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CCI issues order against three suppliers for rigging bids in tender floated by Pune Zilla Parishad for procurement of Picofall-cum-Sewing Machine

The Competition Commission of India (CCI) has found an agreement between three suppliers, to rig the bids in respect of a tender floated by Pune Zilla Parishad for procurement of Picofall-cum-Sewing Machine, in contravention of the provisions of Section 3(1) read with Section 3(3)(d) of the Competition Act, 2002, which prohibits anti-competitive agreements.

The Commission has concluded that quoting of bid prices which were very close to each other with difference of just a few rupees by the bidders for the Impugned Tender was not a mere coincidence but a result of consensus/ understanding amongst the bidders. The Commission also noted that a holistic assessment of bid prices of the bidders coupled with other plus factors viz. single IP address, coordination in other tenders, call data record, mobile location, etc. is conclusive of an agreement amongst the bidders to fix price, resulting in rigging the bids in the Impugned Tender of Pune Zilla Parishad. The Commission also opined that such conduct in public procurements, besides defeating the tendering process, has an adverse impact on the exchequer. Accordingly, the Commission imposed a monetary penalty of Rs. 10 lakh each on the suppliers viz. M/s Klassy Computers, M/s Nayan Agencies and M/s Jawahar Brothers, for the anti-competitive conduct. Further, a penalty of Rs. Ten Thousand each was imposed upon each of the individuals of M/s Jawahar Brothers in terms of Section 48 of the Act. The other two bidders are sole proprietorship concerns and thus, no separate penalty is being imposed upon their respective proprietors. Besides, a cease and desist order was also issued against these suppliers.

The Order was passed on 17.03.2021 in Case No. 90 of 2016 and a copy thereof has been uploaded on the website of the CCI at www.cci.gov.in.