



VOLUME 1

APRIL – JUNE 2012

Fair *Play*



THE QUARTERLY NEWSLETTER OF
COMPETITION COMMISSION OF INDIA

Inside

Message from Chairperson : Page 1

Updates : Page 2

Figures Speak : Page 3

CCI Orders : Page 4

Combination Filings : Page 6

Advocacy Initiatives : Page 7

Market Studies : Page 8

Regulations Update : Page 8

Events : Page 9

Engaging with the World : Page 10

Competition Musings : Page 11

About CCI : Page 12



Cartelization

doesn't pay!

Cement companies penalized - Page 4

EDITOR
Seema Gaur

ASSISTANT EDITOR
Sanjay Pandey

DESIGN
Kanupriya



Competition
Commission of
India



Promoting and Sustaining Competition in Markets

From the desk of the Chairperson



Welcome to the first issue of **FAIR PLAY**, the quarterly newsletter of the Competition Commission of India (CCI). The title captures the essence of the philosophy of competition and the ultimate goal of the Commission.

Free and fair competition is one of the pillars of an efficient market economy. Therefore, competition has become a driving force in the global economy. In India, CCI was set up in March 2009 under the Competition Act, 2002. Sections 3 and 4 of the Competition Act, relating to anti-competitive agreements and abuse of dominance, were notified in May 2009, while sections 5 and 6 relating to mergers and acquisitions, were notified from June 1, 2011. The Indian competition law has thus fully come into force. The overarching aim of the Commission is

“The Competition Act covers all commercial activities of Government-related bodies except sovereign functions of the Govt.”

to promote and sustain competition in markets for the benefit of consumers.

During the last three years, the Commission's focus has been on setting up knowledge based organizational structure. We have in the process built up a multidisciplinary team of dedicated professionals. Enforcement action has been undertaken against anti-competitive agreements including cartels/collusive bidding and abuse of dominant position. We have introduced mandatory merger review after detailed consultations with various stakeholders. The merger review has completed one successful year during which all filings have been cleared within a self-imposed time limit of 30 days against 210 days provided in the Act.

The Competition law is the only law in India, which mandates advocacy to create awareness about competition. Accordingly, we are undertaking widespread advocacy amongst the stakeholders to inculcate a culture of competition in the economy.

The Competition Act also covers all commercial activities of Government-related bodies and thus follows the

principle of competitive neutrality. Further, it is recognized that not only anti-competitive business practices by private players but also public policy interventions may result in distorting the competition in the markets. Therefore, apart from enforcing the law against private as well as public players equally, we are focusing on advocacy with the Central and State Governments to underscore the need of competition law compliance and remove competition distortions in the markets due to government policies, laws and regulations.

The Competition Act and the culture of competition are slowly but definitely finding their feet in India. We look forward to support from all concerned for effective implementation of the law in the country.

We will endeavour to bring to you every quarter the latest news, important orders and noteworthy developments in CCI.

Ashok Chawla

Updates

CCI completes one successful year of Combinations Regulation (Merger Review)

One of the Commission's most significant priorities has been to build an efficient merger control regime. Initially, there were apprehensions in the business and legal communities regarding timelines, confidentiality of sensitive business data and capacity to carry out merger review. This led to a delay in issuance of notifying provisions relating to mergers. After an extensive consultation process with various stakeholders, regulations regarding combinations were notified and merger review came into effect from June 1, 2011.

In order to minimize burden on the industry, CCI has identified categories of transactions not likely to have adverse effect on competition. Accordingly, for these categories, the parties need not make any filing. The Commission has also provided certainty on the applicability of the law through relevant provisions in regulations. These provisions provide that only combination proposals approved by their respective boards, or for which binding documents were executed, on or after June 1, 2011, are required to make a filing to the Commission.

The Competition Act provides a time period of 210 days to CCI to take a decision on a merger filing. However, understanding that time is of essence in merger transactions, CCI has imposed on its own a time limit of 180 days on a best endeavour basis. Further, combinations regulations require the Commission to form a *prima facie* opinion within 30 days as to whether the combination is likely to cause an appreciable adverse effect on competition. In pursuance of this provision, most filings are likely to be approved in this shorter timeframe. Only few filings with serious competition concerns are likely to go beyond this period to the second stage of investigation. These will be automatically cleared at the end of 210 days if no order is passed. In accordance with international best practices, the Commission has started offering informal pre-filing consultations on procedural issues. This facility has attracted considerable interest and CCI receives many requests for such consultations.

The merger review process by the Commission completed one year on

May 31, 2012. During this period, the Commission received sixty one notices. All the notices have been cleared within the self-imposed limit of thirty days. Till date, the Commission has not issued notice in any case calling for prolonged scrutiny. The quick clearance by the Commission through a detailed but transparent process has allayed the fears of business and industry at the time of introduction of merger review in the country.

During June 2011-May 2012, the Commission received 61 notices all of which were cleared within the self-imposed limit of thirty days



CCI becomes Co-Chair of ICN Merger Working Group along with DG Competition, European Commission and Italian Competition Authority

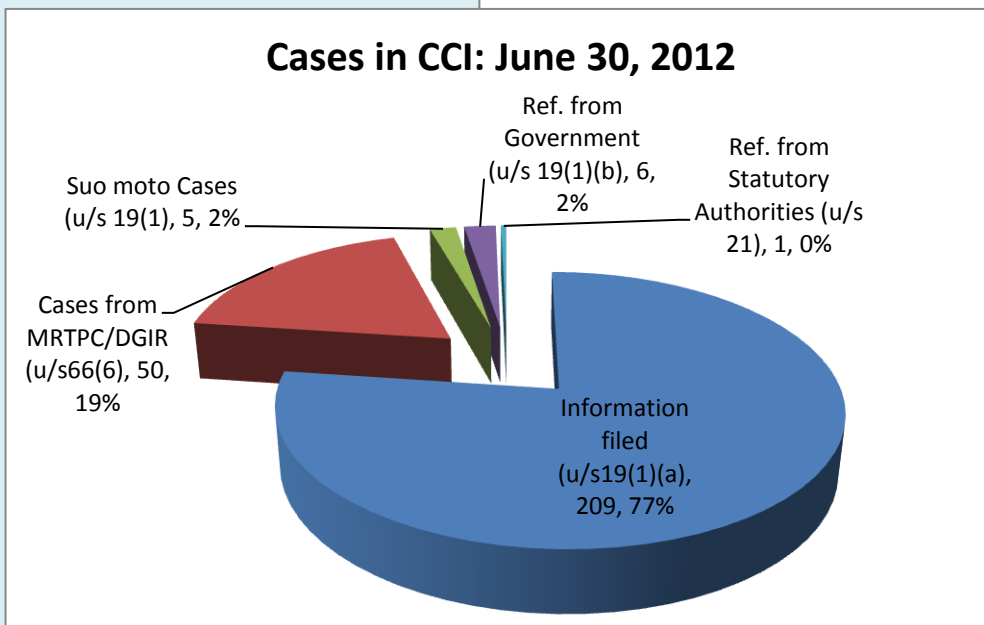
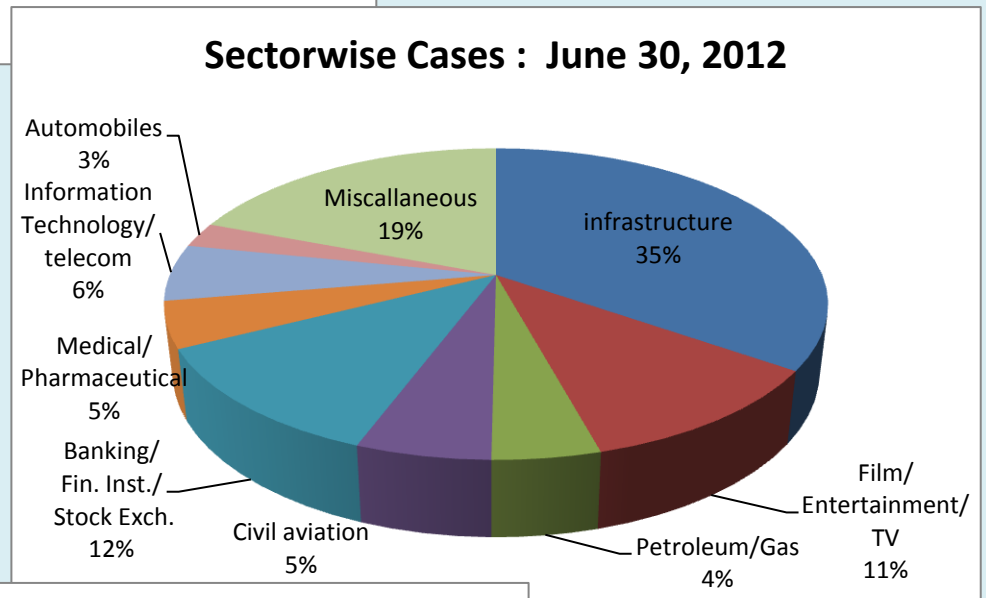
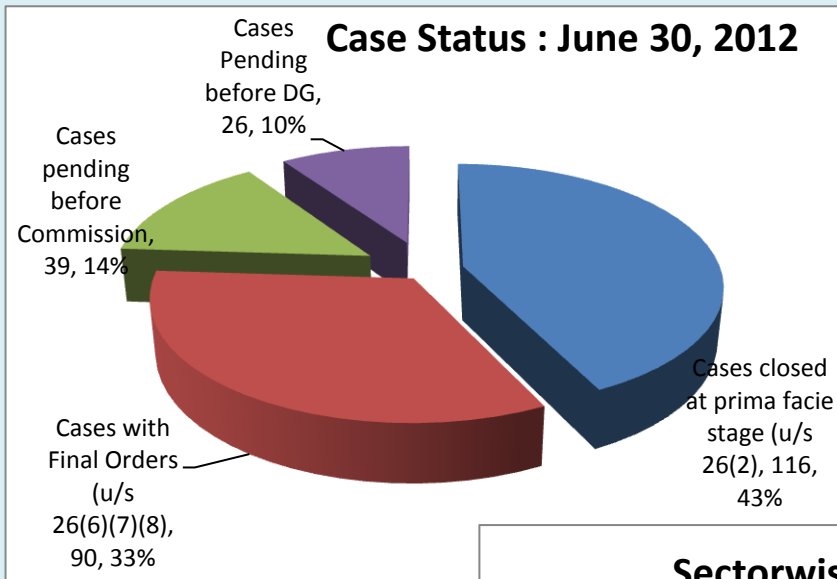
CCI was invited to become co-chair of ICN Merger Working Group during the Annual conference of ICN in Rio de Janeiro in April this year. DG Competition, European Commission and Italian Competition Authority are the other two co-chairs. This is recognition of CCI's successful introduction of the merger review in the face of serious apprehensions from stakeholders. CCI would now be actively involved in the development of work plan and output of the Working Group.



Competition Wisdom

*Competition is must....
.... for markets to be just.*

Figures Speak*



* Figures include Section 3 & 4 Cases.

Orders by CCI



The Commission has found cement manufacturers in violation of the provisions of the Competition Act, 2002 which deals with anti-competitive agreements including cartels. The order was passed pursuant to investigation carried out by the Director General (DG) upon information filed by Builders Association of India. The Commission has imposed penalty on eleven cement manufacturers named in the information at the rate of 0.5 times of their profit for the year 2009-10 and 2010-11. The penalty so worked out amounts to more than six thousand crores. The Commission has also imposed penalty on the Cement Manufacturers Association.

The cement manufacturers upon whom the penalty has been imposed are ACC, Ambuja Cements Limited, Ultratech Cements, Grasim Cements now merged with Ultratech Cements, JK Cements, India Cements, Madras Cements, Century Cements, Binani

Cements, Lafarge India and Jaypee Cements.

While imposing penalty, the Commission has considered the parallel and coordinated behaviour of cement companies on price, dispatch and supplies in the market. The Commission has found that the cement companies have not utilized the available capacity so as to reduce supplies and raise prices in times of higher demand. The Commission has also observed that the act of these cement companies in limiting and controlling supplies in the market and determining prices through an anti-competitive agreement is not only detrimental to the cause of the consumers but also to the whole economy since cement is a crucial input in construction and infrastructure industry vital for economic development of the country.

The contravening cement

manufacturers have been directed to deposit the penalty amount within 90 days. They have also been directed to 'cease and desist' from indulging in any activity relating to agreement, understanding or arrangement on prices, production and supply of cement in the market.

Cement Manufacturers Association has been asked to disengage and disassociate itself from collecting wholesale and retail prices through the member cement companies and also from circulating the details on production and dispatches of cement companies to its members.

Penalty of more than Rs. 6000 crore imposed on 11 cement manufacturers for cartelization



Competition Wisdom

The profit motive drives innovation and productivity but business should be aware of boundaries and rules within which to operate.

Orders by CCI

Commission takes suo-moto cognizance of bid-rigging by manufactures of LPG cylinders



In 2011, the Commission took *suo moto* cognizance of the reported manipulation of the bids by manufactures of LPG cylinders for supplying 105 lakh, 14.2 kg capacity LPG cylinders with SC valves to Indian Oil Corporation Ltd (IOCL) during 2011-12. Based

on the analysis of collected evidence, the DG concluded that the LPG cylinder manufacturers had procured order for supply of LPG cylinders by quoting identical rates in group. This was done through an understanding and collusive action in violation of

Section 3(3) (d) of the Act. This had deprived the IOCL from getting competitive prices and resulted into raising its cost of procurement.

The Commission, after considering the DG report and hearing the parties concerned, held that the bidders had contravened the provisions of Section 3(3) of the Competition Act, 2002. A penalty at the rate of seven per cent of the average turnover of the contravening entities aggregating to Rs. 165.59 crores was imposed by the Commission. The Commission further directed all the contravening parties to cease and desist from indulging in anti-competitive conduct which resulted in bid rigging. The matter is presently in appeal before the Hon'ble Competition Appellate Tribunal.

DLF fined for abuse of dominance

DLF, a major real estate player in India has been fined by CCI for its anti-competitive conduct. DLF apartment owners associations such as the Belaire and the Park Place Owners Associations, Gurgaon filed information with the Commission against DLF Ltd. in the year 2010. It was alleged that by imposing arbitrary, unfair and unreasonable conditions on the apartment allottees in the Belaire and Park Place situated in DLF city, Phase - V Gurgaon, DLF had abused its dominant position.

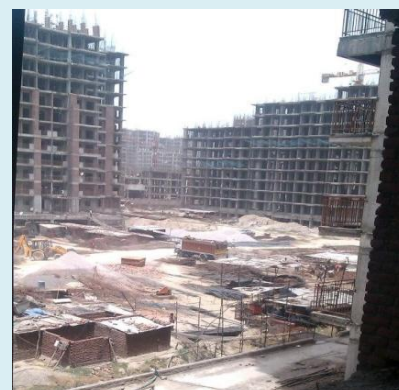
CCI found that DLF was a dominant player in the relevant market of "High End Residential Units". These units are developed and sold to the prospective buyers through provision of service in Gurgaon. The Commission also found that not only the market share, size and resources, and economic power of DLF but also its practices have given DLF a superlative market power over its

competitors. This has helped it in affecting consumers in its favour and act without being restrained or constrained by the competitors. This has further led to exploitation of consumers' biases, asymmetry of information, costly exit option, one sided agreement and unfair conditions imposed on the consumers. This has adversely affected the consumer as well competition at the market place.

The Commission found DLF in contravention of the provisions of Section 4(2) (a) (i) of the Competition Act, 2002 and directed DLF to

- cease and desist from formulating and imposing unfair conditions in its agreements with buyers.
- modify unfair conditions imposed on the buyers.

The Commission also imposed penalty at the rate of seven per cent



of the average turnover for the three preceding financial years aggregating to Rs. 630 crores on DLF.

The Commission also recommended that Central Government and State Governments should come out with real estate regulations for ensuring overall consumer welfare and to discourage unfair trade practices prevalent in the sector.

DLF Ltd. has appealed against CCI order before the Hon'ble Competition Appellate Tribunal.

Combination Filings

File mandatory notice prior to entering into combination

Tetra Laval BV filed a notice under Section 6(2) of the Competition Act, 2002 regarding its acquisition of shares in Alfa Laval AB through a series of share purchases on the Stockholm Stock Exchange during August - December, 2011. The acquisition increased its shareholding in Alfa Laval AB

from 18.8 per cent to 26.1 per cent.

The Commission observed that the notice was given to the Commission not only belatedly but also after the combination had already taken effect i.e. after the acquisition of shares of Alfa Laval AB by Tetra Laval BV. The

Commission approved the said combination. However, it was emphasized strongly that under the Act, notice should be mandatorily given prior to entering into a combination.

Combination of Saint-Gobain and Shri Ram Electro Cast Limited (SREL) allowed



Saint-Gobain Produits pour la Construction SAS (SGPC) and Shri Ram Electro Cast Limited (SREL), a subsidiary of Electrotherm India Limited (EIL) filed a notice with

CCI. This was done pursuant to a Share Sale and Purchase and Share Subscription Agreement (SPSA) executed on December 14, 2011. Under the Agreement, SGPC would acquire ninety five per cent of the equity share capital of SREL from EIL and five per cent of the equity share capital of SREL from Shree Hans Paper Limited. The ductile iron pipe manufacturing business of EIL was to be transferred into SREL before SGPC acquired shares of SREL.

The Commission approved the proposed combination under Section 31(1) of the Act. However, as regards the jurisdiction in the

instant case, the Commission laid down the principle of the attributability of assets to regulate combinations involving composite nature of transactions. The Commission held that the proposed combination was part of a composite transaction. This included transfer of EIL's ductile iron pipe manufacturing business into SREL before SGPC acquired shares of SREL in terms of the SPSA. Therefore, for the purpose of Section 5 of the Act, the value of assets and turnover of EIL would also be attributed to the value of assets and turnover of SREL.

Acquisition of control over Network18 Group companies by Reliance Industries cleared

A notice was filed by Independent Media Trust relating to a series of inter-connected and inter-dependent acquisitions intended to acquire control over Network18 Group companies by Reliance Industries Limited.

The Commission observed that the subscription to Zero Coupon Optionally Convertible Debentures (ZOCDs) (which could be converted into equity shares of the target enterprises, at any time before the expiry of ten years from the date of acquisition) confers the acquirer with the ability to exercise

decisive influence over the management and affairs of each of the target enterprises. This amounts to control for the purposes of the Act. It was also held that since the acquisition of ZOCDs entitled the holder to receive equity shares of the target enterprises, the ZOCDs are shares within the meaning of Section 2 (i) (v) of the Act. The subscription to ZOCDs amounts to acquisition of shares of the target enterprises. CCI held that subscription to optionally convertible debentures enabling the acquirer to exercise decisive influence over the management and

affairs of a company would amount to acquisition of control.

The Commission assessed the effect of the combination on the businesses for supply of television channels, event management services and broadband internet services using 4G technologies and content accessible through such services. It was concluded that the combination was not likely to give rise to any appreciable adverse effect on competition and was cleared.

Advocacy Initiatives

Competition advocacy is one of the main pillars of modern competition law, which aims to create, expand and strengthen awareness of benefits of competitive markets in the economy. Such a mandate is a unique provision of the Competition Act, 2002 as no other law has such a provision in India. In pursuance of this mandate, the Commission lays adequate emphasis on the non-enforcement measures and has entrusted a dedicated Division to undertake advocacy activities with the stakeholders to inculcate competition culture in the economy. Over the last three years, more than fifty advocacy events have been organized for consumer groups, industry, students and legal practitioners.



Competition Wisdom

Competition protects consumers, prevents market distortions and promotes efficiency and economic growth.



Roundtable with nodal officers of Central Government Ministries / Departments on June 21, 2012

- Two workshops on “Public Procurement & Competition Law” were organized jointly with Standing Conference of Public Enterprises (SCOPE), on March 16, 2012 and April 26, 2012 in Delhi and Bangalore respectively. These were attended by more than 100 senior/middle level operating officers from various central public enterprises.
- Roundtable with nodal officers of central government ministries / departments was organized on June 21, 2012 in Delhi. This was inaugurated by the Chairperson, CCI and was attended by key policy makers of the central government.
- In addition, a wide spectrum of advocacy initiatives have been undertaken. Some of the key initiatives are:
 - (a) Advocacy booklets in Rajbhasha were published for creating wider awareness;
 - (b) As part of the outreach programme to educate school students about Competition Law, thirteen workshops on competition law in various reputed public schools of Delhi for senior secondary students and faculty were organized.

Speeches

Annual Conference on “Competition and Regulation- Contemporary and Comparative Perspectives” organized by National Law School of India University, Bangalore on April 30, 2012. Inaugural address was delivered by Mr. Ashok Chawla, Chairperson, CCI.

Market Studies

It is the ability to understand the working of the markets that determines successes and failures for a Competition Authority. Therefore, the Commission constantly strives to understand markets through commissioned market studies as well as internal market analyses. Recently, CRISIL Research conducted two market studies for the Commission namely “Market Study of Paper Industry” and “Market Study of Steel Industry”.

Regulations Update

The Competition Commission of India, after gaining experience of implementation of the Combination Regulations for almost nine months amended the Regulations. This was done with a view to provide relief to the corporate entities from making filings for combinations unlikely to raise adverse competition concerns, reduce their compliance requirements, make filings simpler and move towards certainty in the application of the Act.

The highlights of the major changes in the Combination Regulations are as under:

No requirement of filing a notice in respect of mergers and amalgamations between parent and subsidiary and wholly owned entities of a

1. The regulations now do not require a notice to be filed for acquisitions that are less than twenty five per cent of the shares or

voting rights of a company on cumulative basis, as compared to the earlier position of only fifteen per cent of the shares voting rights on a cumulative basis.

2. The regulations have now dispensed with the requirement of filing a notice in respect of intra-group mergers/amalgamations involving a holding company and its subsidiary wholly owned by the enterprises belonging to the same group. This also applies to the mergers/amalgamations involving subsidiaries wholly owned by the enterprises belonging to the same group.

3. In order to provide certainty about transactions involving asset transfer and calculation of threshold for the purposes of Section 5 of the Act, a new provision has been introduced in the Combination Regulations. This is regarding attribution of value of assets and turnover of a transferor company to the transferee company, where assets are transferred to the transferee company for the purpose of effecting a combination.

4. The Company Secretary, duly

No requirement for a notice to be filed for acquisitions that are less than 25% of the shares or voting rights of a company on cumulative basis.

authorized by the Board, has been included along with the persons specified (i.e. the Managing Director or the Director authorized by the Board), who may sign the notice.

5. Acquisitions of shares or voting rights pursuant to buyback and acquisition of shares or voting rights pursuant to subscription of rights issue (without the restriction of their 'entitled proportion'), not leading to control, are now included in the list of transactions in Schedule I, that normally would not require a filing with the Commission.

A copy of the amendments and the revised Combination Regulations is available at www.cci.gov.in



Competition Wisdom

Competition helps businesses by introducing innovation and reducing cost.

Events

CCI Annual Day Workshop in collaboration with UNCTAD

Competition Commission of India (CCI) commemorated its Annual Day i.e. enforcement of the Competition Law in the country by organizing a workshop jointly with UNCTAD on May 21-22, 2012 in New Delhi on "Competition Law & State Owned Enterprises". The workshop was inaugurated by Dr. M. Veerappa Moily, Hon'ble Minister of Corporate Affairs. The workshop was attended by more than hundred participants, which included CMDs of NTPC, Oil India, IOCL and Shipping Corporation of India, senior officials from various PSUs, representatives from academia, professional organizations etc.

Mr. Ashok Chawla, Chairperson CCI, delivered the welcome address and emphasized the need for government policies outside the competition law to work in tandem so as to achieve the goal of competitively neutral mixed markets, which could not be achieved by standalone application of competition law only. Mr.



Haasan Qaqaya, Head, Competition and Consumer Protection Branch, UNCTAD delivered the opening address in the workshop and highlighted the need for coherence between competition policy and industrial policy. Dr. Moily, Hon'ble Minister of Corporate Affairs delivered the keynote address and lauded the efforts of CCI in promoting and enforcing competition law in an economically rational manner. He stated that effective implementation of competition law can bring in innovation, better quality of goods and ultimately promote consumer welfare. Mr. Naved Masood, Secretary, Ministry of Corporate Affairs and Mr. O.P. Rawat, Secretary, Department of Public Enterprises delivered special address and highlighted importance of competition law for State-owned enterprises. Members, Secretary and DG of CCI chaired various sessions during the two day workshop. Prof. Kaushik Basu, Chief Economic Adviser, Government of India delivered the valedictory address.

Workshop on Mergers by DG Competition

Two day workshop on in-depth handling of merger investigation was organized on May 23-24, 2012 at CCI by the DG Competition, European Union. Prof. Stanley Wong and experts from DG Competition, EU and Italian Competition Authority comprised the list of resource persons in the workshop. Such events go a long way in capacity building of CCI officers.

Distinguished Visitor Knowledge Sharing Series (DVKS)

To tap the knowledge of persons distinguished in various fields relevant to competition regulation, a new initiative "Distinguish Visitor Knowledge Sharing Series" has been started.

Inaugural lecture was delivered on November 23, 2011 by Prof. William Kovacic, Ex-Chairperson, Federal Trade Commission, USA & presently Professor in the George Washington University, USA on "The Development of an Effective Merger Control Regime".

Second lecture under DVKS was delivered on December 20, 2011 by Mr. John Davies, Head of the Competition Division, Directorate for Financial and Enterprise Affairs, OECD on "The OECD's strategic projects on Competition".

Third lecture was delivered on January 5, 2012 by Dr. Shyam Khemani, Competition Economist from World Bank and now Principal, MICRA on "Some issues in analysing competition impact of mergers & acquisitions".

Workshop on Mergers by Professor from Indian School of Business

A training programme on "Merger Analysis" was organized on May 10-11, 2012 at CCI. The training covering application of econometric techniques to mergers analysis was imparted by Prof. Sudipto Gupta from Indian School of Business (ISB), Hyderabad.

Engaging with the World



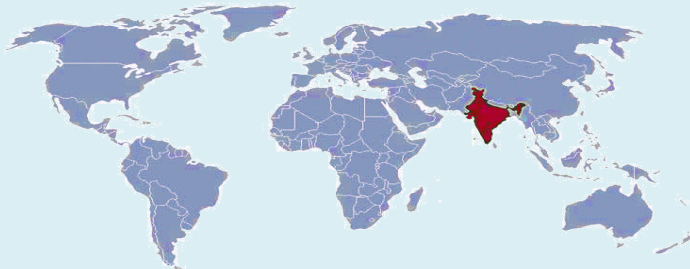
Driven by economic globalization, the need for dialogue and cooperation between competition agencies is not a matter of choice but an imperative for effective competition regulation. CCI recognizes the importance of international collaboration for nascent competition authorities, who benefit from exposure to best practices from other jurisdictions as well as technical cooperation, capacity building support and knowledge sharing. Therefore, CCI endeavours to regularly engage with the other competition authorities, mature and young as well as relevant multilateral institutions such as OECD, UNCTAD and ICN. For the last three years, CCI had regular technical cooperation with two mature jurisdictions – United States and European Commission as well as with OECD and UNCTAD, which has helped in capacity building of CCI.

Active member of International Competition Network (ICN)

Mr. Ashok Chawla, Chairperson, CCI participated in the meeting of ICN Agency Heads in Washington D.C. on March 27, 2012.

Indian delegation comprising of representatives from the Commission and Ministry of Corporate Affairs visited Rio de Janeiro during April 17-20, 2012 to participate in the annual conference of International Competition Network (ICN). Mr. Ashok Chawla, Chairperson, CCI was invited as a panelist in the plenary sessions of Merger Working Group as well as Advocacy Working Group of ICN. The Indian delegation had meetings with several heads of Competition Authorities including DG Competition, European Commission, Australian Competition and Consumer Commission (ACCC). The delegation also met three BRICS Competition agencies, viz Russia, Brazil and South Africa.

CCI is also member of various ICN Working Groups and actively participates in their deliberations.



Annual Spring Meeting of American Bar Association (ABA)

Mr. Ashok Chawla, Chairperson, CCI participated in the enforcers roundtable during the Annual Spring Meeting of American Bar Association Section of Antitrust Law in Washington D.C. during March 27-30, 2012. Other participants in the roundtable were Mr. Joaquín Almunia, Vice-President and Commissioner for Competition, DG Competition, European Commission, Mr. Jon Leibowitz, Chairman, Federal Trade Commission, Washington D.C., Ms. Sharis A. Pozen, Acting Assistant Attorney General, U.S. Department of Justice, Antitrust Division, Washington D.C. and Mr. James A. Donahue III, Chair, Antitrust Task Force, Office of the Pennsylvania Attorney General, Harrisburg, PA. Roundtable proceedings have been published in the June 2012 issue of “The Antitrust Source”. Mr. Chawla also delivered speech on “Emergence or Divergence? Antitrust in India and China” in another session of the meeting.

Memorandum of Understanding with Federal Antimonopoly Service (Russia) signed

Memorandum of Understanding (MoU) between Competition Commission of India and Federal Antimonopoly Service (Russia) was signed on December 16, 2011 in the presence of Prime Minister Dr. Manmohan Singh and Russian President Mr. Dmitry Medvedev in Moscow. The MoU aims to enhance cooperation between the two Competition Authorities.

CCI is also in the process of signing similar MoUs with other key jurisdictions.

CCI also actively participates in the trade negotiations on Competition Chapter in Free Trade Agreements. Presently, CCI is involved in negotiations for Broad-based Trade and Investment Agreements (BTIA) with European Union as well as European Free Trade Association (EFTA).

Observer Status with OECD Competition Committee

CCI has been conferred observer status by OECD Competition Committee till December 2013. This is a reflection of growing cooperation between CCI and OECD. CCI has been regularly participating in meetings of Competition Committee as well as sending officers for training to OECD –Korea Policy Centre’s Workshops/Seminars. OECD has also assisted CCI by organizing several programmes as per needs of CCI.

Competition Musings

प्रतिस्पर्धा और विकास

विपुल पुरी

उप निदेशक (वित्तीय विश्लेषण), अर्थशास्त्र विभाग

चाँद तारों की होड़ ने दिन रात बनाया,
मौसमों की होड़ ने पृथ्वी को जीवनमयी बनाया,
प्रकृति के इस चक्र में मानवता विकास निहित है,
जीवन प्रारंभ और सफल निर्वाह में होड़ गुण प्रमुख है
प्रतिस्पर्धा परंपरा वेद पुराणों के समय से चर्चित है,
प्रतिस्पर्धा के निशान सभ्यताओं के विकास में विदित हैं
आज के दौर में मानवता के बाद व्यापार की बारी
व्यापार की सफलता के लिए भी प्रतिस्पर्धा सर्वोपरि
गुणों के आधार पे प्रतिस्पर्धा सर्वोच्च कहलाती है
चक्रव्यूह रचना आज भी धिक्कारी जाती है
प्रतिस्पर्धा गुणवत्ता जीवन गुणवत्ता का साशय है
प्रतिस्पर्धा कानून का यही तो आशय है
कोई भूल से प्रतिस्पर्धा अवरोधी वादे न करना
अपनी प्रबल स्थिति का दुरुपयोग न करना
विलय पूर्व प्रतिस्पर्धा आयोग से स्वीकृति लेना
देश के विकास में भागीदार बनना



Competition Wisdom

*Competition means
consumer is the king.
Serve him well.*

Journey of CCI: through the eyes of an insider

Renuka Jain Gupta, former Director (Eco)

I joined Competition Commission of India as Director (Economics) in early June, 2009 around the same time CCI started enforcing the Competition Law and thus, began my journey along with the journey of CCI. Those were the days, when my visiting card always raised a question by the recipient “What exam do you conduct in Competition Commission of India?” I would be hard-pressed to explain that CCI did not conduct any examination. Rather, CCI’s job was to promote competition in the markets, so that consumers could get wide variety of innovative products at competitive prices. People used to feel surprised that Government had set up an organization for this purpose. However, when I gave the examples of sectors like telecommunications, automobile and civil aviation, which had come within reach of common people after competition was allowed in these sectors, they would become convinced that such a body was really needed. Three years down the line, now I see people anxious to know when the next order is coming out on CCI’s website. The Commission has really come a long way in a short span of three years.

I remember the days, when skeleton staff of four to five officers was performing the job of recruitment experts, professional analyst, website developers, international conferences organizers etc. with amazing ability of multi-tasking surpassing an octopus. However, now CCI has several functional

Divisions comprising of trained multidisciplinary teams doing specific assigned tasks towards fulfilment of CCI’s legal mandate. Over three years, in spite of manpower shortages, CCI has developed into a knowledge based organization capable of undertaking complex market assessment tasks.

CCI shifted its official premises from Bhikaji Cama Place to Hindustan Times Building in February 2010. I recall how one fine morning all officers were informed that shifting of CCI office shall commence next day and had to be completed within a few days for inauguration next week. Frantic activity started. Quickly, mapping of rooms for migration of officers and staff was done. I remember myself with my colleagues rushing to buy copies of paintings from National Gallery of Modern Art/ Lalit Kala Academy to decorate the corridors and the rooms. Such was the enthusiasm of all in the organization that it appeared to be a festive or marriage like occasion for the Commission and staff. Visiting dignitaries at the inauguration appreciated the way costly building space was efficiently utilized and interior decoration job was executed in-house. I think that this collective enthusiasm of all in the Commission has played an important role in taking the Commission forward in spite of all the odds to bring it to forefront of regulatory space in India and to address the cause of common people.

About CCI

Competition Commission of India (CCI) is an autonomous independent body comprising of a chairperson and six members. CCI may take up investigations *suo moto* or on a reference from a statutory authority, the central government, or state governments or on information provided by any person.

The Competition Act empowers CCI to look into cases of anti-competitive agreements and abuse of dominance and to take remedial action, including imposition of heavy penalties against firms engaged in practices that impede free and fair competition in the market and which are anti-consumer. The Commission may impose penalties of up to ten per cent of the average turnover of an enterprise for the three preceding financial years. In the case of a cartel, the Commission may impose on each member a penalty of up to three times its profits or up to ten per cent of its turnover, whichever is higher, for each year during which the agreement was in force.

Whenever information is received under sections 3 and 4 of the Act, the Commission considers whether there is a *prima facie* violation. If a *prima facie* violation is found, it is sent to the Director General (DG) for investigation. After receiving the DG report, the matter is again considered by the Commission. If needed, the Commission can further investigate the matter and pass an order, including imposition of penalties.

The Competition Act also covers all commercial activities of Government-related bodies except activities relating to the sovereign functions of the Government including all activities carried on by the departments of the central government dealing with atomic energy, currency, defence and space.

CCI has Secretary, Director General, and separate Divisions for Antitrust, Combinations (mergers and acquisitions), Law, Economics, Investigations, Capacity Building, Advocacy and IT.

Chairperson

Ashok Chawla

Members

H.C. Gupta
R. Prasad
Geeta Gouri
Anurag Goel
M. L. Tayal
S. N. Dhingra

Secretary

S. L. Bunker

Heads of Divisions

Seema Gaur, Advisor (Eco)
R. N. Sahay, Advisor (Eco)
P. K. Purwar, Advisor (Eco)
P. K. Singh, Advisor (Law)
G. R. Wadhwa, Advisor (FA)
Yogender Chaudhry, Advisor (Law)
Payal Malik, Advisor (Eco)

Director General

A. K. Chauhan

Competition Commission of India

Preventing practices having adverse effect on competition

Promoting and sustaining competition in markets

Protecting the interests of consumers

Ensuring freedom of trade

Disclaimer: The contents of this publication do not necessarily reflect the official position of the Competition Commission of India. Information and views expressed in the newsletter are fact based and incorporate necessary editing.

This is e-version of the CCI's newsletter, and may vary slightly from the print version.

**Are you a
victim of
anti-competitive
practices
like...**



- ▶ **Cartelisation...**
- ▶ **Bid Rigging...**
- ▶ **Predatory Pricing...**

Don't hesitate to approach

Competition Commission of India (CCI)

For details visit www.cci.gov.in



सत्यमेव जयते



Competition Commission of India

Hindustan Times House, 18-20, Kasturba Gandhi Marg,
New Delhi-110001

Promoting Fair Competition for the Consumer

For comments, suggestions and subscription, please write to cci-skpandey@nic.in