



Competition Commission of India

Competition Commission of India (CCI) is a **statutory body** of the **Government of India** responsible for enforcing **the Competition Act, 2002**, it was duly constituted in March 2009.

- The **Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act)** was repealed and replaced by the **Competition Act, 2002**, on the recommendations of **Raghavan committee**.
- Competition Commission of India aims to establish a robust competitive environment.
 - **Through proactive engagement** with all stakeholders, including consumers, industry, government and international jurisdictions.
 - By being a knowledge intensive organization with high competence level.
 - Through professionalism, transparency, resolve and wisdom in enforcement.

Competition Act, 2002

- The Competition Act was passed in 2002 and has been amended by the **Competition (Amendment) Act, 2007**. It follows the philosophy of modern competition laws.
 - The Act **prohibits anti-competitive agreements**, abuse of dominant position by enterprises and regulates combinations (acquisition, acquiring of control and M&A), which causes or likely to cause an appreciable adverse effect on competition within India.
 - In accordance with the provisions of the Amendment Act, **the Competition Commission of India** and the **Competition Appellate Tribunal** have been established.
 - Government replaced Competition Appellate Tribunal (COMPAT) with the **National Company Law Appellate Tribunal (NCLAT)** in 2017.

Composition of CCI

- The Commission consists of one Chairperson and six Members as per the Competition Act who shall be appointed by the Central Government.
- The commission is a **quasi-judicial body** which gives opinions to statutory authorities and also deals with other cases. The Chairperson and other Members shall be whole-time Members.
- **Eligibility of members:** The Chairperson and every other Member shall be a person of ability, integrity and standing and who, has been, or is qualified to be a judge of a High Court, or, has special knowledge of, and professional experience of not less than fifteen years in international trade, economics, business, commerce, law, finance, accountancy, management, industry, public affairs, administration or in any other matter which, in the opinion of the Central Government, may be useful to the Commission.

Functions and Role of CCI

- **To eliminate practices having adverse effect on competition**, promote and sustain competition, protect the interests of consumers and ensure freedom of trade in the markets of India.
- **To give opinion on competition issues** on a reference received from a statutory authority established under any law and to undertake competition advocacy, create public awareness and impart training on competition issues.
- The Competition Commission of India takes the following measures to achieve its **objectives**:
 - **Consumer welfare:** To make the markets work for the benefit and welfare of consumers.

- **Ensure fair and healthy competition in economic activities** in the country for faster and inclusive growth and development of the economy.
- **Implement competition policies** with an aim to effectuate the most efficient utilization of economic resources.
- Develop and nurture effective relations and interactions with sectoral regulators to **ensure smooth alignment of sectoral regulatory laws in tandem with the competition law**.
- **Effectively carry out competition advocacy** and spread the information on benefits of competition among all stakeholders to establish and nurture competition culture in Indian economy.
- The Competition Commission is India's competition regulator, and an **antitrust watchdog** for smaller organizations that are unable to defend themselves against large corporations.
- CCI **has the authority to notify organizations** that sell to India if it feels they may be negatively influencing competition in India's domestic market.
- The Competition Act guarantees that no enterprise abuses their '**dominant position**' in a market through the control of supply, manipulating purchase prices, or adopting practices that deny market access to other competing firms.
- A foreign company seeking entry into India through an **acquisition or merger** will have to abide by the country's competition laws.
 - Assets and turnover above a certain monetary value will bring the group under the purview of the Competition Commission of India (CCI).

Judgements of CCI

- CCI imposed a fine of ₹63.07 billion (US\$910 million) on 11 cement companies for **cartelisation** in June 2012. It claimed that **cement companies** met regularly to fix prices, control market share and hold back supply which earned them illegal profits.
- CCI imposed a penalty of ₹522 million (US\$7.6 million) on the **Board of Control for Cricket in India (BCCI)** in 2013, for misusing its **dominant position**.
 - The CCI found that IPL team ownership agreements were unfair and discriminatory and that the terms of the IPL franchise agreements were loaded in favor of BCCI and franchises had no say in the terms of the contract.
- CCI imposed a fine of ₹10 million upon **Google** in 2014 for failure to comply with the directions given by the Director General (DG) seeking information and documents.
- CCI imposed a fine of ₹258 crores upon Three **Airlines** in 2015.
 - Competition Commission of India (CCI) had penalized the three airlines for **cartelisation** in determining the **fuel surcharge** on air cargo.
- CCI ordered a probe into the functioning of **Cellular Operators Association of India (COAI)** following a complaint filed by **Reliance Jio** against the **cartelization** by its rivals Bharti Airtel, Vodafone India and Idea cellular.
- The commission ordered an **antitrust probe** against **Google** for abusing its dominant position with Android to block market rivals. This probe was ordered on the basis of the analysis of a similar case in the EU where Google was found guilty and fined.
- CCI issued letters to handset makers in 2019, seeking details of terms and conditions of their agreement with Google.
 - This is to ascertain if Google imposed any restrictions on them for using the company's apps in the past 8 years from 2011.

Need of CCI

- **Promote free enterprise:** Competition laws have been described as the Magna Carta of free enterprise. Competition is important for the preservation of economic freedom and our free enterprise system.
- **Protect against market distortions:** The need for competition law arises because market can suffer from failures and distortions, and various players can resort to anti-competitive activities such as cartels, abuse of dominance etc. which adversely impact economic efficiency and consumer welfare.
 - Thus, there is a need for competition law to provide a regulative force which establishes effective control over economic activities.

- **Promotes domestic industries:** During the era in which the economies are moving from closed economies to open economies, an effective competition commission is essential to ensure the continued viability of domestic industries, carefully balanced with attaining the benefits of foreign investment increased competition.

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