COMPETITION COMMISSION OF INDIA

Case No. 04 of 2025

In Re:

P. R. Ganesan **Informant**

No-195, 1st Floor, 2nd Street,

Imayam Colony, Anna Nagar West,

Chennai-600101

And

Cholamandalam MS General Insurance Company Limited **Opposite Party No. 1**

Represented by its Manager

2nd Floor, Dare House,

No.2, NSC Bose Road,

Chennai – 600001

Central Bank of India **Opposite Party No. 2**

Represented by its Manager

No.260, Muthu Kumarsamy,

Naicker Road, Alandur,

Chennai 600016.

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 P. R. Ganesan (**'Informant'**) under Section 19(1)(a) of the Competition Act, 2002 (**'Act'**), against M/S Chola- MS General Insurance (**'Opposite Party -1'/ 'OP-1'**) and M/S Central Bank of India (**'Opposite Party -2'/ 'OP-2'**) *inter alia* alleging contravention of the provisions of Sections 3(4) and 4 of the Act.

2. The Informant stated in the information that he had started a micro-unit and operating micro small medium enterprise (MSME) unit of precision engineering. The Informant's micro-unit (**'Enterprise'**) was in the business of contract manufacturing of engineering goods/ materials and executing contract work. For doing the said contract work, the Enterprise usually takes advance payment from the contractors to purchase raw materials and then uses the raw materials to finish the job work.

3. It is submitted in the information that the Informant had also availed credit facilities from OP-2 in the form of term loan for the purchase of machineries and as over draft facility for the working capital to run the Enterprise for day-to-day operations. Further, OP-2 had insured the said loan account by the OP-1.

4. It is stated in the information that the parent company of OP-1 is Murugappa Group. Murugappa Group, Mitsui Sumitomo Insurance Group and Ti Financial Holdings Limited formed a joint venture to create Cholamandalam MS General Insurance Company Limited. It has its headquarters in Chennai. The Informant submitted that OP-1 is one of the biggest conglomerates operating in India, especially south India and has presence in all verticals of the financial market. It is further stated by the Informant that OP-1 is one of the leading players in the market of general insurance in India.

5. The Informant stated in the information that on 02.12.2015, Ambattur Industrial estate was flooded, wherein the Informant's Enterprise was situated and the entire area including the Informant's Enterprise was submerged under flood water continuously for 15 days. The Informant's Enterprise was totally submerged in hip-level flood water and all his machines, goods, files and materials were also submerged and destroyed. Even the Informant was unable to access his Enterprise for 15 days due to the stagnation of flood water up to seven feet. All the documents, files, contract raw materials, goods, and engineering machines were either damaged or destroyed totally in the flood water.

6. It is further stated in the information that due to the flood, the Informant lost all the files related to the insurance policy details since the water level was seven feet in the locality and

in the Informant's factory premises. Thereafter, the Informant approached OP-1 and OP-2 for a copy of the insurance policy documents. However, both the OPs did not provide a copy of the insurance document immediately to the Informant and provided the copy after taking a longtime. Therefore, the Informant could not file his insurance claim to OP-1 on prescribed time. Thereafter, the Informant filed his policy claim only after the prescribed date with delay of 62 days due to the delay caused by OP-2 and OP-1 in providing a copy of the insurance details.

7. The Informant also alleged that his application was handled by OP-1 in an unfair and anti-competitive manner. OP-1 rejected the insurance claim of the Informant stating that the Informant had filed his insurance claim after the due date or prescribed date and thereby OP-1 has not compensated the Informant for his whole loss or damages caused by the flood which squarely amounts to abusing its market power. OP-1 is hand-in glove with OP-2 to cheat the genuine claim of the Informant.

8. With regard to relevant market, it is submitted by the Informant that based on the above, the relevant product market in this case would be the *'market for providing general insurance service*'. With respect to geographic market, the Informant submitted that since he had his business in the city of Chennai, he would not avail the service of big companies outside the jurisdiction of Chennai. Murugappa Group is having a long history associated with the city of Chennai and business/industry persons having a long faith on the Murugappa Group Company Chola MS. Moreover, OP-1 is considered as the local company compared to other insurance companies operating in the market. Thus, the relevant geographic market would be '*Chennai*'. Therefore, the relevant market in this case would be '*market for providing general insurance service in Chennai'*.

9. It is further submitted by the Informant that OP-1 is a dominant player in the above-mentioned relevant market due to the reputational value generated by the Murugappa group name in the business circle operating in the city of Chennai and there was no other insurer preferred by OP-2.

10. It is submitted that the Informant has also filed a petition before the Government of Tamil Nadu for relief under the National Disaster Fund to minimize his burden of repayment of his balance loan to the Central Bank of India. The said default loan amount has been pursued by the lead banker, Indian Overseas Bank, Chennai.

11. It is further submitted by the Informant that he has faced multiple instances of personal harassment by the third-party companies, who had provided raw materials and goods which were destroyed during the flood. In order to get some relief from the personal harassment, the Informant had pledged his residential house and had given part payment to the third-party companies. Now, the Informant's residential property is in Debts Recovery Tribunal at Shastri Bhavan, Chennai for auction to recover the loan amount.

12. It is stated in the information that the Informant has also filed a case before the consumer forum against the OP-1 and OP-2 and claimed the compensation against the total value of insurance Rs.4,38,00,000/- (Four Crore Thirty-Eight Lakh only), through two policy documents. Under policy No.2150/00008981/000/00 for Rs.3,64,26,000/- (Three Crore Sixty-Four Lakh Twenty-Six Thousand only) and under policy No. 2150/00009229/000/00 for Rs.73,74,000/- (Seventy-Three Lakh Seventy-Four Thousand only), which is being pursued by the Informant. Further, the Informant did not accept the offer from OP-1 of Rs 8 Lakh against the total value of insurance claimed by the Informant as above.

13. Based on the above, the Informant has filed the instant information against OP-1 and OP-2 alleging violation of Section 3(4) and Section 4 of the Act.

14. The Informant has sought the following relief from the Commission:

    (a) To order an investigation against OP-1 for not compensating the Informant for his total loss and damages caused by the flood in Chennai, thereby abusing its dominant position in the relevant market of "*market of providing general insurance service in Chennai*" under section 4 of the Act.

    (b) To order investigation against OP-1 and OP-2 for their tie-in arrangement for providing service in the relevant market as mentioned above, wherein both the Opposite Parties are having substantial market powers and their conduct stifles competition in the said market and causing appreciable adverse effect on competition.

15. The Informant has also sought interim relief, under Section 33 of the Act, from the Commission that funds are urgently needed for the medical treatment of the mentally retarded wife, to overcome the financial losses caused by the flood, and to repay creditors who have received only part payment. Further relief is sought to restrict the auction of housing and landed properties for the recovery of the due amount.

16. The Informant has also filed an Interlocutory Application No. 39C of 2025 on 07.02.2025 wherein the Informant requested for condonation of delay in filing the information. To support his request for condonation, the Informant submitted that:

(a) The cause of action in relation to a part of the Information arose on 02.12.2015, when the flood occurred, and insurance claim became due. However, the other part of Information is within the timeline of 3 years as stipulated by Regulation 10 of Competition Commission of India (General) Regulations, 2024, as the cause of action further arose in the year 2023, when the Informant dedicated substantial time and effort to investigate and gather information regarding the tie-in arrangement between Chola MS and Central Bank of India.

(b) Non-filing of the Information earlier was not deliberate but due to circumstances beyond the control of the Informant including age-related ailments, financial constraint, efforts to close the existing loan by engaging with different bankers and raw material suppliers, and multiple medical complications. These genuine hardships resulted in the delay in filing the Information before the Hon'ble Commission.

(c) The anti-competitive conduct and abuse of dominance by the Opposite Parties are still continuing, and therefore, the cause of action remains ongoing.

17. The Commission considered the matter in its ordinary meeting held on 30.04.2025 and decided to pass an appropriate order in due course.

18. The Commission carefully perused the information submitted by the Informant and Interlocutory Application. With regard to Interlocutory Application, the Commission notes that proviso to Section 19(1) of the Act provides as follows:

"Provided that the Commission shall not entertain an information or a reference unless it is filed within three years from the date on which the cause of action has arisen:

Provided further that an information or a reference may be entertained after the period specified in the first proviso if the Commission is satisfied that there had been sufficient cause for not filing the information or the reference within such period after recording its reasons for condoning such delay."

19. The intent behind this provision is to ensure timeliness and certainty in adjudication. However, the second proviso to Section 19(1) of the Act also introduces a degree of flexibility by allowing the Commission to condone the delay in filing an information or

reference, if there is sufficient cause shown for not approaching the Commission within the prescribed time.

20. In the instant matter, the Commission observes that the information was filed beyond the statutory period of three years from the date on which the cause of action initially arose. Further, the Informant has been unable to provide adequate or convincing reasons that may constitute 'sufficient' cause to justify condoning the delay under the aforesaid proviso. Upon assessing the reasons put forth by the Informant, which (as per the Informant) prevented him from approaching the Commission for a substantial period of almost ten years, the Commission is unable to persuade itself therewith. Hence, the Commission does not find sufficient cause to condone the delay and consequently, the Interlocutory Application (IA No. 39C of 2025 dated 07.02.2025) seeking condonation stands dismissed.

21. Even otherwise, it is noted that the general insurance market is characterized by the presence of several major competitors of OP-1, *viz.* Life Insurance Corporation of India (LIC), HDFC Life, SBI Life, ICICI Prudential *etc.* Therefore, OP-1 does not appear to be dominant in the general insurance market. In the absence of dominance, the issue raised by the Informant does not raise any competition concerns.

22. In view of the above, nothing remains in the present information and the same stands closed forthwith.

23. The Secretary is directed to communicate to the Informant, accordingly.

Sd/-
(Ravneet Kaur)
Chairperson

Sd/-
(Anil Agrawal)
Member

Sd/-
(Sweta Kakkad)
Member

Sd/-
(Deepak Anurag)
Member

New Delhi
Date: 07.07. 2025