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**Competition Commission penalises beer companies for indulging into cartelisation**

Competition Commission of India ('CCI') passed a final order against three beer companies *namely* United Breweries Limited ('UBL'), SABMiller India Limited (now renamed as Anheuser Busch InBev India Ltd. after being acquired by Anheuser Busch InBev SA/NV) ('AB InBev') and Carlsberg India Private Limited ('CIPL') for indulging in cartelisation in the sale and supply of beer in various States and Union Territories in India, including through the platform of All India Brewers' Association ('AIBA'). As AIBA was found to be actively involved in facilitating such cartelisation, CCI also held AIBA to be in contravention of the provisions of Competition Act, 2002 (the 'Act'), apart from the beer companies. The period of cartel was held to be from 2009 to at least 10.10.2018 (the date on which the Director General ('DG') conducted search and seizure operations at the premises of the beer companies), with CIPL joining in from 2012 and AIBA serving as a platform for facilitating such cartelisation since 2013. All three beer companies were lesser penalty applicants before CCI.

Based on evidences of regular communications between the parties collected by the DG during search and seizure, and on the basis of the disclosures made in the lesser penalty applications, CCI found that the three companies engaged in price co-ordination in contravention of the provisions of Section 3(3)(a) of the Competition Act, 2002 (the 'Act') in the States of Andhra Pradesh, Karnataka, Maharashtra, Odisha, Rajasthan, West Bengal, National Capital Territory of Delhi and the Union Territory of Puducherry, in collectively restricting supply of beer in the States of Maharashtra, Odisha and West Bengal in contravention of the provisions of Section 3(3)(b) of the Act, and in sharing of market in the State of Maharashtra as well as co-ordination with respect to supply of beer to premium institutions in the city of Bengaluru in contravention of the provisions of Section 3(3)(c) of the Act. CCI also found co-ordination amongst UBL and AB InBev with respect to purchase of second-hand bottles. Further, 4 individuals of UBL, 4 individuals of AB InBev, 6 individuals of CIPL and the Director General of AIBA, were held by CCI to be liable for the anti-competitive conduct of their respective companies/ association, in terms of Section 48 of the Act.

Giving benefit of reduction in penalty under the provisions of Section 46 of the Act of 100% to AB InBev and its individuals, 40% to UBL and its individuals and 20% to CIPL and its individuals, CCI directed UBL and CIPL to pay penalties to the tune of approx. INR 750 crores INR 120 Crores respectively, besides passing a cease-and-desist order.

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