

## COMPETITION SECTION

### **MATERIAL FOR PREPARATION OF INDIA 2010 – A REFERENCE ANNUAL OF MINISTRY OF INFORMATION & BROADCASTING**

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India has responded to the current world wide trend of globalization by opening up its economy, removing controls and resorting to liberalisation. As a natural corollary of this, it was felt that the Indian market should be geared to face competition from within the country and outside. It was also felt that the existing Monopolies and Restrictive Trade Practices Act, 1969 has become obsolete in certain respects in the light of international economic developments relating more particularly to competition laws and there is a need to shift our focus from curbing monopolies to promoting competition. Hence the Government decided to enact a new law for bringing competition in the Indian market.

2. The Competition Act, 2002 was passed by the Parliament in the Winter Session of 2002 and received the assent of President in January, 2003. Consequent upon a challenge to certain provisions of the Act and the observations of the Hon'ble Supreme Court of India, the Act was amended by the Competition (Amendment) Act, 2007. The Competition Act, 2002 as amended, provides for setting up of the Competition Commission of India (CCI) comprising of a Chairperson and a minimum of two and maximum of six Members. In addition, it also provides for establishment of a Competition Appellate Tribunal to hear and dispose of appeals against the orders of the Commission and also to adjudicate on the claims of compensation that may arise from the findings of the Commission or orders of the Appellate Tribunal.

3. In accordance with the provisions of the Amendment Act the Competition Commission of India and the Competition Appellate Tribunal have been established. The provisions of the Competition Act relating to anti-competitive agreements and abuse of dominant position have been brought into force w.e.f. 20<sup>th</sup> May, 2009 and the Commission has started dealing with cases under these provisions.

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## **COMPETITION COMMISSION OF INDIA**

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2. The Competition Act, 2002 was passed by the Parliament in the Winter Session of 2002 and received the assent of President in January, 2003. The Competition Act, 2002 provides for:

- (i) Prohibition of anti-competitive agreements;
- (ii) Prohibition of abuse of dominance;
- (iii) Regulation of Combinations (acquisitions, mergers and amalgamations of certain size);
- (iv) Establishment of Competition Commission of India (CCI);
- (v) Competition Advocacy

3. The objectives of the Act is to provide, keeping in view the economic development of the country, the establishment of a Commission to prevent practices having adverse effect on competition, to promote and sustain competition in markets in India, to protect the interests of consumers, and to ensure freedom of trade carried on by participants in market in India and for matters connected therewith or incidental thereto.

4. Certain provisions of the Act rules framed their under where subject matter of the legal challenge. Hon'ble Supreme Court of India, delivered its judgement on the legal challenge in January 2005. Consequent to the judgement of the Supreme Court the Act was amended by the Competition (Amendment) Act, 2007. The Competition Act, 2002 as amended, provides for setting up of the Competition Commission of India (CCI) comprising of a Chairperson and a minimum of two and maximum of six Members. In addition, it also provides for establishment of a Competition Appellate Tribunal to hear

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