (ETFs) are a type of index funds that track a basket of securities. It is a pooled investment security that can be bought & sold like an individual stock. They are designed to track assets such as stock indices, commodities, etc. They are traded on exchange throughout the day unlike mutual funds that trade only once daily after the market close.

ETFs provide diversification benefits due to exposure to broad range of securities, and thereby reduces risks as compared to individual stocks. ETFs can be easily bought or sold during market hours, providing adequate liquidity.

ETFs have lower expense ratios as compared to any actively managed mutual funds and even lower than index funds.

Consider some of the following while selecting an ETF from wide range of options available in the market.

- Decide on asset class (equity, debt, commodity) and allocate appropriate weight in your portfolio
- Consider diversification. Decide if you want broad exposure or specific market segments, industries or investment themes as an underlying

EXCHANGE TRADED FUNDS (ETFs)

- Research the ETFs options available in the market to invest
- Consider assets under management (AUMs), trading volume, expense ratio, tracking error, historical returns (for idea or context), issuer reputation or specific investment themes
- One can tailor ETF selection basis individual needs and investment goals

India's ETF journey dates back to 2002 when the first ETF, based on the Nifty 50 index was launched by Nippon India Mutual Fund (formerly Benchmark Asset Management Company Limited). The AUMs of ETFs in India have grown significantly. As of 2024, India boasts 141 equity ETFs and 24 debt ETFs.

ETFs in India have gained popularity due to their cost effectiveness, liquidity and ease of trading. Making it a versatile investment choice, whether for beginners or experienced investors. In the financial year 2024, the trading volume of ETFs on National Stock Exchange (NSE) of India exceeded Rs1.19 trillion.

Globally, ETF assets exceed \$10.5 trillion. In many developed countries, ETF assets account for more than 50% of mutual fund assets. India's ETF market contributes significantly to global landscape, reflecting the growing importance in investment ecosystem. Each BRICS nation will have ETFs in their respective countries to invest in India. These ETFs will be offered by various investing companies.



GUARDING FAIR COMPETITION: ADDRESSING THE THREAT OF ABUSE OF DOMINANT POSITION IN INDIA



MR. RAHUL BAGGA

**FOUNDER, AUMIRAH
INDIVIDUAL MEMBER, BRICS
CCI**

In the current competitive world of business, success often breeds an intoxicating sense of power, and with that power comes the temptation to abuse it. The competition law in India aims to prevent such abuses, ensuring that even the mightiest corporations adhere to the principles of fair competition and maintain a healthy market. A crucial element of this framework is the concept of 'abuse of dominant position' which acts as a safeguard against the monopolistic and abusive practices that stifle innovation, harm consumers, and distort the free market. Stretching from tech giants to industrial conglomerates, no organization is immune to the scrutiny of the Competition Commission of India ("CCI") when it comes to maintaining a level-playing field.

GUARDING FAIR COMPETITION: ADDRESSING THE THREAT OF ABUSE OF DOMINANT POSITION IN INDIA

Understanding dominant position

Before getting into the detailed aspects of abuse, it is essential to understand what constitutes a dominant position in the market. According to Section 4 of the Competition Act, 2002 (“Competition Act”), a 'dominant position' refers to the strength of an organisation in the relevant market in India to operate independently of the competitive forces or influence the competitors or consumers to its own advantage.

Under the Competition Act, ‘relevant market’ is associated with relevant product market, relevant geographic market or both, as determined by the CCI in depending on the nature of operations of the organisation. A relevant product market is a market comprising of products and services that a consumer would consider as viable alternatives to satisfy a particular need or demand. On the other hand, a 'relevant geographic market' refers to a specific geographical area where the conditions of competition for the supply or demand of goods or services are distinctly homogeneous and can be differentiated from those in neighboring areas.

The CCI has assessed abuse of dominance by observing factors as per section 19(4) of the Competition Act, which include factors such as market share, barriers to entry, countervailing buying power and the overall competitive landscape within the relevant market. Further, it will be pertinent to note that a significant market share does not automatically signify a dominant position. Additional factors for determining market shares include, presence of potential competitors, easy entry and exit conditions, bargaining power of customers, etc.

GUARDING FAIR COMPETITION: ADDRESSING THE THREAT OF ABUSE OF DOMINANT POSITION IN INDIA

When does the dominant position become abusive as per CCI?

A dominant position becomes abusive when an organisation uses its market power to engage into practices with an aim to restrict competition, exploit consumers, or hinder innovation. Section 4(2) of the Competition Act details specific conditions under which dominant position is considered to be abusive:

- **Exploitative Pricing-** In this scenario, an organization charges excessively high prices or adopts unfair pricing tactics, exploiting consumers who have limited or no alternatives of the product available in the market.
- **Exclusionary Conduct-** Here, an organization engages into practices such as predatory pricing, exclusive dealing, or leveraging dominance in one market with the intention to exclude or limit the competitors' ability to enter into the market.
- **Unfair Trading Conditions-** In this scenario an organization imposes unfair or discriminatory trading conditions on suppliers, distributors, or customers, thereby restricting their ability to operate freely in the market.
- **Innovation Suppression-** Here an organisation adopts methods to restrict innovation by obstructing the entry of new and innovative products or technologies into the market.
- **Refusal to Deal-** In this scenario, an organisation refuses to supply goods or services to customers or competitors, thereby limiting consumer choice and competition.
- **Tying and Bundling-** Here, an organization imposes conditions where buyers must purchase one product to obtain another, thereby restricting consumer choice and stifling competition.

GUARDING FAIR COMPETITION: ADDRESSING THE THREAT OF ABUSE OF DOMINANT POSITION IN INDIA

Recent Developments and Enforcement Actions

2023 saw some significant developments in the realm of competition law in India, particularly in relation to the abuse of dominant position. The Competition (Amendment) Act, 2023 (“Amendment Act”) brought several crucial changes to the Competition Act:

- 1. Shift to Penalties Based on Global Turnover:** The Amendment Act introduced a significant shift in penalty computation, moving from penalties based on relevant turnover to penalties based on global turnover derived from all products and services provided by an enterprise. This change significantly increases the potential exposure for companies, especially multinational conglomerates, to face larger penalties in cases of anti-competitive agreements or the abuse of a dominant position.
- 2. Commitments and Settlements:** This amendment gives an opportunity for parties under investigation to settle their matters with the CCI. Notably, a party has the option to propose commitments to conclude an investigation at any point after its initiation, but prior to the completion of the investigation by the Office of Director General (DG) and the sharing of the investigation report with the involved parties. Conversely, a party can choose to settle the matter with the CCI following the sharing of the DG's investigation findings, yet before the CCI issues its final order on the case.

The way forward

The recent developments in Indian competition law framework concerning abuse of dominant position signify a proactive approach in addressing anti-competitive practices and ensuring fair competition in the market. Introducing wider provisions, enhancing enforcement mechanisms, and emphasizing the assessment of relative market power, the regulators aim to promote fair competition, innovation, and consumer welfare.

GUARDING FAIR COMPETITION: ADDRESSING THE THREAT OF ABUSE OF DOMINANT POSITION IN INDIA

The recent developments in Indian competition law framework concerning abuse of dominant position signify a proactive approach in addressing anti-competitive practices and ensuring fair competition in the market. Introducing wider provisions, enhancing enforcement mechanisms, and emphasizing the assessment of relative market power, the regulators aim to promote fair competition, innovation, and consumer welfare.

Aumirah's Opinion

Maintaining a balance between curbing abuse of dominance by powerful firms and allowing legitimate competition is crucial for protecting competition and consumer welfare in India. While large firms can leverage economies of scale, they should not be allowed to engage in anti-competitive practices such as bullying competitors or coercing consumers/ suppliers. CCI's recent assertiveness in addressing such issues is a positive step; however, it needs to back its actions with strict monitoring and deterrent penalties. At the same time, the CCI must ensure that its interventions do not hamper fair competition or hinder the natural growth of successful firms into industry leaders. As India's economy matures and markets consolidate further, striking the right balance will be pivotal. A fair and contestable market environment ultimately benefits both businesses and consumers in the long run.



GALLERY



JUNE 2024

BRICS CHAMBER OF COMMERCE AND INDUSTRY



THANKS FOR READING

BECOME A MEMBER TODAY!

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