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## ANNUAL REPORT ON COMPETITION POLICY DEVELOPMENTS IN INDIA

-- 2012 --

*This report is submitted by India to the Competition Committee FOR INFORMATION at its forthcoming meeting to be held on 30-31 October 2013.*

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## Executive Summary

1. Free and fair competition is *sine qua non* for an efficient market economy. Competition and competitiveness have become driving force in the global economy. In the Indian context, the Competition Act, 2002 (the Act) has heralded a new regime for prohibiting anti-competitive practices and promoting competition. The Government of India established Competition Commission of India (CCI) in March, 2009 to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade carried on by other participants in markets, in India. Sections 3 and 4 of the Act, relating to anti-competitive agreements and abuse of dominance were notified in May, 2009, while Sections 5 and 6, 20, 29, 30 and 31 of the Act relating to mergers and acquisitions, were notified from June 1, 2011. The competition law enforcement regime in India has thus fully come into force. The overarching aim of the Commission is to make markets work well for the benefit of consumers.

2. After coming into force of Combination Regulations, building an efficient merger control regime in India has been a very high priority for the Commission. As per section 5, a Combination is an acquisition of one or more enterprises by one or more persons, merger or amalgamation of enterprises, if it meets the prescribed monetary thresholds and involves any acquisition of control, shares, voting rights or assets of any enterprise or any acquisition of control by a person over an enterprise, where such person already has direct/indirect control over another enterprise in a similar business or any merger or amalgamation of enterprises. CCI has powers to investigate combinations and modify/reject them. The Combination Regulations have been amended twice last year, first on 23rd February, 2012 and further on 4th April, 2013 with a view to simplify the filing requirements.

3. The Commission has continued to lay down its priorities for the effective disposal of the cases. Since inception till March 31, 2013, the Commission received 347 cases based on information filed u/s 19(1)(a), cases from MRTPC / DGIR u/s 66(6), ref. from Government u/s 19(1)(b) and ref. from Statutory Authorities u/s 21. As on March 31, 2013, 157 cases have been closed at *prime facie* stage, 108 cases decided/disposed of after the report of Director General (DG) of Investigation, 55 cases under consideration before Commission and 27 cases pending before DG.

4. The Commission has engaged in active cooperation with other competition authorities, multilateral institutions and NGA's. In one such initiative, CCI and Australian Competition and Consumer Commission (ACCC) signed a Memorandum of Understanding (MOU) on Cooperation. The MOU facilitates sharing of information on significant developments in competition policy and enforcement developments in the respective jurisdictions. In pursuance of capacity building initiatives, CCI has continued its participation in international events and had organized several training workshops in collaboration with other authorities.

5. The Commission has also taken numerous competition advocacy initiatives for the promotion of competition advocacy in order to create a culture of competition in the economy. Under such competition advocacy initiatives, the Commission has organized several interactive meetings, seminars, etc. with different trade organizations, consumer associations, stakeholders and the public at large to spread awareness about the Competition Law and the Commission.

## 1. Competition Law and Policy in India

### 1.1 Recent Amendments in the Competition Act, 2002

6. The Union Cabinet has approved the proposal of the Ministry of Corporate Affairs to further amend the Competition Act, 2002, with a view to fine tune it and to meet the present day needs in the field

of competition, in the light of the experiences gained in the actual working of the CCI in the last few years. Amendments proposed in the Act would have to be considered and passed by the Parliament.

7. The provisions of the Act relating to the Combination Regulations have been in force with effect from 1st June, 2011. The Combination Regulations were amended for the first time on 23rd February, 2012 with a view to relax certain requirements related to filings by corporate entities for combinations that are unlikely to raise adverse competition concerns. The Commission has further amended the Combination Regulations on 4th April, 2013 with a view to simplify the filing requirements and bring about greater certainty in the application of the Act and the Regulations. The key features of these amendments are:

- i. The Combination Regulations now do not require a notice to be filed for acquisition of shares or voting rights of companies, if the acquisition is less than five per cent (5%) of the shares or voting rights of the company in a financial year, where the acquirer already holds more than twenty five (25%) per cent but less than fifty per cent (50%) of the shares or voting rights of the company.
- ii. To significantly reduce compliance requirements, the provision for giving notice is now dispensed for mergers/amalgamations involving two enterprises, where one of the enterprises has more than fifty per cent (50%) shares or voting rights of the other enterprise. Similarly, the requirement of giving notice is also dispensed for merger or amalgamation of enterprises in which more than fifty per cent (50%) shares or voting rights in each of such enterprises are held by enterprise(s) within the same group.
- iii. To provide clarification on the nature of intra-group acquisitions for which notice has to be given, Item 8 of Schedule I has been amended to state that the relaxation would not apply, where the acquired enterprise is jointly controlled.
- iv. To avoid repetition and to have one category of exemption for acquisition of certain current assets like stock-in-trade, raw materials etc., Item 5 and Item 9 of Schedule I have been clubbed and provided as one category under Item 5.

8. For more details, please refer to the full text of the Combination Regulations at: <http://www.cci.gov.in/images/media/Regulations/CCI-Combination%20Regulations%20asat%20040413.pdf>

## **1.2 Vision and Mission 2020**

9. The Commission has completed four years of the successful enforcement of the Act. The legal architecture on competition and enforcement has gradually evolved over the past few years. For its long road ahead, the Commission has unveiled the 'Vision' and 'Mission 2020' statements as follows:

10. Vision: To promote and sustain an enabling competition culture through engagement and enforcement that would inspire businesses to be fair, competitive and innovative; enhance consumer welfare; and support economic growth.

11. Mission 2020: Competition Commission of India aims to establish a robust competitive environment through:

- pro-active engagement with all stakeholders, including consumers, industry, government and international jurisdictions;
- being a knowledge intensive organization with high competence levels;

- professionalism, transparency, resolve and wisdom in enforcement.

### 1.3 National Competition Policy (NCP)

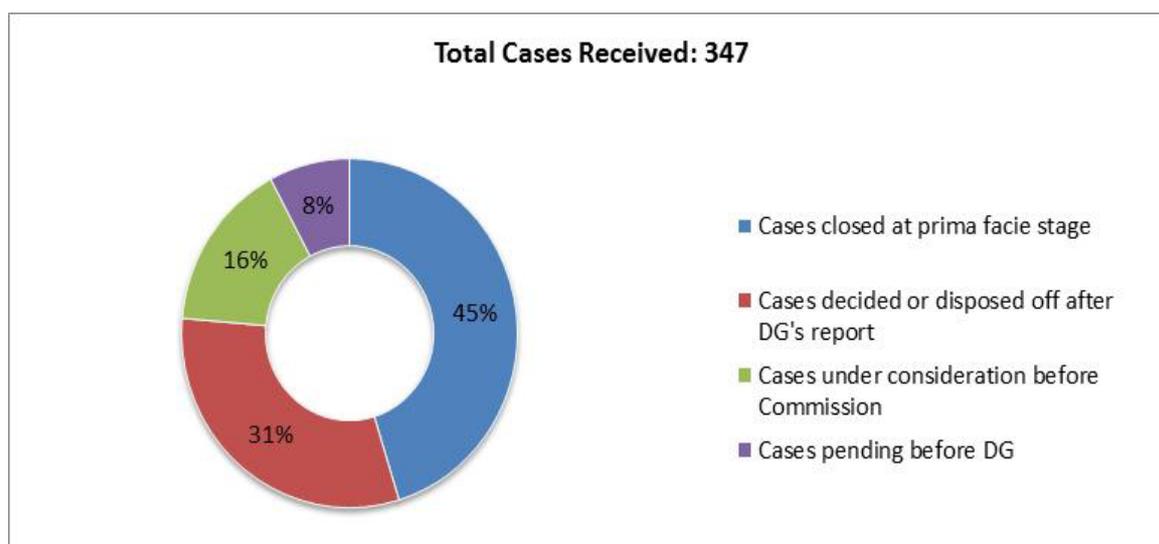
12. National Competition Policy is under formulation by the Government of India, the draft policy was finalized in 2011 by the Committee on National Competition Policy. The Policy is aimed at ushering in a second wave of reforms in India. The Committee has submitted the policy to the Government of India for adoption and implementation.

13. The objectives of the National competition Policy:

- To preserve the competitive process, to protect competition, and to encourage competition in the domestic market so as to optimize efficiency & maximize consumer welfare
- To promote, build and sustain strong competition culture within the country
- To strive for single national market
- To harmonize laws and policies of Centre and State and proactively promote competition principles
- To ensure competition in regulated sectors

## 2. Enforcement of Competition Laws

14. The status update on competition enforcement in India till March 31, 2013 is presented below. From the date of commencement of enforcement i.e. May 20, 2009 till March 31, 2013 347 cases were brought before the Commission relating to enforcement of Section 3 (anticompetitive agreements) and Section 4 (abuse of dominance) of which majority of cases have been disposed of.



15. On enforcement of Section 5 and 6 of the Act, CCI received as on date (refer cci.gov.in) 132 notifications, out of which so far no case has gone for detailed investigation for ascertaining appreciable adverse effect on competition in India.

## **2.1 Anti-Competitive Agreements**

16. Section 3 of the Competition Act, 2002 prohibits any agreement with respect to production, supply, distribution, storage, and acquisition or control of goods or services, which causes or is likely to cause an appreciable adverse effect on competition within India.

### **2.1.1 Film Distributors Association penalised by CCI**

17. 15. CCI directed Telanagana Telugu Film Distributors Association (TTFDA), Karnataka Film Chamber of Commerce (KFCA) and Andhra Film Chamber of Commerce (AFCC) to cease and desist from pressurizing the distributors to settle the monetary disputes with its members. Cinergy Independent Film Services Pvt. Ltd., the informant had alleged that these associations make it compulsory for every film distributor to become their member or register its film with them before the release. It was also submitted that a distributor, who refuses to become a member or register his film with them is not allowed to distribute and exhibit his film in the territory, which is governed or regulated by these associations.

18. 16. The Commission also levied a penalty of about INR. 12.90 lakhs (app. 21000 USD) upon AFCC for violation of section 3(3)(b) of the Act and also asked it to suitably modify its articles, rules etc. in the light of the findings given in the order. No penalty was imposed on TTFDA and KFCA by the Commission as they were already fined in previous cases for similar conducts. <http://cci.gov.in/May2011/OrderOfCommission/562011.pdf>

### **2.1.2 All India Organization of Chemists and Druggists (AIOCD) penalised for anticompetitive agreements**

19. 17. All India Organization of Chemists and Druggists (AIOCD) was found guilty by CCI for fixing trade margins and limiting and controlling the supply and market. Organisation of Pharmaceutical Producers of India (OPPI), Indian Drug Manufacturers' Association (IDMA) and a drug manufacturer USV Ltd. were also parties to the case. However, they were not found liable for the violation of the provisions of the Act. The information against AIOCD was filed by a Cuttack based firm Santuka Associates, which is a clearing and forwarding agent in medicines of various pharmaceutical companies.

20. 18. The Commission found that the practices followed by AIOCD and its affiliates create restraint on freedom of trade on account of No Objection Certificate (NOC) through Memorandum of Understanding's (MOU), which has the effect of limiting or controlling the market or supply; Product Information Service (PIS) approvals by delaying or withholding them; fixing trade margins and boycotting pharmaceutical companies on various issues contained in the MOUs, thereby contravening Section 3(3)(a) and Section 3(3)(b) of the Act.

21. 19. The Commission observed that AIOCD being the apex body of chemists and druggists is having full control over the stockists/retailers of drugs and medicines all over the country and because of its position is able to continuously engage in limiting and controlling the supply and market and influencing the prices of the drugs and pharmaceutical products by insisting upon NOC for appointment of stockists, fixation of trade margins etc. The Commission after considering the facts and circumstances of the case decided to impose penalty @ ten per cent of the average of the receipts for financial years 2008-09, 2009-10 and 2010-11 amounting to INR. 47.4 lakhs (app. 77290.44 USD) on AIOCD. <http://cci.gov.in/May2011/OrderOfCommission/202011.pdf>

## **2.2 Abuse of Dominance**

22. Section 4 of the Competition Act, 2002 deals with the exhaustive list of practices that constitute abuse of dominant position.

### 2.2.1 *Board for Control of Cricket in India (BCCI) Penalised for Abuse of Dominant Position*

23. Board for Control of Cricket in India (BCCI), the regulator of sport of cricket in India has been found guilty of abusing its dominant position in contravention of Section 4(2)(c) of the Competition Act, 2002.

24. Mr. Surinder Singh Barmi, a cricket fan from New Delhi, filed information against BCCI for alleged irregularities in the Indian Premier League (IPL), a Twenty-20 professional cricket league tournament conducted by BCCI. The cricket regulator was accused for making irregularities in the grant of franchise rights for team ownership, media rights for coverage of the league and award of sponsorship rights and other local contracts.

25. CCI noted that BCCI enjoys a dominant position in the market for organizing private professional league cricket events in the country. CCI remarked in its decision that: “The policy of BCCI to keep out other competitors and to use their position as a *de-facto* regulatory body has prevented many players who could have opted for the competitive league. The dependence of competitors on BCCI for sanctioning of the events and dependence of players and consumers for the same reason has been total.”

26. CCI imposed a penalty of INR. 52.24 crores (app. 8.5 mn USD) on BCCI, amounting to six per cent of the average turnover of the BCCI in 2007-08, 2008-09 and 2009-10 for abusing its dominant position. CCI also directed BCCI to cease and desist from any practice in future denying market access to potential competitors and to refrain from inclusion of similar clauses in its future agreements. <http://cci.gov.in/May2011/OrderOfCommission/612010.pdf>

### 2.3 *Combination Regulation*

27. Section 5 & 6 of the Act regulates all such combinations (mergers and acquisitions) which are likely to cause an adverse effect on competition in India. For the period, October 2012- July 2013, 47 notifications were filed in the Commission.

#### 2.3.1 *Acquisition of the Pantaloons Format Business by Aditya Birla Group*

28. Aditya Birla Nuvo Limited (ABNL), Peter England Fashions and Retail Limited (PEFRL), Indigold Trade and Services Limited (ITSL) and Pantaloon Retail (India) Limited (PRIL) filed a notice under Section 6(2) of the Competition Act, 2002 regarding the proposed acquisition of the Pantaloons Format Business (PFB) of PRIL.

29. ABNL is the ultimate parent company of PEFRL and has presence across various sectors including retail fashion & lifestyle, financial services, telecommunications, IT-ITeS etc. PRIL is present in the businesses of retailing fashion & lifestyle, financial services etc. PFB is engaged in retail of apparel, footwear and accessories under the brand names Pantaloons Megastores and Pantaloons Factory Outlet.

30. PEFRL had proposed to acquire PFB to expand the variety of its offerings in the businesses of apparel, footwear and accessories and to complement its existing portfolio, which largely comprises of men's wear.

31. In its analysis, CCI assessed the pricing range, in which majority of sales of ABNL and PRIL is taking place. CCI also observed that the concentrations of sales of both these organisations are in different price ranges. Moreover, Commission found that ABNL proposed to acquire only a few of the many brands offered by PRIL in the PFB and, therefore, the combined market share in this category post combination was found to be small.

32. In its decision, the Commission concluded that the proposed acquisition of PFB by ABG would not give rise to appreciable adverse effect on competition in India and approved it under Section 31(1) of the Act. <http://cci.gov.in/May2011/OrderOfCommission/CombinationOrders/C-2012-10-82.pdf>

### 2.3.2 *Diageo's Acquisition of Majority Stake and Control in United Spirits*

33. In December 2012, Diageo Plc. (Diageo) through its indirect wholly-owned subsidiary, Relay B.V. (Acquirer), and United Spirits Limited (USL) jointly filed a notice for proposed acquisition of majority stake and control of USL.

34. Diageo Plc. is a company incorporated under the laws of England and Wales and is the ultimate parent company of the Diageo Group. USL, a company incorporated in India and part of the UB Group is engaged in the manufacturing and distribution of alcoholic beverages, bottled water and bottled soda in India and around the world.

35. 33. CCI observed that USL and Diageo were mostly present in different price spectrums with negligible overlap between their products in each of the branded spirits segment. In the narrow price sub-segments of the overall whisky market, where the brands of USL and Diageo were close competitors, there were other players operating with multiple brands and effectively competing with the brands of USL and Diageo. Also, the volume in these price segments was miniscule in comparison to the overall volume of the whisky segment.

36. 34. CCI approved the acquisition of majority stake of 53.4 per cent worth INR. 11,167 Crore (1.82 bn USD) of USL by Diageo Plc. under Section 31(1) the Act stating that the deal will not have any adverse effect on competition in India. <http://cci.gov.in/May2011/OrderOfCommission/CombinationOrders/C-2012-12-97.pdf>

## 3. **Human Resources**

37. The Commission comprises of Chairperson and Six Members (one vacant position as on date). Administrative functions of the Commission are coordinated by the Secretariat, which is headed by the Secretary. The office of Director General (DG) investigates contravention of the provisions of the Act and is headed by Director General.

38. In addition, there are divisions namely Administration and Coordination, Advocacy, Anti-trust, Capacity Building, Combination, Economic, Investigation and Legal. Each division is steered by a Senior officer of the level of Adviser and has a team of professionals from the field of economics, law and finance. The divisions assist the Commission in fulfilment of its legal mandate. Presently, about 125 staff members are in position.

## 4. **Studies and Reports**

### 4.1 *Sectoral Study*

39. 37. Knowledge development is imperative for effective functioning of an institution. In one of the initiative to augment internal knowledge base, the Commission has constituted sectoral study groups which are led by joint directors to pursue the significant sectors of the economy from the perspective of competition compliance and enforcement. The following sectors have been identified for sectoral studies:

1. Agriculture
2. Electricity

3. Transport
4. Pharmaceuticals
5. High Technology

38. The study is underway and the final reports will be submitted to the Commission in due course of time.

#### **4.2 *Commissioned Report***

40. As part of its capacity building initiative, CCI had commissioned a study on “Competitive Assessment of Onion Markets in India”. The objective of the study is to assess competitiveness in major onion markets of Maharashtra and Karnataka. The study has highlighted certain institutional facts resulting in inefficiency in agricultural markets that adversely affects not only the farmers and consumers but also the state of competition in the market. The study comes with many findings and recommendations including indications of collusion among traders in selected markets in Maharashtra and Karnataka that may result in high prices of onion. Factors like significant marketing costs, lack of market infrastructure, control of trade in the hands of few traders, restricting entry for new traders, often strikes by market functionaries, etc. have been explained as responsible factors for high prices of onion. The study has come up with a set of policy recommendations that aim at improving efficiency of market through competition.

### **5. International Cooperation**

41. Over the years, CCI has developed close linkages and networks with relevant multilateral agencies and competition jurisdictions for effective international cooperation including capacity building, enforcement cooperation and experience sharing. The Commission has continued its participation in various international events and has also been organizing training workshops with the other competition authorities, as well as relevant multilateral institutions.

#### **5.1 *Memorandum of Understanding (MoU)***

42. On June 3, 2013, Competition Commission of India (CCI) and Australian Competition and Consumer Commission (ACCC) signed a Memorandum of Understanding (MoU) on Cooperation at Canberra, Australia. The MOU was signed by Mr. Ashok Chawla, Chairperson, CCI and Mr. Rod Sims, Chairman, ACCC. The signing took place in the presence of Mr. Sachin Pilot, Hon’ble State Minister of Corporate Affairs (Independent Charge).

43. The MOU provides for sharing information on significant developments in competition policy and enforcement developments in the respective jurisdictions. MoU is expected to further strengthen existing cooperation between CCI and ACCC. The MoU will provide a platform for both the authorities to work together in technical cooperation activities as well as in appropriate cases, consistent with the respective enforcement interests, legal constraints, and available resources.

## **5.2 Participation in International Events**

### **5.2.1 Events of Multilateral Institutions**

#### OECD

- OECD-Korea Policy Centre's Competition Programme on "Competition Issues in the Aviation Sector" in Busan, Korea during October 17-19, 2012.
- OECD's Competition Committee meeting in Paris, France during October 24-25, 2012.
- "Twelfth OECD Global Forum on Competition" during February 25 - March 1, 2013 in Paris, France. Mr. Ashok Chawla, Chairperson, CCI chaired the second session of GFC on 'Competition issues in television and broadcasting' and discussed the trends in the sector in India along with current and future challenges for CCI.
- OECD- Korea Policy Centre workshop on "Practice and Procedure in Competition Cases" during March 6-8, 2013 in Busan, Korea.
- OECD-Korea Policy Centre and World Intellectual property Organization (WIPO) Workshop on "Intellectual Property and Competition Law" during April 17-19, 2013 in Jeju Island, Korea.
- CCI member Mr. M L Tayal participated in the meeting of OECD Competition Committee and Working parties during June 17-20, 2013 at Paris, France. CCI contributed two papers on the Topics, "International Cooperation and Enforcement" and "Definition of Transaction for the Purpose of Merger Control Review".
- OECD-Korea Policy Centre Workshop on "Fighting Bid-rigging" during June 25-27, 2013 in Kuala Lumpur, Malaysia.

#### ICN

- ICN's Advocacy Working Group Workshop in Paris, France during October 26-27, 2012.
- ICN's Merger Working Group workshop organised by the Colombian Competition Authority in Bogota, Columbia during November 8-9, 2012.
- ICN's 12<sup>th</sup> Annual Conference held at Warsaw during 23-26 April, 2013. Mr Ashok Chawla, Chairman CCI moderated the Merger Working Group Plenary Session on "Economic Analysis in Merger Review: Trends & Policy".

### **5.2.2 Other Events**

- Taiwan Fair Trade Commission's seminar on "Unilateral Conduct: Excessive Pricing and Anti-Competitive Practices" in Makati City, Philippines during October 3-4, 2012.
- ASEAN Experts Group on Competition (AEGC)'s "Impact and Benefits of Competition Policy and Law on Business in ASEAN" in Darussalam, Brunei during November 7-8, 2012.
- ABA Conference in New Delhi, during November 30 - December 01, 2012: The American Bar Association Section of Antitrust Law organized a conference on "Antitrust in Asia Conference:

Developments in India's Competition Regime” in New Delhi. CCI Chairperson Mr. Ashok Chawla delivered the keynote address on ‘Developments in India's Competition Regime’.

- Bundeskartellamt (German Competition Authority)’s 16th International Conference on competition during March 20-22, 2013 in Berlin, Germany
- 3<sup>rd</sup> International Conference on “Role of Competition in Fostering Trade and Investment” organized by the Competition Commission of Pakistan in collaboration with the Delegation of European Union to Pakistan during 29-30 May, 2013 at Islamabad.
- CCI member Mr. Anurag Goel participated in the 6<sup>th</sup> Astana Economic Forum Conference organized by Agency of the Republic of Kazakhstan for Competition Protection (Antimonopoly Agency) during May 22-24, 2013 in Astana, Kazakhstan and presented a paper titled “Competition Regulation & Corporate Strategy : Need to Connect”.
- Japan Fair Trade Commission and Asian Development Bank Institute training program on Competition Law & Policy for Asian Countries during June 3-7, 2013 in Tokyo, Japan.
- Course for competition authority economists by Fordham Competition Law Institute (FCLI) during June 24-28, 2013 in New York, USA.

### **5.3 Training Workshops at CCI**

#### In Collaboration with OECD & IICA

- A workshop on ‘Competition Assessment’ was organised for government officials jointly by Indian Institute of Corporate Affairs (IICA), CCI and OECD during January 22-23, 2013 in New Delhi.

#### In Collaboration with ABA and IBA

- CCI organised a two-day workshop on ‘Cartel Enforcement’ and ‘Technology and Antitrust’ for its officials in collaboration with American Bar Association (ABA) and International Bar Association (IBA) during February 14-15, 2013 at CCI.

#### In Collaboration with OFT

- An interactive meeting between CCI economists and Ms. Natalie Timan, Deputy Director, Office of the Chief Economist, Office of Fair Trading (OFT), UK was organised on March 12, 2013 at CCI.

#### In Collaboration with ACCC

- Mr. Matt Crooke, Minister-Counsellor (Economic), Australian High Commission made a presentation on ‘Access to Essential Infrastructure: Australian Experience’ to the officials of CCI on March 14, 2013.

### **6. 4<sup>th</sup> Annual Day Commemoration**

44. CCI commemorated its Annual day in New Delhi on 20th May, 2013. The Union Finance Minister Shri P. Chidambaram delivered the Annual day Lecture and highlighted the key role of CCI in

defining the role of the government as a regulator of competition and as a participant in the competitive process.

45. Earlier, Minister of State for Corporate Affairs (IC), Mr. Sachin Pilot delivered the key note address and highlighted the role of CCI in making markets competitive through putting check on anti-competitive practices by enforcement actions and advocacy efforts to spread culture of competition. Hon'ble Minister unveiled the 'Vision' and 'Mission2020' statements of CCI and lauded the role of the Commission in emerging as a strong institution in a short time frame.

46. The Chairman, CCI, Mr. Ashok Chawla emphasised the CCI's vision of establishing a robust Competitive environment. On this occasion, an Annual book of CCI entitled "Competition Commission of India" and a "Special Cover" on CCI issued by the Department of Posts was also released. Special cover on CCI issued in limited numbers is having similar significance as a memorabilia. The special cover carries symbolic imprints of features of the Act and depicts vision statement of CCI. In terms of advocacy, special cover enhances the reach of CCI and takes it closer to people of India.

## **7. Advocacy Initiatives**

47. To have a greater impact and a wider reach to the different sections of the society, the Commission has comprehensively implemented several Advocacy Initiatives.

### **7.1 Conference on 'Curbing Deficit through Effective Competition in Public Procurement'**

48. CCI organised a conference on "Curbing Deficit through Effective Competition in Public Procurement" on October 10, 2012. The conference focused on stakeholders, financial advisers and key procurement officials of various departments and ministries of the Central Government. The conference sensitised stakeholders about the key provisions of the Competition Act, 2002. The conference was attended by about 100 officials representing 35 departments and ministries of the Central Government.

### **7.2 Conference on 'Audit of Public Procurement Transactions & Competition Law'**

49. CCI organized a conference for senior officers of the Comptroller & Auditor General (CAG) of India on the theme 'Audit of Public Procurement Transactions & Competition Law' on December 7, 2012. CCI Member Mr. R. Prasad, in his inaugural address, highlighted the importance of honing the skills of audit officers with the awareness of basic nuances of the competition law, especially the provisions relating to detection and prevention of bid rigging, which adversely affects the exchequer. Most of the participants emphasized the need of having a mechanism, through which CCI and CAG can jointly address the issues of bid rigging in public procurement.

### **7.3 Interactive Meeting on 'Competition Law & Trade Associations'**

50. CCI organised an interactive meeting with the trade associations representing various sectors of the economy on December 17, 2012. The objective of the meeting was to engage in a dialogue and open two-way communication channels between the Commission and the representatives of leading trade associations.

51. CCI Chairperson Mr. Ashok Chawla emphasized the pro-active role of trade associations in regulating the conduct of their members to comply with the competition law. CCI Member Mr. M. L. Tayal emphasized the need for change in mind-set and development of competition culture within the organisation so that the economy is benefitted through the enhanced competition in the markets. The concerns raised by the associations were addressed by the Chairperson and Members of the Commission.

#### **7.4 Roundtable on ‘Competition Compliance for Good Corporate Governance’**

52. CCI organised a roundtable on the theme ‘Competition Compliance for Good Corporate Governance’ on January 24, 2013. Chief Executive Officers and senior functionaries of top 100 companies of India as well as representatives of apex business chambers were invited for the event. Mr. Sachin Pilot, Hon’ble Minister of State of Corporate Affairs (I/C) graced the occasion as the chief guest. The main objective of roundtable was to sensitize the captains of industry and business about the need for competition law awareness, its compliance as a tool for good corporate governance and for promoting internalisation of competition compliance programme.

53. Mr. Ashok Chawla, Chairperson, CCI stated in his welcome address that CCI would make a request to SEBI for inclusion of competition compliance by the companies in the ‘Clause 49’ of the Listing Agreement. This was followed by a brief presentation on competition compliance programme. Thereafter, there was open interaction, wherein participants interacted with the Hon’ble Minister and the Commission on various issues pertaining to compliance of provisions of the Competition Act, 2002.

### **8. Other Initiatives**

#### **8.1 Second meeting of Knowledge Partnership Initiative (KPI):**

54. Second meeting of Knowledge Partnership Initiative (KPI) was held with prominent economic & management schools in India on January 11, 2013 at CCI. The meeting chaired by Mr. Ashok Chawla, Chairperson, CCI was attended by Directors & Professors from IIM Kolkata, IIM Lucknow, IIFT Delhi, MDI Gurgaon, Delhi School of Economics, JNU - Centre for International Trade and Development & Centre for Economic Studies and Planning. The partnership aims to focus on research, education and training, advocacy, publications and organization of academic events.

#### **8.2 Distinguished Visitor Knowledge Sharing Series (DVKS)**

55. CCI continued to organize lectures to tap knowledge of eminent persons in various fields. Such lectures are expected to play an instrumental role in capacity building of CCI officials.

- **V Lecture:** Prof. Arvind Panagariya, Professor of Economics & Jagdish Bhagwati Professor of Indian Political Economy at Columbia University delivered the fifth lecture under DVKS on “India’s Tryst with Destiny” on December 13, 2012 in CCI.
- **VI Lecture:** Prof. Eleanor Fox delivered the sixth DVKS lecture on “Competition Law in India and the World: Convergence in Perspective” in March 4, 2013. Prof. Fox has distinguished herself globally in the field of competition regulation and is currently Walter J. Derenberg Professor of Trade Regulation at New York University School of Law.
- **VII Lecture:** Seventh lecture under DVKS was delivered by Dr. G. Mohan Gopal, an eminent jurist and Director, Rajiv Gandhi Institute for Contemporary Studies on “Law, Economics and Development: Critical Challenges in the Indian Context” on 8th April 2013
- **VIII Lecture:** Eighth Lecture was delivered by Dr. Ashok Gulati, Chairman, and Commission for Agricultural Costs and Prices on “Building Competitive Agriculture in India” on 26th July 2013.

## **9. New Initiatives**

### **9.1 Leadership & Team Building Workshop**

56. An off-site “Leadership & Team Building” workshop was organized for the officials of CCI during December 14 -16, 2012. The various interactive sessions of the workshop aimed to enhance communication skills, personality development and leadership skills of the officers and build a spirit of team work in the organization. The workshop provided excellent opportunity to officials to bond horizontally across divisions and vertically across hierarchies.

### **9.2 Competition Network Asia-Pacific**

57. In one of the initiatives of bulwarking the cooperation among competition authorities in Asia-Pacific region, CCI has mooted the idea of creating a regional network of Asia-Pacific competition authorities.

58. In response, suggestions and replies were received from eleven Competition Jurisdictions. Competition authorities of Afghanistan, Azerbaijan, Hong Kong, LaoPDR, Malaysia, Pakistan, Sri Lanka, Turkey, and Vietnam have strongly supported and welcomed the idea of establishing a regional networking forum in Asia-Pacific region.

59. A preliminary meeting was held on the sidelines of the ICN Annual Conference at Warsaw, Poland to discuss the roadmap for the materialization of the network. The meeting was attended by heads and representatives of several competition authorities in the Asia-Pacific region.

### **9.3 3<sup>rd</sup> BRICS International Competition Conference 2013**

60. CCI is coordinating organization of the 3<sup>rd</sup> BRICS Competition Authorities Meeting and International Competition Conference during November 20-22, 2013 in New Delhi. The theme of the conference is "*Competition enforcement in BRICS Countries: Issues and Challenges*". The earlier two conferences were organized in Kazan, Russia and Beijing, China. The conference is expected to be attended by delegates from the BRICS countries and other competition jurisdictions, including multilateral organizations and NGAs.

61. During the two day conference, discussions would focus on issues and challenges in setting up an effective agency, Competition Enforcement and State Owned Enterprises: Creating Level Playing field, Competition concerns in Public Procurement and Challenges in Creation of Culture of Competition. A separate session has been provided for experience sharing by mature jurisdictions on the subject of role of competition regulation in innovation and economic development.

62. The objective of the conference is to discuss various issues and challenges in competition enforcement in BRICS countries and take the agenda of cooperation among the BRICS competition authorities forward from the earlier two conferences. The Conference is expected to provide opportunity for wide ranging discussions among the representatives from the BRICS countries as well as from other enforcement agencies, multilateral institutions, and academia and civil society institutions.

63. For more details on the conference please visit the conference website [www.bricsdelhi2013.in](http://www.bricsdelhi2013.in)