



CCCPL CASE LENS

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SHADES OF POWER: ASIAN PAINTS FACES CCI PROBE

THE COMPLAINT: GRASIM'S ANTI-COMPETITIVE CHARGE AGAINST ASIAN PAINTS

1. Grasim Industries filed a complaint against Asian Paints, accusing it of tilting the playing field in its favour by abusing its dominant position in the market in violation of Section 4 of the Competition Act, 2002. Grasim alleged that Asian Paints, with a market share of more than 50% as of FY 2024, is employing exclusionary practices to deny market access to it.

2. Allegations by Grasim: Asian Paints threatened to cut dealer credit, delayed supplies if they stocked Birla Paints, and gave rewards for loyalty



3. Asian Paint's Stance: The market is open as evident from Grasim's quick growth, and its loyalty schemes are just competition, not foreclosure.

“MERA VAALA CREAM”: THE CENTRALITY OF TINTING MACHINES IN THE PAINTS INDUSTRY

4. Tinting machines sit at the heart of this industry. Their introduction transformed the dynamics of the paint industry. With computer-aided mixing and matching of colours to produce thousands of shades in minutes, consumers could exercise their choice more freely and easily. Asian Paints capitalized on this golden goose and adopted these machines, bringing more customers than ever, and naturally benefiting dealers by cutting inventory costs.

5. The “Mera Vaala Cream” ad showed families picking shades that felt personal, each claiming their own “mera vaala” colour. By linking this emotional choice to its tinting machines, Asian Paints drastically boosted its popularity and made consumer choice central to its brand.

6. Grasim has a new tinting machine with 40% less footprint and is designed to be more efficient for paint dealers. It alleges that its access to tinting machines has been



curtailed after Asian Paints pressured dealers to stop using them by offering extra incentives. For Grasim, no access to tinting machines means it cannot offer consumers the same instant shade choice or give dealers the efficiency that drives sales. In a market where these machines define both supply and demand, such an exclusion could mean that Grasim could ultimately face the prospect of having no viable business in this industry as a new entrant.

EXPECTED OUTCOMES: ENHANCED COMPETITION IN THE PAINTS INDUSTRY?



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7. In its July 1, 2025, order, the CCI found a prima facie case of unfair exclusion and directed the DG to conduct an investigation under Section 26(1). The outcome will depend on whether dealers changed their behaviour towards Grasim and if it truly had limited access to key materials like tinting machines.
8. If Asian Paints is held liable, it could face fines and be required to change dealer schemes. The introduction of the new tinting machines by Grasim may enhance competition by giving dealers more efficient technology and promising a reduced footprint, loosening the grip of Asian Paints on the market.