



COMPETITION COMMISSION OF INDIA

Case No. 40 of 2025

In Re:

Kshitij Srivastava

Informant

M/s Arthur Flury India Private Limited

Opposite Party

CORAM

Ravneet Kaur
Chairperson

Anil Agrawal
Member

Sweta Kakkad
Member

Deepak Anurag
Member

Order under Section 26(2) of the Competition Act, 2002

1. The Information has been filed by Shri Kshitij Srivastava (**'Informant'**) under Section 19(1)(a) of the Competition Act, 2002 (**'the Act'**) against M/s Arthur Flury India Private Limited (**'Opposite Party'**/ **'OP'**) alleging contravention of Section 4 of the Act in the supply of Short Neutral Section Assemblies (**'SNSA'**).
2. The headquarters of the OP are in Switzerland and it has operations in 40 countries worldwide through its subsidiaries. In India, the OP is established as Arthur Flury India Private Limited with office in Gurgaon at Ground Floor, Plot No 115, Sector 5, IMT Manesar, Gurugram, Haryana 122052 India.
3. The Informant has stated that SNSA constitutes a critical safety component used in Overhead Equipment (**'OHE'**) traction systems of Indian Railways. Owing to its criticality, SNSA has been classified as a Railway Designs and Standards



Organisation ('RDSO')-controlled item, thereby mandating procurement only from RDSO-approved sources.

4. The Informant has stated that historically, M/s Arthur Flury, Switzerland and M/s Galland, France were RDSO approved global suppliers of SNSA. Consequent upon the enforcement of the Government of India's Make in India ('MII') Policy, these entities were treated as "Non-Local Suppliers". As per clarification in reply to FAQ No. 6 of DPIIT OM No. P-45014/19/2021-BE-II (E-54692), dated 02.11.2022, procurement from such Non-Local Suppliers became permissible only through the Global Tender route. The Informant further stated that at the same time, para 3(b) of the DPIIT OM No. P-45021/2/2017-PP (BE-II), dated 16.09.2020 stipulated that global tenders normally cannot be issued for procurement valued below Rs. 200 crore. The Informant has alleged that almost all tenders floated by Zonal Railways are valued below this threshold for issuance of a global tender. Consequently, both these foreign suppliers effectively became ineligible to participate.
5. The Informant has stated that to overcome this situation and to retain its market share, M/s Arthur Flury Switzerland established a wholly owned subsidiary in India, *i.e.*, OP, ostensibly for indigenous manufacture of SNSA. The Informant alleges that instead of genuine localization, this entity imported all nine components and merely undertook assembly within India, thereby defeating the spirit and intent of the MII Policy.
6. The Informant has stated that on 06.05.2023, RDSO granted approval to OP as an indigenous source. The Informant has alleged that upon receiving this approval from RDSO, OP became the sole indigenous approved source eligible to participate in tenders floated by Zonal Railways. The Informant has stated that although technically three sources were approved, the two foreign entities, being Non-Local Suppliers, were ineligible under the MII Policy restrictions. Further, Informant has alleged that as issuance of global tenders for items below Rs. 200 crore was barred, the foreign entities could not participate. Thus, for all practical purposes, the OP enjoyed a monopoly in supply of SNSA to Indian Railways.



7. The Informant has alleged that after attaining this monopoly position, the OP indulged in practices amounting to abuse of dominant position by engaging in profiteering, extortionate pricing and discriminatory practices thereby abusing its dominant position within the meaning of Section 4 of the Act. The Informant provided the following evidence:

(i) **Price escalation after approval:** Prior to obtaining RDSO approval, the OP had consistently quoted Rs 10.25 lakh per unit (without GST) in at least 11 tenders between February, 2022 and March, 2023. However, immediately after approval as the sole eligible source, the firm raised its price to Rs 12.90 lakh (July 2023) (prices without GST) and thereafter quoted consistently higher rates *i.e.*, In a tender with North Frontier Railway, opened on 28.11.2024, OP quoted as much as Rs 13.89 lakh (without GST).

(ii) **Sudden reduction after competition:** The Informant has stated that in December 2024, RDSO approved another indigenous source, thereby ending the OP's monopoly. Immediately thereafter, the OP reduced its quoted rates to Rs 9.65 lakh despite increase in the Swiss Franc ('CHF') -Indian Rupee ('INR') exchange rate. The Informant alleged that the natural expectation would have been a price increase in line with higher import costs. The Informant has further stated that the reduction in prices by OP demonstrates that earlier quotations during monopoly regime were exorbitantly inflated.

(iii) **Adverse exchange rate ignored:** The Informant has alleged that OP quoted lower rates, even when the exchange rate of INR to CHF moved adversely post approval of an indigenous vendor. The Informant has pointed out that OP had quoted a high price of INR 13.89 lakh in Tender No 40240634 issued by railway division Stores/NFR on 28.11.2024. The exchange rate at the said particular time was 1 CHF = 95.72 INR, while OP was the sole approved vendor. However, upon the entry of another indigenous vendor as its competitor, OP quoted INR 9.65 lakh in Tender No KRCOMMRC L-2025-04 by the KRCL railway zone, even when



the exchange rate had risen to 1 CHF = 110.91 INR. The Informant has stated that as all nine components of SNSA are imported as per the approved Bill of Material ('BOM'), the expectation would naturally have been of an increase in price. According to the Informant, the reduction of prices by the OP establishes that the earlier monopoly-era prices were inflated, arbitrary and extortionate.

(iv) Dual pricing: The Informant has also alleged that the OP also adopted discriminatory pricing practices. Against tenders issued directly by Indian Railways, it quoted higher rates in the range of Rs 11.99 lakh to Rs 13.89 lakh (without GST), whereas for the same item supplied to Engineering, Procurement, and Construction ('EPC') contractors of Indian Railways (where MII Policy restrictions were not applicable), it quoted substantially lower rates in the range of Rs 9.50 lakh to Rs 11.50 lakh (without GST). As per the Informant, that dual pricing demonstrates exploitation of OP's monopoly status to the detriment of Indian Railways, even though in both cases, Indian Railways was the ultimate end-user.

8. The Informant in his prayer has sought appropriate punitive action against the OP, including imposing financial penalty and/or banning of business or both.
9. The Commission considered the present matter in its ordinary meeting held on 29.01.2026 and decided to pass an appropriate order in due course.
10. The Commission noted that the Informant has made allegation of violation of Section 4 of the Act by the OP without specifying the specific clause, of which contravention has occurred. The Informant has also not provided any submission with respect to the relevant market as is required for analysis under Section 4 of the Act.
11. The Commission, in the facts of the present case, finds the relevant product market to be the market for SNSA. There is no substitute for this product as it is a critical safety component. The Informant has stated in the Information that:



“Short Neutral Section Assemblies (SNS) constitutes a critical safety component used in overhead equipment (OHE) traction systems of Indian Railways. Owing to its criticality, SNS has been classified as an RDSO controlled item, thereby mandating procurement only from RDSO approved sources.”

12. The Commission notes that the Indian Railways is the major procurer of SNSA, besides railways electrification contractors. The Indian Railways has an all-India presence. In view of the same, the geographic market can be determined as *India*.
13. In view of the aforesaid, the relevant market is taken as the *market for Short Neutral Section Assemblies in India*.
14. The Commission notes that the OP, by virtue of being the only approved indigenous supplier of SNSA became the dominant player in the market for the sale of SNSA in India during the period from 06.03.2023 to 31.12.2024. The Commission noted the Informant`s submission that the procurement from indigenous sources was to be done under MII Policy to the extent of Rs 200 crore. As per the Information relating to Vendor Directory status as on 06.03.2023, there were three approved vendors for supply of SNSA as follows:
 - 1) M/s Arthur Flury India Private Limited-Gurugram
 - 2) M/s Arthur Flury, Switzerland
 - 3) M/s Galland, France
15. Further, there were four other developmental Vendors approved by RDSO on 06.03.2023:
 - 1) M/s Eppletone Engineers Limited Greater Noida
 - 2) M/s Narmada Transmission Pvt Ltd
 - 3) M/s Raychem RPG Private Limited
 - 4) M/s Safe Electronics India Private Ltd, New Delhi



16. The Commission notes that Indian Railways procures its technical products such as SNSA upon the recommendations of RDSO. The functions of RDSO as extracted from its Annual Report 2024-25 are as follows:

“Research Designs and Standards Organisation under Ministry of Railways is the sole R&D organisation of Indian Railways and functions as the technical advisor to Railway Board, Zonal Railways and Production Units. technology for use on Indian Railways. RDSO's major functions involve:

- *Development of new and improved designs of equipment and systems.*
- *Setting standards for adoption on Indian Railways.*
- *Development of specifications for materials and products needed for Indian Railways*
- *Technical investigation, statutory clearances, testing and providing consultancy services*
- *Inspection of critical and safety items of Rolling Stock (including Metro Stock), Locomotives,*
- *Signaling & Telecommunication equipment and Track components.*
- *Vendor development for safety and critical items controlled by RDSO.”*

17. The Commission notes that the specifications for the relevant product have been determined by RDSO, which have been followed by Indian Railways. The Commission notes that the OP being a supplier is not in a position to guide the procurer to design specifications that will influence the procurer to purchase from OP alone. The Commission has upheld the freedom of the procurer in procurement in several matters such as *Shri Kailash Chander Sharma and Coal India Ltd. and Others* (Case No. 40 of 2016), *Suntec Energy Systems and National Dairy Development Board* (Case No. 69 of 2016), *Mr. Dushyant and National Accreditation Board for Testing and Calibration Laboratories* (Case No. 48 of 2021); *XYZ Vs PCMM Integral Coach Factory* (Case No. 18 of 2023) amongst others.

18. The Commission also notes in the facts of the present case, that the entry of other competitors is not being prevented by OP. The Informant has stated that RDSO has classified four developmental vendors, who can potentially be approved vendors *i.e.*, M/s Eppletone Engineers Limited Greater Noida, M/s Narmada Transmission Pvt Ltd, M/s Raychem RPG Private Limited, M/s Safe Electronics India Private Ltd, New



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Delhi. M/s Atlantic Tradeengineers LLP Lucknow, was approved as an approved vendor on 13.12.2024.

19. The Commission notes that the Informant has also made allegations of discriminatory price policy by OP, wherein the OP had maintained a discriminatory price policy as it quoted higher rates for tenders issued by Indian Railways while its prices for supply to EPC contractors were lower in the range of Rs 9.50 lakh to Rs 11.50 Lakh (without GST). It is seen from the Information that the lowest amount charged by the OP was Rs 9.40 lakh- for 3 (three) number of SNSA supply to Tata Projects Limited in August, 2024. The highest amount that was charged by the OP was Rs 13.45 lakh 1(One) number of SNSA provided to Indus Projects Private Limited in September, 2024. The allegations of the Informant are *prima facie* without merit as the Indian Railway may have been restricted to RDSO guidelines for procurement and MII Policy requirements, however the EPC contractors being private contractors could not be said to be restricted by such guidelines and were free to procure from the market where they could have got themselves a better price. However, there is wide variation in the rates charged from private vendors in August/September, 2024.
20. The Commission further notes that the OP's lowest rate charged for SNSA to EPC contractors was Rs 9.40 lakh as compared to Rs 10.25 lakh to the Indian Railways which in percentage terms is 9.4%. Further, if the highest rate charged to Indian Railways of Rs13.89 Lakh is compared to the highest rate charged to the EPC contractors of Rs 13.45 lakh, the percentage difference is a mere 3.21%. The percentage variation between the lowest and the highest rates quoted by OP depending on the quantity required, in case of Indian Railways which is 9.4% is not much different (rather less) compared to the rates quoted to EPC contractors, which is 3.21%. Moreover, the percentage difference is not substantial in the facts of the present case, therefore Informant's allegation of discriminatory pricing is without merit.
21. The Commission has also considered the information related to the price of SNSA quoted by the OP, during the period prior to the alleged abuse of dominance (AoD), during the alleged period of AoD and post the period of alleged AoD for procurement by various zones of Indian Railways:



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SNo	Railway Zone	Qty (In Sets)	Tender No	Tender Opening Date	Basic Rates	Conversion of 1 CHF to INR
PRIOR TO ALLEGED ABUSE OF DOMINANCE (AoD) PHASE						
1.	NR HQ	6	01225018	02.09.2022	10,25,000.00	81.2368
2.	NWR JAIPUR DEP DIV	1	51225821	26.09.2022	10,25,000.00	82.69
3.	SECR HQ	12	04225025	07.10.2022	10,25,000.00	82.26
4.	ER HQ		16221013	19.10.2022	10,25,000.00	82.73
5.	STORES/ECOR	17	04225074	14.11.2022	10,25,000.00	85.27
6.	STORES/WEST CENTRAL RLY	8	40225056	15.11.2022	10,25,000.00	85.85
7.	PGT DIV/SOUTHERN RLY	6	91225800	16.11.2022	10,25,000.00	85.99
8.	RAJKOT/WESTERN RLY	2	87225383	30.11.2022	10,25,000.00	85.51
9.	CKP DIV/SOUTH EASTERN RLY	2	IF225392	05.12.2022	10,25,000.00	86.95
10.	STORES/EASTERN RLY	9	16195005	19.01.2023	10,25,000.00	88.92
ALLEGED AoD PHASE						
11.	CR/CON DIV	3	03235039	25.04.2023	10,25,000.00	94.751
12.	SECR, HQ	3	04235004A	18.05.2023	10,25,000.00	91.75
13.	ER, HQ	20	16225010	21.06.2023	10,25,000.00	91.33
14.	SER, Adra Div,	2	IE235519	20.07.2023	12,90,000.00	95.64
15.	Stores/ECR	13	14235030	14.08.2023	12,90,000.00	94.25
16.	GTL/DIV/SCR	2	LV235309	21.08.2023	12,90,000.00	92.63
17.	ECOR. HQ	6	4235087	18.09.2023	12,90,000.00	91.14
18.	WR HQ	2	6235069	26.09.2023	12,90,000.00	91.14
19.	CAO-C-CR-STORES/CR	20	3235173	23.11.2023	12,90,000.00	94.23
20.	FZR/DIV/NR	1	94235902	07.12.2023	12,90,000.00	95.27
21.	DIV DEPOT/NWR	2	51236626	27.12.2023	12,90,000.00	97.43
22.	BHOPAL/WCR	2	98236244	27.12.2023	12,90,000.00	97.43
23.	STORES/N F RLWYY	6	40230634B	05.01.2024	12,90,000.00	95.26
24.	SAMASTIPUR/ECR	1	72235465	17.01.2024	12,90,000.00	96.44
25.	KRCL/HQ	25	KRCLMM RCE L2024-09-1	05.11.2024	11,99,700.00	97.3833
26.	STORES/NFR	4	40240634	28.11.2024	13,89,000.00	95.720
POST AoD PHASE						
27.	NER BSB DIVISION	2	50245943	23.12.2024	11,96,000.00	95.01
28.	SCR HEADQUARTER	3	462445013 C	02.01.2025	10,50,000.00	94.31
29.	WCR HEAQUARTER	6	402445042	10.01.2025	11,90,000.00	94.20
30.	NR LUCKNOW DIV	2	96255145	05.02.2025	11,76,000.00	96.2
31.	ECR HQ	15	14235072A	24.02.2025	10,48,600.00	96.5
32.	SWR BENGALURU DIV	2	L82555588	30.04.2025	11,00,000.00	103.5
33.	SCR GUNTUR DIV	1	LW255137	12.05.2025	13,89,000.00	102.4



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34.	SECR NAGPUR DIV	4	95255626	11.06.2025	10,35,000.00	104.11
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22. The Commission observed that a total number of sixteen tenders were placed by various railway zonal offices during the alleged AoD phase. The trend observed indicates that the rates were constant for the first three tenders during this phase, despite the steady rise in the value of the Swiss currency rate as compared to the Indian currency. The big percentage jump is noticed when the rate for SNAS climbed to Rs 12.90 lakh from Rs 10.25 lakh. This increase in the SNAS price is in the same trend as the Swiss currency exchange rate where it increased by nearly six rupees as compared to pre-AoD period. However, thereafter the OP maintained the same rate for the next eleven tenders despite rise in the value of Swiss currency. The OP also appears to have reduced the rates to Rs 11.99 lakh when the quantity ordered was twenty-five sets of SNAS. The highest rate charged by the OP during the alleged AoD period is Rs 13.89 lakh for four sets of SNAS. The Commission also notes that in a market, generally when the quantity ordered is more, the rates offered are less as compared to when less quantity is purchased/demanded.
23. The Commission further notes that the various tenders as are seen in the above table were floated by various Zones of Indian Railways such as Northern Railway, South East Central Railway, Eastern Railway, West Central Railway etc. for which a vendor may also need to factor in transport charges and other ancillary logistical costs. The Commission also takes into account that India has a large 70-thousand route-kilometre broad-gauge network powered by electricity. In the backdrop of the above discussion, *prima facie* there does not appear to be any abuse of dominance by the OP and the rates offered by the OP to various zonal railways of Indian Railways can be attributable to multiple factors such as inflation, transport costs, currency fluctuations, quantity ordered etc.
24. The Commission also notes that the prices quoted by OP have fallen after the entry of M/s Atlantic Tradeengineers LLP Lucknow in the relevant market, which demonstrates that competition in the market is leading to better outcome for the buyers. This can be seen as a positive outcome of competition due to entry of a new player in the market.



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25. In view of the Information provided and the analysis carried out in preceding paragraphs, the Commission is of the opinion that no *prima facie* case of contravention of Section 4 of the Act is made out against the OP. Accordingly, the Information is directed to be closed forthwith under Section 26(2) of the Act.
26. The Secretary is directed to send a copy of the order to the Informant, accordingly.

Sd/-
(Ravneet Kaur)
Chairperson

Sd/-
(Anil Agrawal)
Member

Sd/-
(Sweta Kakkad)
Member

Sd/-
(Deepak Anurag)
Member

Place: New Delhi
Date: 07.04.2026