



**FACULTY OF JURIDICAL SCIENCES**

**COURSE: B.A.LL.B. IX th Semester**

**SUBJECT: COMPETITION LAW**

**SUBJECT CODE: BAL 901**

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## LECTURE 28

### TOPIC: COMPETITION COMMISSION OF INDIA

The Competition Commission of India (CCI) is a statutory body of the Government of India. The Commission is responsible for enforcing the Competition Act, 2002 throughout India. It is also responsible for the prevention of adverse effects on competition in India.

#### Competition Commission of India

The CCI acts as the competition regulator in India. The Commission was established in 2003, although it became fully functional only by 2009.

#### Objectives of Competition Commission

It aims at establishing a competitive environment in the Indian economy through proactive engagement with all the stakeholders, the government and the international jurisdiction. The objectives of the Commission are:

- To prevent practices that have an adverse effect on the competition.
- To promote and sustain competition in markets.
- To protect the interests of consumers.
- To ensure freedom of trade.

#### How was the Competition Commission of India formed?

The CCI was established by the Vajpayee government, under the provisions of the Competition Act 2002.

- The **Competition (Amendment) Act, 2007** was enacted to amend the Competition Act, 2002.

- This led to the establishment of the CCI and the Competition Appellate Tribunal.
  - The **Competition Appellate Tribunal** has been established by the Central Government to hear and dispose of appeals against any direction issued or decision made or order passed by the CCI.
  - The government replaced the Competition Appellate Tribunal (COMPAT) with the National Company Law Appellate Tribunal (NCLAT) in 2017.

### **What is the Competition Act, 2002?**

The Competition Act, 2002 was enacted by the Parliament of India and governs the Indian competition law. The Act received the presidential assent in 2003.

- The **Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act)** was repealed and replaced by the Competition Act, 2002.
  - This was done on the basis of the recommendations of the Raghavan Committee.
- The Act:
  - Prohibits anti-competitive agreements
  - Prohibits abuse of dominant position by enterprises and
  - Regulates combinations (acquisition, acquiring of control and M&A), which can cause or is likely to cause an appreciable adverse effect on the competition within India.
- The Act follows the philosophy of modern competition laws.

### **Why do we need Competition Laws?**

Competition laws perform three main functions in society.

- - **To uphold free-enterprise:** the competition laws have been called the Magna Carta of free enterprise.
  - **Security against market distortions:** there is a constant risk of various people resorting to market distortions and abusing their dominant

positions to resort to anti-competitive activities, thus the competition laws are required to ensure that the market is safe from the various distortions.

- **They also aid in the promotion of domestic industries:** Competition laws are required to ensure that the domestic industries do not get suppressed with an increase in globalization. They play a quintessential role in determining the viability of the domestic industries.
- However, to keep the Indian competition laws updated with the businesses of the digital world which include not many assets, the Indian government has established a Competition Law Review Committee.

**Exercise:**

1. With a view of \_\_\_\_\_ the CCI is empowered to enter any agreement with any agency of any foreign country
  - a) Effective functioning
  - b) Transparency
  - c) exchange of cross border information
  - d) globalization
2. The CCI may inquire into any alleged contravention of provisions of Competition Act only on receipt of any information from any person or consumer
  - a) True
  - b) False
3. The CCI may initiate any inquiry on a reference made to it only by the Union Government
  - a) True
  - b) False

4. Accrual of benefits to consumers is a factor to regard by CCI
  - a) determining whether an agreement is a horizontal agreement
  - b) determining whether an agreement is a vertical agreement
  - c) determining whether an agreement has an appreciable adverse effect on competition
  - d) None of these
  
5. The CCI shall, while determining the "relevant geographical market" have due regard to
  - a) regulatory trade barriers
  - b) foreign specification requirements
  - c) International procurement policies
  - d) non adequate distribution facilities