



सत्यमेव जयते



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CCI imposes a penalty on paper manufacturers for indulging in cartelisation

The Competition Commission of India (CCI) issued a final order dated 17.11.2021 against certain companies manufacturing paper from agricultural waste and recycled wastepaper as well as an association, which were found to have contravened the provisions of Section 3(1) of the Competition Act, 2002 (Act), read with Section 3(3)(a) thereof, which proscribe anti-competitive agreements.

The case was initiated *suo motu* by the Commission on the basis of certain material found during the ongoing investigations of two other cases. Although the DG investigated 21 original paper manufacturers and the association, it only recorded findings of contravention of the provisions of Section 3(1) of the Act read with Section 3(3)(a) thereof against ten (10) such paper manufacturers and the association. The period of cartel was noted by the DG to be from September 2012 till March 2013.

CCI found these companies and an association which provided its platform, for such activities to have indulged in cartelisation in fixing the prices of writing and printing paper.

In this backdrop and further considering that during the pandemic, most businesses moved to the virtual mode thereby reducing the need for paper and affecting the paper business, CCI imposed a symbolic penalty of Rs. 5 lakh each on the ten (10) paper manufacturers found guilty of cartelisation. Further, a penalty of Rs. 2.5 lakh was imposed on the association for providing its platform for anti-competitive activities. Apart from the above, CCI also directed the above paper manufacturers and the association, and their respective officials who have been held liable in terms of the provisions of Section 48 of the Act, to cease and desist in the future from indulging in anti-competitive conduct.

A copy of the order is available on the CCI website at www.cci.gov.in.
