

If the Competition Commission differs from the findings of the Director General on any issue adverse to the opposite party, it must give notice indicating such disagreement and afford an effective opportunity of hearing/rebuttal before recording an adverse finding or issuing directions based on that departure

The New Delhi Principal Bench of the National Company Law Appellate Tribunal (NCLAT) in the case of **Grasim Industries vs CCI [Competition Appeal (AT) No. 13 of 2020]** dated May 05, 2026, has held that where the Competition Commission differs from the findings of the Director General on any issue adverse to the opposite party, it must give notice indicating such disagreement and afford an effective opportunity of hearing/rebuttal before recording an adverse finding or issuing directions based on that departure. Failure to do so violates the principles of natural justice, particularly the rule of audi alteram partem.

The Tribunal stated that if the Commission proposes to differ from the DG's findings, it must spell out the reasons for disagreement and give the affected party an opportunity to respond. It further observed that the newly inserted proviso to Section 26(9), effective from Sep 19, 2024, requiring issuance of a show cause notice and reasonable opportunity of hearing, merely affirms what had already been laid down in the COMPAT decisions.

Accordingly, the NCLAT set aside the impugned CCI order and remanded the matter back to CCI with a direction to provide Grasim an opportunity wherever CCI differs from the DG's findings, and then decide the case expeditiously. The Tribunal clarified that it had not commented on the merits.

The Tribunal expressly limited itself to the question whether the CCI had decided anything contrary to the DG's report without giving an opportunity of rebuttal, and did not examine the merits of the abuse of dominance findings.

The Tribunal held that CCI's direction requiring Grasim to make its discount policy transparent and publicly accessible was contrary to the DG's finding that non-disclosure of the pricing/discounting policy was not, in itself, a contravention.

The Tribunal also held that CCI's direction that buyers of Viscose Staple Fibre (VSF) should be free to use it for spinning or trading or any other lawful purpose was in variance with the DG's finding that Grasim had no obligation to keep traders in business and that refusal to sell to traders did not appear to fall within Section 4.

Thus, the NCLAT rejected the respondents' submission that the word "buyer" in para 124 should be read only as "spinners"; it held that no such limiting definition appeared in the direction, and in common parlance a buyer allowed to trade can be understood as a trader.