LEARNING OUTCOMES

After reading this chapter, you will be able to understand:

- About prohibition of agreements and abuse of dominant position which causes or is likely to cause an appreciable adverse effect on competition
- Regulation of combinations of enterprises and persons
- About establishment of Competition Commission of India, its composition, duties, powers and functions
- To address issues to prevent practices having adverse effect on competition, to protect the interest of consumers and for matters connected therewith or incidental thereto.
1. INTRODUCTION

Given the fact that the structure of world economy and trade has taken rapid strides and undergone vast changes, India has been taking adequate steps for integrating itself with the new changes and challenges thereby market functioning, positioning becomes effective and competitive. In this regard, Government constituted a High Level Committee on Competition Policy and Law on 15.9.1999 under the Chairmanship of Mr. S.V.S. Raghavan, to recommend a legislative framework relating to Competition Law including mergers and demergers.

The Committee submitted its report on 22nd May 2000. The Government, after considering the report and suggestions from various organizations, institutions and general public, introduced the Competition Bill in the Parliament. This Bill became an Act i.e., the Competition Act, 2002 after receiving assent from the President on 13th January 2003 and all the sections of the Act have already come into force by virtue of separate Government notifications. This Act extends to the whole of India except the State of Jammu and Kashmir.

Object behind the enactment of the Competition Act, 2002

An Act, keeping in view of the economic development of the country, was laid down to provide for an establishment of a commission with the following object:

- to prevent practices having adverse effect on competition
- to promote and sustain competition in markets
- to protect the interests of consumers
- to ensure freedom of trade carried on by other participants in markets in India and -for matters connected therewith or incidental thereto
What is Competition?

A broad definition of Competition is “a situation in a market in which firms or sellers independently stride for the buyers’ patronage in order to achieve a particular business objective, for example profit, sales or market share” (World Bank, 1999). A pre-requisite for a good competition is trade, trade is the unrestricted liberty of every man to buy, sell and barter, when, where and how, of whom and to whom he pleases.

For a free market to be in existence the handicap is that for a given distribution of income of those who can pay the highest price will most be able to purchase the goods regardless their relative needs. However, the real culprit is income distribution system and not the competitive system. In an unregulated free market, in certain circumstances it could be of greater benefit to the owner to withhold goods from market in order to extract a higher price. Despite the efforts to regulate prices which have been unsuccessful, the caution in a free market as compared to the problems in an unregulated market can be overcome by posturing competition by which the interest of the consumer can be protected.

Competition Policy and Law

The Competition Policy is regarded as genus, of which, the Competition Law is specie. Competition Law provides necessary powers to the Competition Commission to enforce and implement the Competition Policy. The central economic goal of the Competition Policy is the preservation and promotion of the competitive process. It is a symbolic process, which encourages efficiency in the production and allocation of goods and services over a period of time through its effects on innovation and adjustment to technological change. In conditions of effective competition, competitors will be having equal opportunities to compete for their own economic interest and therefore the quality of their outputs and resource deployment will be given top priority in order to sustain and succeed in the market by meeting consumers’ demand at the lowest possible cost.
Main Ingredients of Competition Law

The focus of the law is towards the following areas affecting competition namely:

**Prohibition of certain agreements, which are considered to be anti-competitive in nature.**

Such agreements [namely tie in arrangements, exclusive dealings (supply and distribution), refusal to deal and resale price maintenance] shall be presumed as anti-competitive if they cause or are likely to cause an appreciable adverse effect on competition within India.

**Prohibition of Abuse of dominant position**

by imposing unfair or discriminatory conditions or limiting and restricting production of goods or services or indulging in practices resulting in denial of market access or through in any other mode are prohibited.

**Regulation of combinations**

which cause or are likely to cause an appreciable adverse affect on competition within the relevant market in India is also considered to be void.

## 2. DEFINITIONS

**Acquisition [Section 2(a)]**

"Acquisition" means, directly or indirectly, acquiring or agreeing to acquire—

(i) shares, voting rights or assets of any enterprise; or

(ii) control over management or control over assets of any enterprise;

**Agreement [Section 2(b)]**

"Agreement" includes any arrangement or understanding or action in concert,—

(i) whether or not, such arrangement, understanding or action is formal or in writing; or

(ii) whether or not such arrangement, understanding or action is intended to be enforceable by legal proceedings.

The objective of the Competition Policy is to promote efficiency and maximising the welfare of nation and to create a business environment, which promotes healthy market competition. An agreement which prohibits an enterprise or person or their association for entering into an agreement in respect of production, supply, distribution, storage, acquisition or control of goods or services, which causes or is likely to cause an appreciable adverse affect on
competition. Such agreements entered in contravention of the above are void. These agreements are presumed to have an appreciable adverse affect on competition.

**Example**

An understanding has been reached among the manufacturers of cement to control the price of cement, but the understanding is not in writing and it is also not intended to be enforced by legal proceedings.

Examine whether the above understanding can be considered as an ‘Agreement’ with the meaning of Section 2(b) of the Competition Act, 2002.

**Answer**

**Agreement**

‘Agreement’ includes any arrangement or understanding or action in concert:

(i) Whether or not, such arrangement, understanding or action is formal or in writing or

(ii) Whether or not such arrangement, understanding or action is intended to be enforceable by legal proceedings. [Section 2(b)].

In view of the above definition of ‘agreement’, an understanding reached by the cement manufacturers to control the price of cement will be an ‘agreement’ within the meaning of section 2(b) of the Competition Act, 2002 even though the understanding is not in writing and it is not intended to be enforceable by legal proceedings.

Agreements may be horizontal agreements and vertical agreements.

**Horizontal agreements** refer to agreements among competitors and **vertical agreements** refer to an actual or potential relationship of buying or selling to each other. Horizontal agreements relating to prices, quantities, bids and market sharing are particularly anti-competitive. Vertical agreements like tie in arrangements; exclusive supply/distribution agreements and refusal to deal are also generally anti-competitive. Section 3 of the Competition Act, 2002 regulates and prohibits all types of agreements, which have the effect
to restrict competition, and prevent those, which have such likely effect.

Here, horizontal agreements are those agreements among competitors operating at the same level in the economic process i.e. enterprises engaged in the same activity.

Example: The agreements between producers or between wholesellers or between retailers, dealing in similar kind of products.

Vertical agreements are those agreements between Non-competing undertakings operating at different levels of manufacturing and distribution process.

Example: The agreements between manufacturers of components, manufacturers of products, between producers and whole-sellers or between producers, whole-sellers and retailers.

Horizontal agreements are agreements between two or more enterprises that are at the same stage of the production chain and in the same market. Horizontal agreements and membership of cartels lead to unreasonable restrictions of competition and may be presumed to have an appreciable adverse effect on competition.

Vertical agreements are agreements between enterprises that are at different stages or levels of the production chain and therefore in different markets. An example of this would be an agreement between a producer and a distributor. This includes, Tie in arrangements, Exclusive Supply Agreements, Exclusive Distribution Agreements, Refusal to Deal and Resale Price Maintenance (RPM).

Appellate Tribunal [Section 2 (ba)]

It means the National Company Law Appellate Tribunal referred to in sub-section (1) of section 53A.

Cartel [Section 2(c)]

"Cartel" includes an association of producers, sellers, distributors, traders or service providers who, by agreement amongst themselves, limit, control or attempt to control the production, distribution, sale or price of, or, trade in goods or provision of services.

The term cartel like agreement has been given an inclusive meaning. Thus, an association for the welfare of the trade or formed for any other purpose not mentioned in the aforesaid definition will not be a cartel.

It is only when an association, by agreement amongst themselves, limits control or attempts to control the production, distribution, sale or price of, or, trade in goods or provision of services, that it will be a cartel.
Example

The orange producers of Nagpur have formed an association to control the production of oranges. Examine whether it will be considered as a cartel within the meaning of Section 2(c) of the Competition Act, 2002.

Answer

As per section 2(c) of the Competition Act, 2002 the term “cartel” includes an association of producers, sellers, distributors, traders or service providers who, by agreement amongst themselves, limit, control, or attempt to control the production, distribution, sale or price of, or, trade in goods or provision of services.

The term “cartel” has an inclusive meaning. Thus an association formed to control the production of oranges is within the aforesaid definition of a cartel. Hence the association of orange producers of Nagpur will be considered as a cartel under the provisions of the Act.

Chairperson [Section 2(d)]

"Chairperson" means the Chairperson of the Commission appointed under sub-section (1) of section 8;

Commission [Section 2(e)]

"Commission" means the Competition Commission of India established under sub-section (1) of section 7;

Consumer [Section 2(f)]

"Consumer" means any person who—

(i) buys any goods for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any user of such goods other than the person who buys such goods for consideration paid or promised or partly paid or partly promised, or under any system of deferred payment when such use is made with the approval of such person, whether such purchase of goods is for resale or for any commercial purpose or for personal use;

(ii) hires or avails of any services for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any beneficiary of such services other than the person who hires or avails of the services
for consideration paid or promised, or partly paid and partly promised, or under any system of deferred payment, when such services are availed of with the approval of the first-mentioned person whether such hiring or availing of services is for any commercial purpose or for personal use;

It is noteworthy that the definition of consumer is substantially the same has given to the expression under section 2(d) of the Consumer Protection Act, 1986. The difference is that under clause (i), in the Competition Act, it uses the words “whether such purchase of goods is for the resale or for any commercial purpose or for personal use” in places of the words “but does include a person who obtains such goods for resale or for any commercial purpose”, as in the Consumer Protection Act. Likewise, in clause (ii), the words used in the Competition Act are “whether such hiring or availing of services is for any commercial purpose or for personal use” in place of the words “but does not include a person who avails of such services for any commercial purpose” as in the Consumer Protection Act. Thus, the interpretation of “consumer” in the Consumer Protection Act will be the same as in Competition Act. In the latter Act, “consumer” will also include a person who purchases goods for resale or for any commercial purpose or for personal use.

Example

Examine with reference to the relevant provisions of the Competition Act, 2002 the following:

Whether a person purchasing goods not for personal use, but for resale can be considered as a ‘consumer.’

Answer

Consumer: The term ‘consumer’ is defined in section 2(f) of Competition Act, 2002. Accordingly, ‘consumer’ means any person who buys any goods for a consideration, which has been paid or promised or partly paid and partly promised, whether such purchase of goods is for resale or for any commercial purpose or for personal use.

Hence, it is not necessary that a person must purchase the goods for personal use in order to be considered as a ‘consumer’ under Competition Act, 2002. Even a person purchasing goods for resale or for any commercial purpose will also be considered as a ‘consumer’ within the meaning of Section 2(f) of the Competition Act, 2002.

Director General [Section 2(g)]

“Director General” means the Director General appointed under sub-section (1) of section 16(1) and includes any Additional, Joint, Deputy or Assistant Directors General appointed under that section;

Enterprise [Section 2(h)]

“Enterprise” means a person or a department of the Government, who or which is, or has been, engaged in any activity, relating to the production, storage, supply, distribution,
acquisition or control of articles or goods, or the provision of services, of any kind, or in investment, or in the business of acquiring, holding, underwriting or dealing with shares, debentures or other securities of any other body corporate, either directly or through one or more of its units or divisions or subsidiaries, whether such unit or division or subsidiary is located at the same place where the enterprise is located or at a different place or at different places, but does not include any activity of the Government relatable to the sovereign functions of the Government including all activities carried on by the departments of the Central Government dealing with atomic energy, currency, defence and space.

For the purposes of this clause,—

(a) "activity" includes profession or occupation;

(b) "article" includes a new article and "service" includes a new service;

(c) "unit" or "division", in relation to an enterprise, includes—

(i) a plant or factory established for the production, storage, supply, distribution, acquisition or control of any article or goods;

(ii) any branch or office established for the provision of any service;

Here, the Department of Central Government is also considered as an enterprise. Hence, it can sue and sued by others as a juristic person for its right and legal remedies. However, such Central Government Departments having sovereign functions of the Government, which include activities relating to atomic energy, currency, defence and space, are excluded from the definition of an enterprise.

**Goods [Section 2(i)]**

"Goods" means goods as defined in the Sale of Goods Act, 1930 and includes—

(A) products manufactured, processed or mined;

(B) debentures, stocks and shares after allotment;

(C) in relation to goods supplied, distributed or controlled in India, goods imported into India;

Section 2(7) of the Sale of Goods Act, 1930 defines goods as "every kind of movable property other than actionable claims and money; and include stock and shares, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale".
Example

ABC Ltd. made an initial public offer of certain number of equity shares. Examine whether these shares can be considered as ‘Goods’ under the Competition Act, 2002 before allotment.

Answer

Section 2(i) of Competition Act, 2002 defines ‘goods’ as follows:
‘Goods’ means goods as defined the Sale of Goods Act, 1930 and includes –
(a) products manufactured, processed or mined;
(b) debentures, stock and shares after allotment;
(c) in relation to goods supplied, distributed or controlled in India, goods imported into India.

Hence, debentures and shares can be considered as ‘goods’ within the meaning of section 2(i) of Competition Act, 2002 only after allotment and not before allotment.

Member [Section 2(j)]

"Member" means a Member of the Commission appointed under sub-section (1) of section 8 and includes the Chairperson;

Notification [Section 2(k)]

"Notification" means a notification published in the Official Gazette;

Person [Section 2(l)]

"Person" includes—
(i) an individual;
(ii) a Hindu Undivided Family;
(iii) a company;
(iv) a firm;
(v) an association of persons or a body of individuals, whether incorporated or not, in India or outside India;
(vi) any corporation established by or under any Central, State or Provincial Act or a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956);
(vii) any body corporate incorporated by or under the laws of a country outside India;
(viii) a co-operative society registered under any law relating to cooperative societies;
(ix) a local authority;
(x) every artificial judicial person, not falling within any of the preceding sub-clauses;

Practice [Section 2(m)]

"Practice" includes any practice relating to the carrying on of any trade by a person or an enterprise;

Prescribed [Section 2(n)]

"Prescribed" means prescribed by rules made under this Act;

Price [Section 2(o)]

"Price", in relation to the sale of any goods or to the performance of any services, includes every valuable consideration, whether direct or indirect, or deferred, and includes any consideration, which in effect relates to the sale of any goods or to the performance of any services although ostensibly relating to any other matter or thing;

Public financial institution [Section 2(p)]

"Public financial institution" means a public financial institution specified under section 4A of the Companies Act, 1956 and includes a State Financial, Industrial or Investment Corporation;

Regulations [Section 2(q)]

"Regulations" means the regulations made by the Commission under section 64;

Relevant Market [Section 2(r)]

"Relevant Market" means the market, which may be determined by the Commission with reference to the relevant product market or the relevant geographic market or with reference to both the markets;

It includes all interchangeable or substitutable goods or services of all competitors. The determination of the relevant market is a crucial aspect.

Relevant Geographic Market [Section 2(s)]

"Relevant Geographic Market" means a market comprising the area in which the conditions of competition for supply of goods or provision of services or demand of goods or services are distinctly homogenous and can be distinguished from the conditions prevailing in the neighbouring areas;

The Relevant Geographic Market is not broad in sense. It could be drawn as narrowly as one metropolitan area or as broad as the nation as a whole. It is the geographic area in which a sole supplier of the product could profitably increase its price without causing outside
suppliers to sell in that particular area.

It is an area in which the sellers of particular product or service providers operate. This type of market may be local, national, or international. It involves identification of geographical areas within which competition take place.

**Relevant Product Market [Section 2(t)]**

"Relevant Product Market" means a market comprising all those products or services which are regarded as interchangeable or substitutable by the consumer, by reason of characteristics of the products or services, their prices and intended use;

**Service [Section 2(u)]**

"Service" means service of any description which is made available to potential users and includes the provision of services in connection with business of any industrial or commercial matters such as banking, communication, education, financing, insurance, chit funds, real estate, transport, storage, material treatment, processing, supply of electrical or other energy, boarding, lodging, entertainment, amusement, construction, repair, conveying of news or information and advertising;

**Shares [Section 2(v)]**

"Shares" means shares in the share capital of a company carrying voting rights and includes—

(i) any security which entitles the holder to receive shares with voting rights;

(ii) stock except where a distinction between stock and share is expressed or implied;

**Statutory Authority [Section 2(w)]**

"Statutory authority" means any authority, board, corporation, council, institute, university or any other body corporate, established by or under any Central, State or Provincial Act for the purposes of regulating production or supply of goods or provision of any services or markets therefor or any matter connected therewith or incidental thereto;

**Trade [Section 2(x)]**

"Trade" means any trade, business, industry, profession or occupation relating to the production, supply, distribution, storage or control of goods and includes the provision of any services;

**Turnover [Section 2(y)]**

"Turnover" includes value of sale of goods or services;
Words and Expressions [Section (z)]

"Words and Expressions" used but not defined in this Act and defined in the Companies Act, 1956 shall have the same meanings respectively assigned to them in that Act.

3. PROHIBITION OF CERTAIN AGREEMENTS, ABUSE OF DOMINANT POSITION AND REGULATION OF COMBINATIONS

1. Anti competitive agreements [Section 3]

It shall not be lawful for any enterprise or association of enterprises or person or association of persons to ‘enter’ into an agreement in respect of production, supply, storage, distribution, acquisition or control of goods or provision of services, which causes or is likely to cause an appreciable adverse effect on competition within India. All such agreements entered into in contravention of the aforesaid prohibition shall be void.

Any agreement entered into between enterprises or associations of enterprises or persons or associations of persons or between any person and enterprise or practice carried on, or decision taken by, any association of enterprises or association of persons, including cartels, engaged in identical or similar trade of goods or provision of services, shall be presumed to have an appreciable adverse effect on competition, which—

(a) directly or indirectly determines purchase or sale prices;
(b) limits or controls production, supply, markets, technical development, investment or provision of services;
(c) shares the market or source of production or provision of services by way of allocation of geographical area of market, or type of goods or services, or number of customers in the market or any other similar way;
(d) directly or indirectly results in bid rigging or collusive bidding.

However, any agreement entered into by way of joint ventures, if such agreement increases efficiency in production, supply, distribution, storage, acquisition or control of goods or provision of services, shall not be considered to be an anti-competitive agreement.

Bid-rigging

"Bid rigging" means any agreement, between enterprises or persons engaged in identical or similar production or trading of goods or provision of services, which has the effect of eliminating or reducing competition for bids or adversely affecting or manipulating the process for bidding.
Agreement at different stages in different markets

Any agreement amongst enterprises or persons at different stages or levels of the production chain in different markets, in respect of production, supply, distribution, storage, sale or price of, or trade in goods or provision of services shall be a void agreement if it causes or is likely to cause an appreciable adverse effect on competition in India including—

(a) tie-in arrangement - includes any agreement requiring a purchaser of goods, as a condition of such purchase, to purchase some other goods;

(b) exclusive supply agreement - includes any agreement restricting in any manner the purchaser in the course of his trade from acquiring or otherwise dealing in any goods other than those of the seller or any other person;

(c) exclusive distribution agreement- includes any agreement to limit, restrict or withhold the output or supply of any goods or allocate any area or market for the disposal or sale of the goods;

(d) refusal to deal - includes any agreement which restricts, or is likely to restrict, by any method the persons or classes of persons to whom goods are sold or from whom goods are bought;

(e) resale price maintenance - includes any agreement to sell goods on condition that the prices to be charged on the resale by the purchaser shall be the prices stipulated by the seller unless it is clearly stated that prices lower than those prices may be charged.

Restriction of rights under some Acts

Nothing contained in this section shall restrict the right of any person to restrain any infringement of, or to impose reasonable conditions, as may be necessary for protecting any of his rights which have been or may be conferred upon him under—

(a) the Copyright Act, 1957;

(b) the Patents Act, 1970;

(c) the Trade and Merchandise Marks Act, 1958 or the Trade Marks Act, 1999;

(d) the Geographical Indications of Goods (Registration and Protection) Act, 1999;

(e) the Designs Act, 2000;

(f) the Semi-conductor Integrated Circuits Layout-Design Act, 2000;

Prohibition of export of rights

Nothing contained in this section shall restrict the right of any person to export goods from India to the extent to which the agreement relates exclusively to the production, supply, distribution or control of goods or provision of services for such export.
2. **Abuse of dominant position [Section 4]**

Sub-section (1), prohibits abuse of dominant position by any enterprise or group. There shall be abuse of dominant position if an enterprise or a group, -

(a) directly or indirectly, imposes unfair or discriminatory—

(i) condition in purchase or sale of goods or services; or

(ii) price in purchase or sale (including predatory price) of goods or service, or

"predatory price" means the sale of goods or provision of services, at a price which is below the cost, as may be determined by regulations, of production of the goods or provision of services, with a view to reduce competition or eliminate the competitors.

The *unfair or discriminatory condition in purchase* or *sale of goods or service* referred to in sub-clause (i) and *unfair or discriminatory price* in purchase or sale of goods (including predatory price) or *service* referred to in sub-clause (ii) shall not include such discriminatory condition or price which may be adopted to meet the competition; or

(b) limits or restricts—

(i) production of goods or provision of services or market therefor; or

(ii) technical or scientific development relating to goods or services to the prejudice of consumers; or

(c) indulges in practice or practices resulting in denial of market access in any manner; or

(d) makes conclusion of contracts subject to acceptance by other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts; or

(e) uses its dominant position in one relevant market to enter into, or protect, other relevant market.

Dominant position means a position of strength, enjoyed by an enterprise, in the relevant market, in India, which enables it to—

(i) operate independently of competitive forces prevailing in the relevant market; or

(ii) affect its competitors or consumers or the relevant market in its favour.

3. **Combination [Section 5]**

The acquisition of one or more enterprises by one or more persons or merger or amalgamation of enterprises shall be a combination of such enterprises and persons or enterprises, if—
2.16 ECONOMIC LAWS

(a) any acquisition where—

(i) the parties to the acquisition, being the acquirer and the enterprise, whose control, shares, voting rights or assets have been acquired or are being acquired jointly have,—

(A) either, in India, the assets of the value of more than rupees one thousand crores or turnover more than rupees three thousand crores; or

(B) in India or outside India, in aggregate, the assets of the value of more than five hundred million US dollars, including at least rupees five hundred crores in India, or turnover more than fifteen hundred million US dollars, including at least rupees fifteen hundred crores in India; or

(ii) the group, to which the enterprise whose control, shares, assets or voting rights have been acquired or are being acquired, would belong after the acquisition, jointly have or would jointly have,—

(A) either in India, the assets of the value of more than rupees four thousand crores or turnover more than rupees twelve thousand crores; or

(B) in India or outside India, in aggregate, the assets of the value of more than two billion US dollars, including at least rupees five hundred crores in India, or turnover more than six billion US dollars, including at least rupees fifteen hundred crores in India; or

(b) acquiring of control by a person over an enterprise when such person has already direct or indirect control over another enterprise engaged in production, distribution or trading of a similar or identical or substitutable goods or provision of a similar or identical or substitutable service, if—

(i) the enterprise over which control has been acquired along with the enterprise over which the acquirer already has direct or indirect control jointly have,—

(A) either in India, the assets of the value of more than rupees one thousand crores or turnover more than rupees three thousand crores; or

(B) in India or outside India, in aggregate, the assets of the value of more than five hundred million US dollars, including at least rupees five hundred crores in India, or turnover more than fifteen hundred million US dollars, including at least rupees fifteen hundred crores in India; or

(ii) the group, to which enterprise whose control has been acquired, or is being acquired, would belong after the acquisition, jointly have or would jointly have,—

(A) either in India, the assets of the value of more than rupees four thousand crores or turnover more than rupees twelve thousand crores; or
(B) in India or outside India, in aggregate, the assets of the value of more than two billion US dollars, including at least rupees five hundred crores in India, or turnover more than six billion US dollars, including at least rupees fifteen hundred crores in India; or

(c) any merger or amalgamation in which—

(i) the enterprise remaining after merger or the enterprise created as a result of the amalgamation, as the case may be, have,—

(A) either in India, the assets of the value of more than rupees one thousand crores or turnover more than rupees three thousand crores; or

(B) in India or outside India, in aggregate, the assets of the value of more than five hundred million US dollars, including at least rupees five hundred crores in India, or turnover more than fifteen hundred million US dollars, including at least rupees fifteen hundred crores in India; or

(ii) the group, to which the enterprise remaining after the merger or the enterprise created as a result of the amalgamation, would belong after the merger or the amalgamation, as the case may be, have or would have,—

(A) either in India, the assets of the value of more than rupees four thousand crores or turnover more than rupees twelve thousand crores; or

(B) in India or outside India, in aggregate, the assets of the value of more than two billion US dollars, including at least rupees five hundred crores in India, or turnover more than six billion US dollars, including at least rupees fifteen hundred crores in India.

Explanation.—For the purposes of this section,—

(a) “control” includes controlling the affairs or management by—

(i) one or more enterprises, either jointly or singly, over another enterprise or group;

(ii) one or more groups, either jointly or singly, over another group or enterprise;

(b) “group” means two or more enterprises which, directly or indirectly, are in a position to—

(i) exercise twenty-six per cent or more of the voting rights in the other enterprise; or

(ii) appoint more than fifty per cent of the members of the board of directors in the other enterprise; or

(iii) control the management or affairs of the other enterprise;
(c) the value of assets shall be determined by taking the book value of the assets as shown, in the audited books of account of the enterprise, in the financial year immediately preceding the financial year in which the date of proposed merger falls, as reduced by any depreciation, and the value of assets shall include the brand value, value of goodwill, or value of copyright, patent, permitted use, collective mark, registered proprietor, registered trade mark, registered user, homonymous geographical indication, geographical indications, design or layout-design or similar other commercial rights, if any, referred to in sub-section (5) of section 3.

**Vide Notification dated 8th January 2013**, in exercise of the powers conferred by clause (a) of section 54 of the Competition Act, 2002, the Central Government exempts a banking company in respect of which the Central Government has issued a notification under section 45 of the Banking Regulation Act, 1949, from the application of the provisions of sections 5 and 6 of the Competition Act, 2002, in public interest for a period of five years from the date of publication of this notification in the Official Gazette.

**Vide Notification dated 27th March, 2017**, in exercise of the powers conferred by clause (a) of section 54 of the Competition Act, 2002,

1. the Central Government, hereby exempts the enterprises being parties to —
   
   a) any acquisition referred to in clause (a) of section 5 of the Competition Act;
   
   b) acquiring of control by a person over an enterprise when such person has already direct or indirect control over another enterprise engaged in production, distribution or trading of a similar or identical or substitutable goods or provision of a similar or identical or substitutable service, referred to in clause (b) of section 5 of the Competition Act; and

   c) any merger or amalgamation, referred to in clause (c) of section 5 of the Competition Act,

Where the value of assets being acquired, taken control of, merged or amalgamated is not more than rupees three hundred and fifty crores in India or turnover of not more than rupees one thousand crores in India, from the provisions of section 5 of the said Act for a period of five years from the date of publication of this notification in the official gazette.

2. Where a portion of an enterprise or division or business is being acquired, taken control of, merged or amalgamated with another enterprise, the value of assets of the said portion or division or business and or attributable to it, shall be the relevant assets and turnover to be taken into account for the purpose of calculating the thresholds under section 5 of the Act.

The value of the said portion or division or business shall be determined by taking the book value of the assets as shown, in the audited books of accounts of the enterprise or as per statutory auditor’s report where the financial statement have not yet become due to be filed, in

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the financial year immediately preceding the financial year in which the date of the proposed combination falls, as reduced by any depreciation, and the value of assets shall include the brand value, value of goodwill, or value of copyright, patent, permitted use, collective mark, registered proprietor, registered trade mark, registered user, homonymous geographical indication, geographical indications, design or layout-design or similar other commercial rights, if any, referred to in sub-section (5) of section 3. The turnover of the said portion or division or business shall be as certified by the statutory auditor on the basis of the last available audited accounts of the company.

In exercise of the powers conferred by clause (a) of section 54 of the Competition Act, 2002, the Central Government, in public interest, hereby rescinds the notification of the Government of India in the Ministry of Corporate Affairs, S.O. 674(E), dated the 4th March, 2016, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 4th March, 2016, except as respects things done or omitted to be done before such rescission.

4. Regulation of combinations [Section 6]

As per this section, no person or enterprise shall enter into a combination which causes or is likely to cause an appreciable adverse effect on competition within the relevant market in India and such a combination shall be void. [Sub-section 1].

Any person or enterprise, who or which proposes to enter into a combination shall give notice to the Commission, in the form as may be specified, and the fee which may be determined, by regulations, disclosing the details of the proposed combination, within 30 days of—

(a) approval of the proposal relating to merger or amalgamation, referred to in section 5(c), by the board of directors of the enterprises concerned with such merger or amalgamation, as the case may be;

(b) execution of any agreement or other document for acquisition referred to in section 5(a) or acquiring of control referred to in section 5(b).[Sub-section 2]

No combination shall come into effect until 210 days have passed from the day on which the notice has been given to the Commission or the Commission has passed orders under section 31, whichever is earlier. [Sub-section 2A]

The Commission shall, after receipt of notice, deal with such notice in accordance with the provisions contained in sections 29, 30 and 31. [Sub-section 3].

The provisions of this section shall not apply to share subscription or financing facility or any acquisition, by a public financial institution, foreign institutional investor, bank or venture capital fund, pursuant to any covenant of a loan agreement or investment agreement. [Sub-section 4].

The public financial institution, foreign institutional investor, bank or venture capital fund,
shall, within seven days from the date of the acquisition, file, in the form as may be specified by regulations, with the Commission the details of the acquisition including the details of control, the circumstances for exercise of such control and the consequences of default arising out of such loan agreement or investment agreement, as the case may be. [Sub-section 5].

"Foreign institutional investor" has the same meaning as assigned to it in clause (a) of the Explanation to section 115AD of the Income-tax Act, 1961, which is as under:

The expression "Foreign Institutional Investor" means such investor as the Central Government may, by notification in the official gazette specify in this behalf.

"Venture capital fund" has the same meaning as assigned to it in clause (b) of the Explanation to clause (23 FB) of section 10 of the Income-tax Act, 1961, which is as follows:

"venture capital fund" means such fund-

(i) operating under a trust deed registered under the provisions of the Registration Act, 1908 or operating as a venture capital scheme made by the Unit Trust of India established under the Unit Trust of India Act, 1963;

(ii) which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and regulations made thereunder;

(iii) which fulfils the conditions as may be specified, with the approval of the Central Government, by the Securities and Exchange Board of India, by notification in the Official Gazette, in this behalf;

In exercise of the powers conferred by clause (a) of section 54 of the Competition Act, 2002, the Central Government vide Notification No. S.O. 93(E) dated 8th January, 2013 exempts a banking company from the application of the provisions of sections 5 and 6 of the Competition Act, 2002, in public interest for a period of five years from the date of publication of this notification in the official gazette.

COMPETITION COMMISSION OF INDIA (PROCEDURE IN REGARD TO THE TRANSACTION OF BUSINESS RELATING TO COMBINATIONS) REGULATIONS, 2011

In exercise of the powers conferred by sub-section (1) and clauses (b), (c) and (f) of sub-section (2) of section 64 read with sub-sections (2) and (5) of section 6 of the Competition Act, 2002, the Competition Commission of India hereby makes the Competition Commission of India (Procedure in Regard to the Transaction of Business relating to Combinations) Regulations, 2011.
Form of notice for the proposed combination

5. (1) Any enterprise which proposes to enter into a combination shall give notice of such combination to the Commission in accordance with sub-section (2) of section 6 of the Act and these regulations.

(2) The notice under sub-section (2) of section 6 of the Act, shall ordinarily be filed in Form I as specified in Schedule II to these regulations, duly filled in and accompanied by evidence of payment of requisite fee by the parties to the combination.

(3) Notwithstanding anything contained in sub-regulation (2) and without prejudice to the provisions of sub-regulation (5), the parties to the combination may, at their option, give notice in Form II, as specified in Schedule II to these regulations, preferably in the instances where—

(a) the parties to the combination are engaged in production, supply, distribution, storage, sale or trade of similar or identical or substitutable goods or provision of similar or identical or substitutable services and the combined market share of the parties to the combination after such combination is more than fifteen per cent (15%) in the relevant market;

(b) the parties to the combination are engaged at different stages or levels of the production chain in different markets, in respect of production, supply, distribution, storage, sale or trade in goods or provision of services, and their individual or combined market share is more than twenty five per cent (25%) in the relevant market.

(3A) The parties to the combination shall give notice in Form I or Form II, as the case may be, in accordance with the notes to Form I and Form II issued by the Commission and published on its official website, from time to time.

(4) Where in the course of inquiry, it is found by the Commission that it requires additional information, the Commission may direct the parties to the combination to file such additional information:

Provided that the time taken by the parties to the combination in filing such additional information shall be excluded from the period provided in sub-section (11) of section 31 of the Act and sub-regulation (1) of regulation 19 of these regulations.

(5) Having due regard to the provisions of sub-regulations (2) and (4), in cases where the parties to the combination have filed notice in Form I and the Commission requires information in Form II to form its prima facie opinion whether the combination is likely to cause or has caused appreciable adverse effect on competition within the relevant market, it shall direct the parties to the combination to file notice in Form II as specified in Schedule II to these regulations:

Provided that the fee already paid by the parties to the combination while filing notice in Form I shall be reduced from the fee payable for filing notice in Form II.

Provided further that the time period mentioned in sub-section (2A) of section 6 of the Act,
sub-section (11) of section 31 of the Act and sub-regulation (1) of regulation 19 of these regulations shall commence from the date of receipt of notice in Form II.

(6) If the requisite details are not available for any of the columns in Form I or Form II, the date on which they may be submitted should be clearly indicated against those columns, by the parties to the combination:

Provided that the time taken by the parties to the combination to submit the requisite details shall be excluded from the period provided in sub-section (11) of section 31 of the Act and sub-regulation (1) of regulation 19 of these regulations.

(7) The reference to the ‘board of directors’ in clause (a) of sub-section (2) of section 6 of the Act, shall mean and include,—

(a) the individual himself or herself including a sole proprietor of a proprietorship firm;
(b) the karta in case of a Hindu Undivided Family (HUF);
(c) the board of directors in case of a company registered under the Companies Act, 1956;
(d) in case of a corporation established by or under any Central, State or Provincial Act or a Government company as defined in section 617 of the Companies Act, 1956 or an association of persons or a body of individuals, whether incorporated or not, in India or outside India or any body corporate incorporated by or under the laws of a country outside India or a cooperative society registered under any law relating to cooperative societies or a local authority, the person or the body so empowered by the legal instrument that created the said bodies;
(e) in the case of a firm, the partner(s) so authorized;
(f) in the case of any other artificial juridical person not falling within any of the preceding sub-clauses, by that person or by some other person competent to act on his behalf.

(8) The reference to the ‘other document’ in clause (b) of sub-section (2) of section 6 of the Act shall mean any binding document, by whatever name called, conveying an agreement or decision to acquire control, shares, voting rights or assets.

Provided that if the acquisition is without the consent of the enterprise being acquired, any document executed by the acquiring enterprise, by whatever name called, conveying a decision to acquire control, shares or voting rights shall be the ‘other document’.

Provided further that where a public announcement has been made in terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, for acquisition of shares, voting rights or control, such public announcement shall be deemed to be the "other document".

(9) Where, in a series of steps or individual transactions that are related to each other, assets are being transferred to an enterprise for the purpose of such enterprise entering into
an agreement relating to an acquisition or merger or amalgamation with another person or enterprise, for the purpose of section 5 of the Act, the value of assets and turnover of the enterprise whose assets are being transferred shall also be attributed to the value of assets and turnover of the enterprise to which the assets are being transferred.

**Filing of details of acquisition under sub-section (5) of section 6 of the Act**

6. (1) The details of acquisition by a public financial institution, foreign institutional investor, bank or venture capital fund, pursuant to any covenant of a loan or investment agreement, shall be filed without any fee in Form III, along with a certified copy of the loan agreement or investment agreement referred to in sub-section (5) of section 6 of the Act.

(2) The duly filled in Form III, along with one copy and electronic version thereof, shall be delivered to the Commission at the address published on its official website.

(3) Without prejudice to the provisions of the Act, where details of acquisition filed in Form III under sub-regulation (1) are received in the Commission beyond the time limit mentioned in sub-section (5) of section 6 of the Act, the Commission may admit such details of acquisition in Form III.

**Belated notice**

7. Where a notice filed in Form I or Form II under sub-regulation (2) or (3) of regulation 5 of these regulations is received in the Commission beyond the time limit mentioned in sub-section (2) of section 6 of the Act, the Commission may, without prejudice to other provisions including that of section 43A of the Act, admit such notice.

**Failure to file notice**

8. (1) Where the parties to a combination fail to file notice under sub-section (2) of section 6 of the Act, the Commission may under sub-section (1) of section 20 of the Act, upon its own knowledge or information relating to such combination, inquire into whether such a combination has caused or is likely to cause an appreciable adverse effect on competition within India.

(2) Where the Commission decides to commence an inquiry, referred to in sub-regulation (1), the Commission, without prejudice to any penalty which may be imposed or any prosecution which may be initiated under this Act, shall direct the parties to the combination to file notice in Form I or Form II, as decided by the Commission.

(3) The notice, referred to in sub-regulation (2), shall be filed, within 30 days of receipt of communication from the Commission, by the parties to the combination.
Obligation to file the notice

9. (1) In case of an acquisition or acquiring of control of enterprise(s), the acquirer shall file the notice in Form I or Form II, as the case may be, which shall be duly signed by the person(s) as specified under regulation 11 of the Competition Commission of India (General) Regulations, 2009.

Provided that in case of a company, apart from the persons specified under clause (c) of sub-regulation (1) of regulation 11 of the Competition Commission of India (General) Regulations, 2009, Form I or Form II may also be signed by any person duly authorised by the company.

(2) In case the enterprise is being acquired without its consent, the acquirer shall furnish such information as is available to him, in Form I or Form II, as the case may be, relating to the enterprise being acquired.

Provided that all information required to be filed, relating to the enterprise being acquired shall be filed with the Commission within fifteen days from filing of the notice and in case the acquirer is not in a position to furnish all the required information in Form I or Form II, as the case may be, relating to the enterprise being acquired, the Commission may direct the enterprise being acquired to furnish such information as it deems fit and the time taken by the parties to the combination or the acquired enterprise, as the case may be, in furnishing the required information including document(s) shall be excluded from the period provided in sub-section (11) of section 31 of the Act and sub-regulation (1) of regulation 19 of these regulations.

(3) In case of a merger or an amalgamation, parties to the combination shall jointly file the notice in Form I or Form II, as the case may be, duly signed by the person(s) as specified under regulation 11 of the Competition Commission of India (General) Regulations, 2009.

Provided that in case of a company, apart from the persons specified under clause (c) of sub-regulation (1) of regulation 11 of the Competition Commission of India (General) Regulations, 2009, Form I or Form II may also be signed by any person duly authorised by the company.

(4) Where the ultimate intended effect of a business transaction is achieved by way of a series of steps or smaller individual transactions which are inter-connected, one or more of which may amount to a combination, a single notice, covering all these transactions, shall be filed by the parties to the combination.

(5) The requirement of filing notice under regulation 5 of these regulations shall be determined with respect to the substance of the transaction and any structure of the transaction(s), comprising a combination, that has the effect of avoiding notice in respect of the whole or a part of the combination shall be disregarded.

Procedure for filing notice

13. (1) The duly filled in notice under regulation 5 or regulation 8 of these regulations along with one copy and an electronic version thereof shall be delivered to the Commission at the address published on its official website.
Provided that if the parties to the combination request confidentiality of information or document(s) under sub-regulation (1) of regulation 30 of these regulations, such request may be filed as per the procedure laid down in the Competition Commission of India (General) Regulations, 2009, along with a duly filed in public version of the notice and an electronic version thereof.

(1A) A summary of the combination, not containing any confidential information, in not less than 2000 words, comprising inter alia the details regarding: (a) the products, services and business(es) of the parties to the combination; (b) the values of assets/turnover for the purpose of section 5 of the Act; (c) the respective markets in which the parties to the combination operate; (d) the details of agreement(s)/other documents and the board resolution(s) executed/passed in relation to the combination; (e) the nature and purpose of the combination; and (f) the likely impact of the combination on the state of the competition in the relevant market(s) in which the parties to the combination operate, along with nine copies and an electronic version thereof shall be separately given while delivering the notice under sub-regulation (1).

(1B) A summary of the combination, not containing any confidential information, in not more than 500 words, comprising details regarding: (a) name of the parties to the combination; (b) the type of the combination; (c) the area of activity of the parties to the combination; and (d) the relevant market(s) to which the combination relates, along with an electronic version thereof shall be separately given while delivering the notice under sub-regulation (1). The summary submitted under this sub-regulation shall be published on the website of the Commission.

(2) All responses or other documents required to be filed before the Commission consequent to the filing of the notice under regulation 5 or regulation 8 of these regulations shall also be filed as per the procedure contained in sub-regulation (1):

Provided that for the purposes of this regulation, the Secretary may through public announcement inform the procedure for electronic filing, increase or decrease the number of copies or vary the format in which the electronic version is to be filed.

**Scrutiny of notice**

14. (1) The notice filed under regulation 5 or regulation 8 of these regulations shall not be valid and unless it is complete and in conformity with these regulations.

(2) The Secretary shall issue an acknowledgement of the receipt of notice.

(2A) Notwithstanding anything contained in sub-regulation (2), the Commission, may, after recording reasons, invalidate a notice filed under regulation 5 or regulation 8 of these regulations when it comes to the knowledge of the Commission that such notice is not valid as per sub-regulation (1) and, in that case, the Secretary shall convey the decision of the Commission to the parties to the combination within seven days of such decision of the Commission:
Provided that the Commission may give an opportunity of being heard to the parties to the combination in accordance with regulation 24 of these regulations before deciding to invalidate a notice:

Provided further that the period between the commencement of proceedings under sub-regulation (2A) of regulation 14 of these regulations till the decision of Commission regarding validity of the notice, shall be excluded from the period specified in sub-section (11) of section 31 of the Act and sub-regulation (1) of regulation 19 of these regulations.

(3) Where the information or document(s) contained in the notice under regulation 5 or regulation 8 of these regulations or any response filed pursuant to these regulations is incomplete in any respect, the parties to the combination may be asked to remove such defect(s) or furnish the required information including document(s).

(4) The Secretary shall place the proof of service of communication as referred to in sub-regulation (3) to the parties to the combination on record.

(5) The parties shall comply with the directions as referred to in sub-regulation (3) within the time specified by the Commission and in the case of the notice filed under regulation 5 the time taken by the parties in removing such defects or furnishing the required information including document(s) shall be excluded from the period provided in sub-section (11) of section 31 of the Act and sub-regulation (1) of regulation 19 of these regulations

(6) In case the parties fail to remove the defects or fail to furnish the required information including documents(s), within the time specified, the notice filed under regulation 5 or regulation 8 of these regulations shall not be treated as a valid notice.

**Computation of time limit**

15. Subject to the provisions of these regulations, the time period under sub-section (11) of section 31 of the Act shall commence from the date of receipt of notice, in writing, filed under regulation 5 of these regulations.

**Intimation of any change**

16. (1) The parties to the combination having filed a notice under regulation 5 or regulation 8 of these regulations, shall inform the Commission of any change in the information provided in the notice to the Commission at the earliest during the continuation of the proceedings under the Act.

(2) The Secretary shall place the information relating to any change in the notice before the Commission not later than the third working day of its receipt in the Commission.

(3) The Commission shall assess the significance of the information relating to that change and, if satisfied, take on record the information received.
(4) Where the Commission is of the view that the change is likely to affect the factors for the determination of the appreciable adverse effect on competition significantly, it may, after giving an opportunity of being heard and after recording reasons, treat the notice already filed as not valid.

(5) Where the Commission has held a notice to be not valid under sub-regulation (4), the Secretary shall convey the decision of the Commission to the parties to the combination within seven days of the decision of the Commission:

Provided that no additional fee shall be payable if a notice is filed again by the parties to the combination for the same transaction within a period of thirty days from the date of communication of the decision of the Commission.

**Termination of proceedings**

17. The proceedings under this Act relating to the combinations shall be terminated upon,—

(a) receiving an intimation from the person(s) or enterprise(s) who filed the notice to the effect that the proposed combination will not take effect;

(b) passing of an order by the Commission under section 31 of the Act.

Provided that if the approval of the Commission is conditional upon the parties to the combination carrying out modification to the combination, the proceedings shall terminate upon acceptance of the compliance report by the Commission under regulation 26 of these regulations.

**Mode of service of notice(s), etc.**

18. Save as otherwise provided in the Act or in these regulations, the service of any notice excluding the notice under sub-section (2) of section 6 of the Act, or intimation to any person or enterprise under these regulations shall be effected in the manner as provided in regulation 22 of the Competition Commission of India (General) Regulations, 2009 or by electronic transmission as considered appropriate by the Commission.

**Prima facie opinion on the combination**

19. (1) The Commission shall form its *prima facie* opinion under sub-section (1) of section 29 of the Act, on the notice filed in Form I or Form II, as the case may be, as to whether the combination is likely to cause or has caused an appreciable adverse effect on competition within the relevant market in India, within thirty working days of receipt of the said notice.

(2) For the purpose of forming its *prima facie* opinion under sub-section (1) of section 29 of the Act, the Commission may, if considered necessary, require the parties to the combination to file additional information or accept modification, if offered by the parties to the combination before the Commission has formed *prima facie* opinion under sub-regulation (1), as deemed fit by it:
Provided that the time taken by the parties to the combination, in furnishing the additional information or for offering modification shall be excluded from the period provided in sub-regulation (1) of this regulation and sub-section (11) of section 31 of the Act:

Provided further that in such a case where the modification is offered by the parties to the combination before the Commission has formed the *prima facie* opinion under sub-regulation (1), the additional time, not exceeding fifteen days, needed for evaluation of the offered modification, shall be excluded from the period provided in sub-regulation (1) of this regulation and sub-section (11) of section 31 of the Act. (3) Where the Commission deems it necessary, it may call for information from any other enterprise while inquiring as to whether a combination has caused or is likely to cause an appreciable adverse effect on competition in India:

Provided that the time taken in obtaining the information from such enterprise(s) shall be excluded from the time, not exceeding fifteen working days, provided in sub-regulation (1) of this regulation.

**Calling for a report from the Director General**

20. (1) After receipt of the response to the notice to show cause from the parties to the combination under sub-section (1) of section 29 of the Act, the Commission may decide to call for a report from the Director General under sub-section (1A) of section 29 of the Act within the time as specified by the Commission.

(2) The Secretary shall convey the direction of the Commission under sub-regulation (1) to the Director General, along with copy of the notice filed by the parties to the combination with all other documents, materials, affidavits, statements, which have been filed or are otherwise available with the said notice, the notice to show cause to the parties to the combination and response of the parties to the same.

**Report by the Director General**

21. (1) The Director General shall include in his report the basis of having reached the conclusions therein together with all evidences or documents or statements collected during the investigation and analysis thereof;

(2) Two copies of the report of the Director General duly signed on each page by the Director General, or his authorized officer, along with an electronic version in document format, shall be forwarded to the Secretary within the time specified by the Commission:

Provided that the Secretary may increase or decrease the number of copies of the report and may permit electronic transmission of the same.

**Publication of the details of the combination**

22. (1) Where the Commission under sub-section (2) of section 29 of the Act is of the *prima*
facie opinion that the combination has caused or is likely to cause appreciable adverse effect on competition within the relevant market in India, the Secretary shall, within four working days of such decision convey the direction of the Commission to the parties to the combination, to publish the details of the combination within ten working days of the date of such direction:

(2) The details of combination shall be published by the parties in Form IV, as specified in Schedule II to these regulations.

(3) The parties shall submit the details of combination to be published under sub-regulation (2) to the Commission before its publication and the Commission may host the same on its official website.

(4) The details of the combination to be published under sub-regulation (2) shall, also be hosted by the parties on the websites of their respective enterprises not later than the time specified in sub-regulation (1).

(5) The parties shall publish the details of the combination under sub-regulation (2), not later than the time specified in sub-regulation (1), in all India editions of four leading daily newspapers including at least two business newspapers.

Proof of publication

23. The parties to the combination shall submit copies of publication, referred to in regulation 22, to the Secretary, not later than the fifteenth day of the direction of the Commission for publication of the details of the combination.

Appearance of the parties before the Commission

24. Where the Commission deems it necessary to give an opportunity of being heard to the parties to the combination before deciding to deal with the case in accordance with the provisions contained in section 31 of the Act, the Secretary shall convey its directions to the said parties, to appear before it by giving a notice of such period as directed by the Commission.

Modification to the proposed combination

25. (1) Where the Commission is of the opinion that combination has or is likely to have appreciable adverse effect on competition but such adverse effect can be eliminated by suitable modification to such combination, it may propose appropriate modification to the combination to the parties to such combination.

(2) Where the parties to the combination have accepted the modification proposed by the Commission under sub-section (3) of section 31 of the Act or the Commission agrees with the
amendment to the proposed modification by the parties and approves the combination under sub-section (7) of section 31 of the Act or the parties, in terms of the provisions of sub-section (8) of section 31 of the Act, accept the modification proposed by the Commission under sub-section (3) of section 31 of the Act, the parties to the combination shall carry out such modification as per the terms and conditions and within the period as may be specified by the Commission and submit an affidavit to that effect.

(3) Where the parties accept the modification proposed by the Commission under sub-section (3) of section 31 of the Act or the Commission agrees with the amendment submitted by the parties under sub-section (6) of section 31 of the Act, it shall by order, approve the combination.

(4) If the parties to the combination fail to accept the modification proposed by the Commission within the time referred to in sub-section (6) of section 31 of the Act or within a further period referred to in sub-section (8) of section 31 of the Act, the combination shall be deemed to have an appreciable adverse effect on competition and be dealt with in accordance with the provisions of the Act.

Compliance by the parties for carrying out modification

26. (1) The modification referred to in regulation 25 of these regulations shall be carried out by the parties to the combination within the period as may be specified by the Commission.

(2) The parties to the combination shall, upon completion of modification, file a compliance report for the actions required for giving effect to the combination before the Secretary within seven days of such completion.

(3) In case the parties to the combination fail to file the compliance report under sub-regulation (2), the Secretary shall place the matter of such non-compliance before the Commission for appropriate directions.

Appointment of independent agencies to oversee modification

27. (1) Where the Commission is of the opinion that the modification proposed by it and accepted by the parties to the combination needs supervision, it may appoint agencies, to oversee the modification, on such terms and conditions as may be decided by the Commission.

(2) The agencies appointed under sub-regulation (1) shall be independent of the parties to the combination having no conflicts of interest. Such independent agencies referred to in this regulation may include an accounting firm, management consultancy, law firm, any other professional organization, or part thereof, or independent practitioners of repute.

(3) The agencies appointed under sub-regulation (1) shall carry out the responsibilities as specified by the Commission from time to time.

(4) The agencies appointed under sub-regulation (1) shall submit a report to the Commission
upon completion of each of the actions required for carrying out the modification.

(5) The payment to the agencies appointed under sub-regulation (1) shall be made by the parties to the combination by depositing it with the Commission or as may be directed by the Commission.

Orders of the Commission

28. (1) Where the Commission is of the opinion that the combination has, or is likely to have, an appreciable adverse effect on competition in the relevant market in India, it shall pass an order under sub-section (2) of section 31 of the Act that the combination shall not take effect.

(2) Where the Commission is of the opinion that the combination does not or is not likely to have an appreciable adverse effect on competition, it shall pass an order under sub-section (1) of section 31 of the Act, approving the combination.

(3) Where the Commission approves the combination with modification, the order of the Commission approving the combination shall specify the terms, conditions and the time-frame for all the actions required for giving effect to the combination.

(4) Where the parties to the combination fail to carry out the modification accepted by them within the stipulated time limit, the Commission shall issue appropriate directions.

(5) The Secretary shall communicate to the parties to the combination, the decision of the Commission under sub-regulation (1) or (2) or (3) or (4) within seven days of such decision.

(6) Having due regard to the provisions contained in sub-section (11) of section 31 of the Act, the Commission shall endeavour to pass an order or issue direction in accordance with sub-section (1) or sub-section (2) or sub-section (7) of section 31 of the Act within one hundred and eighty days of filing of the notice under sub-section (2) of section 6 of the Act.

(7) Subject to the provisions of section 57 of the Act, and regulation 30 of these regulations, the orders passed by the Commission under section 31 of the Act shall be published on its website.

Request for confidentiality

30. (1) Any request for confidentiality of information or documents submitted during the investigation shall be duly considered having due regard to the procedure laid down in the Competition Commission of India (General) Regulations, 2009, as amended from time to time.

(2) The request under sub-regulation (1) shall clearly state the reasons, justification and implications for the business of the parties to the combination so that all relevant factors may be considered by the Commission while taking decision in the matter.
(3) The parties requesting for confidentiality shall file an affidavit as specified in regulation 42 of the Competition Commission of India (General) Regulations, 2009 stating that the conditions prescribed in regulation 35 of the Competition Commission of India (General) Regulations, 2009 are satisfied.

**Overriding effect**

32. The provisions of these regulations shall have effect in all matters relating to combinations notwithstanding anything inconsistent therewith contained in any other regulations framed under the Act.

## 4. COMPETITION COMMISSION OF INDIA

### Establishment of Commission [Section 7]

Section 7 provides for the establishment of the Competition Commission of India. The Commission shall be a body corporate by the aforesaid name having perpetual succession and a common seal with power to acquire, hold and dispose of property and to contract and shall sue or be sued.

The place of head office of the Commission shall be decided by the Central Government.

Further, the Commission may establish offices at other places in India.

### Composition of Commission [Section 8]

The Commission shall consist of the Chairperson and not less than two and not more than six other Members, to be appointed by the Central Government.

The Chairperson and every other Member shall be a person of ability, integrity and standing and who has special knowledge of, and such professional experience of not less then 15 years in international trade, economics, business, commerce, law, finance, accounting, management, industry, public affairs or competition matters, including competition law and policy, which in the opinion of the Central Government, may be useful to the Commission.

The Chairperson and other members shall be whole time members.

### Selection Committee for Chairperson and other Members of the commission [Section 9]

The Chairperson and other Members of the Commission shall be appointed by the Central Government from a panel of names recommended by a Selection Committee consisting of –

| (a) | the Chief Justice of India or his nominee | ---- | Chairperson; |
(b) the Secretary in the Ministry of Corporate Affairs ---- Member;
(c) the Secretary in the Ministry of Law and Justice ---- Member;
(d) two experts of repute who have special knowledge of, and professional experience in international trade, economics, business, commerce, law, finance, accountancy, management, industry, public affairs or competition matters including competition law and policy. ---- Members.

The term of the Selection Committee and the manner of selection of panel of names shall be such as may be prescribed.

**Term of office of Chairperson and other Members [Section 10]**

The Chairperson and every other Member shall hold office for a term of five years from the date on which he enters upon his office and shall be eligible for re-appointment.

However, no Chairperson or other Member shall hold office as such after he has attained the age of sixty-five years.

As per sub-section 2, any vacancy caused by the resignation or removal of the Chairperson or any other Member under section 11 or by death or otherwise shall be filled by fresh appointment in accordance with the provisions of sections 9.

The Chairperson and every other Member shall, before entering upon his office, make and subscribe to an oath of office and of secrecy in such form, manner and before such authority, as may be prescribed. [sub-section 3]

In the event of the occurrence of a vacancy in the office of the Chairperson by reason of his death, resignation or otherwise, the senior-most Member shall act as the Chairperson, until the date on which a new Chairperson, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office. [Sub-section 4]

When the Chairperson is unable to discharge his functions owing to absence, illness or any other cause, the senior-most Member shall discharge the functions of the Chairperson until the date on which the Chairperson resumes the charge of his functions. [Sub-section 5]

**Example**

Hon'ble Justice Mr. HCJ, a retired High Court Judge, attained the Age 61 years on 31\textsuperscript{st} December, 2004. The Central Government appointed him as the Chairperson of the Competition Commission of India with effect from 1\textsuperscript{st} January, 2005. You are required to state, with reference to the provisions of the Competition Act, 2002, the term for which he may be appointed as Chairperson of the Competition Commission of India. Whether he can be reappointed as such and till when he can remain as Chairperson of the Competition
Commission of India?

**Answer**

According to section 10(1) of the Competition Act, 2002, the Chairperson and every other Member shall hold office as such for a term of five years from the date on which he enters upon his office and shall be eligible for re-appointment.

Provided that no Chairperson or other Member shall hold office as such after he has attained the age of sixty five years.

Based on the above provisions of the Competition Act, 2002, it can be concluded that Hon’ble retired Justice Mr. HCJ can be appointed as the Chairperson of the Competition Commission of India by the Central Government initially for a period of five years and he can also be re-appointed after his initial term of five years is over. But since he shall be attaining the age of 65 years as on 31st December, 2008, he will have to step down from the post on his attaining the age of 65 years.

**Resignation, removal and suspension of Chairperson and other members**

[Section 11]

The Chairperson or any other Member may, by notice in writing under his hand addressed to the Central Government, resign his office.

However, the Chairperson or a Member shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his successor enters upon his office or until the expiry of his term of office, whichever is the earliest. [Sub-section 1]

As per Sub-section 2, the Central Government may, by order, remove the Chairperson or any other Member from his office if such Chairperson or Member, as the case may be,—
According to Sub-section 3, no Member shall be removed from his office on the ground specified in clause (d) or clause (e) of sub-section 2, unless the Supreme Court, on a reference being made to it in this behalf by the Central Government, has, on an inquiry, held by it in accordance with such procedure as may be prescribed in this behalf by the Supreme Court, reported that the Member, ought on such ground or grounds to be removed.

Restriction on employment of Chairperson and other Members in certain cases [Section 12]

The Chairperson and other Members shall not for a period of two years from the date on which they cease to hold office, accept any employment in, or be connected with the management or administration of, any enterprise which has been a party to a proceeding before the Commission.

However, nothing contained in this section shall apply to any employment under the Central Government or a State Government or local authority or in any statutory authority or any corporation established by or under any Central, State or Provincial Act or a Government company as defined in section 617 of the Companies Act, 1956.

Administrative powers of Chairperson [Section 13]

The Chairperson shall have the powers of general superintendence, direction and control in respect of all administrative matters of the Commission. The Chairperson may also delegate such of his powers relating to administrative matters of the Commission, as he may think fit, to any other Member or officer of the Commission.
Salary and allowances and other terms and conditions of service of Chairperson and other Members [Section 14]

The salary, and the other terms and conditions of service, of the Chairperson and other Members, including travelling expenses, house rent allowance and conveyance facilities, sumptuary allowance (expenses of living) and medical facilities shall be such as may be prescribed and the same shall not be varied to their disadvantage after their appointment.

Vacancy, etc. not to invalidate proceedings of Commission [Section 15]

Any act or proceeding of the Commission shall not be invalidated merely on the ground of:
(a) any vacancy in, or any defect in the constitution of, the Commission; or
(b) any defect in the appointment of a person acting as a Chairperson or as a Member; or
(c) any irregularity in the procedure of the Commission not affecting the merits of the case.

Appointment of Director General, etc. [Section 16]

The Central Government may, by notification, appoint a Director General for the purposes of assisting the Commission in conducting inquiry into contravention of any of the provisions of this Act and for performing such other functions as are, or may be, provided by or under this Act.

The number of other Additional, Joint, Deputy or Assistant Directors General or such officers or other employees in the office of Director General and the manner of appointment of such Additional, Joint, Deputy or Assistant Directors General or such officers or other employees shall be such as may be prescribed.

Every Additional, Joint, Deputy and Assistant Directors General or such officers or other employees, shall exercise his powers, and discharge his functions, subject to the general control, supervision and direction of the Director General.

The salary, allowances and other terms and conditions of service of the Director General and Additional, Joint, Deputy and Assistant Directors General or, such officers or other employees, shall be such as may be prescribed.

The Director General and Additional, Joint, Deputy and Assistant Directors General or such officers or other employees, shall be appointed from amongst persons of integrity and outstanding ability and who have experience in investigation, and knowledge of accountancy, management, business, public administration, international trade, law or economics and such other qualifications as may be prescribed.

Secretary and officers and other employees of Commission [Section 17]

The Commission may appoint a Secretary and such officers and other employees as it
considers necessary for the efficient performance of its functions under this Act.

The salaries and allowances payable to, and other terms and conditions of service of the Secretary and officers and other employees of the Commission and the number of such officers and other employees shall be such as may be prescribed.

The Commission may engage, in accordance with the procedure specified by regulations, such number of experts and professionals of integrity and outstanding ability, who have special knowledge of, and experience in, economics, law, business or such other disciplines related to competition, as it deems necessary to assist the Commission in the discharge of its functions under this Act.

5. DUTIES, POWERS AND FUNCTIONS OF COMMISSION

Duties of Commission [Section 18]

<table>
<thead>
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<th>Duty of the Commission</th>
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<td>to eliminate practices having adverse effect on competition,</td>
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<td>to promote and sustain competition in markets in India,</td>
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<tr>
<td>to protect the interests of consumers and</td>
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<td>to ensure freedom of trade carried on by other participants in markets in India.</td>
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The Commission may for the purpose of discharging its duties or performing its functions under this Act, enter into any memorandum or arrangement, with the prior approval of the Central Government, with any agency of any foreign country.

Inquiry into certain agreements and dominant position of enterprise [Section 19]

The Commission is empowered to inquire into any alleged contravention of the provisions contained in section 3(1) or section 4(1) either on its own motion or on:—

(a) receipt of any information in such manner and accompanied by such fee as may be determined by regulations, from any person, consumer or their association or trade association; or
(b) a reference made to it by the Central Government or a State Government or a statutory authority.

Powers and Functions of the Commission

1. **Appreciable Adverse effect:** The Commission shall, while determining whether an agreement has an appreciable adverse effect on competition, have due regard to all or any of the following factors, namely:—
   
   (a) creation of barriers to new entrants in the market;
   
   (b) driving existing competitors out of the market;
   
   (c) foreclosure of competition by hindering entry into the market;
   
   (d) accrual of benefits to consumers;
   
   (e) improvements in production or distribution of goods or provision of services;
   
   (f) promotion of technical, scientific and economic development by means of production or distribution of goods or provision of services.

2. **Dominant position of enterprise:** The Commission shall, while inquiring whether an enterprise enjoys a dominant position or not, have due regard to all or any of the following factors, namely:—

   (a) market share of the enterprise;

   (b) size and resources of the enterprise;

   (c) size and importance of the competitors;

   (d) economic power of the enterprise including commercial advantages over competitors;

   (e) vertical integration of the enterprises or sale or service network of such enterprises;

   (f) dependence of consumers on the enterprise;

   (g) monopoly or dominant position whether acquired as a result of any statute or by virtue of being a Government company or a public sector undertaking or otherwise;

   (h) entry barriers including barriers such as regulatory barriers, financial risk, high capital cost of entry, marketing entry barriers, technical entry barriers, economies of scale, high cost of substitutable goods or service for consumers;

   (i) countervailing buying power;

   (j) market structure and size of market;

   (k) social obligations and social costs;
(l) relative advantage, by way of the contribution to the economic development, by the enterprise enjoying a dominant position having or likely to have an appreciable adverse effect on competition;

(m) any other factor which the Commission may consider relevant for the inquiry.

(3) **Relevant Market:** For determining whether a market constitutes a "relevant market" for the purposes of this Act, the Commission shall have due regard to the "relevant geographic market" and "relevant product market".

(4) **Relevant Geographic Market:** The Commission shall, while determining the "relevant geographic market", have due regard to all or any of the following factors, namely:—

(a) regulatory trade barriers;
(b) local specification requirements;
(c) national procurement policies;
(d) adequate distribution facilities;
(e) transport costs;
(f) language;
(g) consumer preferences;
(h) need for secure or regular supplies or rapid after-sales services.

(5) **Relevant Product Market:** While determining the "relevant product market", the Commission shall have due regard to all or any of the following factors, namely:—

(a) physical characteristics or end-use of goods;
(b) price of goods or service;
(c) consumer preferences;
(d) exclusion of in-house production;
(e) existence of specialised producers;
(f) classification of industrial products.

**Inquiry into combination by Commission [Section 20]**

The Commission may, upon its own knowledge or information relating to acquisition referred to in section 5(a) or acquiring of control referred to in section 5(b) or merger or amalgamation referred to in section 5(c), inquire into whether such a combination has caused or is likely to cause an appreciable adverse effect on competition in India.
Further, the Commission shall not initiate any inquiry after the expiry of one year from the date on which such combination has taken effect.

The Commission shall, on receipt of a notice under section 6(2) inquire whether a combination referred to in that notice or reference has caused or is likely to cause an appreciable adverse effect on competition in India.

Notwithstanding anything contained in section 5, the Central Government shall, on the expiry of a period of two years from the date of commencement of this Act and thereafter every two years, in consultation with the Commission, by notification, enhance or reduce, on the basis of the wholesale price index or fluctuations in exchange rate of rupee or foreign currencies, the value of assets or the value of turnover, for the purposes of that section.

_The Ministry of Corporate Affairs vide Notification No. S.O. 480(E) dated 4th March, 2011 enhanced on the basis of the wholesale price index, the value of assets and the value of turnover, by fifty percent for the purposes of Section 5 of the Competition Act, 2002._

For the purposes of determining whether a combination would have the effect of or is likely to have an appreciable adverse effect on competition in the relevant market, the Commission shall have due regard to all or any of the following factors, namely:—

(a) actual and potential level of competition through imports in the market;
(b) extent of barriers to entry into the market;
(c) level of combination in the market;
(d) degree of countervailing power in the market;
(e) likelihood that the combination would result in the parties to the combination being able to significantly and sustainably increase prices or profit margins;
(f) extent of effective competition likely to sustain in a market;
(g) extent to which substitutes are available or are likely to be available in the market;
(h) market share, in the relevant market, of the persons or enterprise in a combination, individually and as a combination;
(i) likelihood that the combination would result in the removal of a vigorous and effective competitor or competitors in the market;
(j) nature and extent of vertical integration in the market;
(k) possibility of a failing business;
(l) nature and extent of innovation;
(m) relative advantage, by way of the contribution to the economic development, by any combination having or likely to have appreciable adverse effect on competition;
(n) whether the benefits of the combination outweigh the adverse impact of the combination, if any.

Reference by statutory authority [Section 21]

It provides that in the course of a proceeding before any statutory authority an issue is raised by any party that any decision which such statutory authority has taken or proposes to take is or would be, contrary to any of the provisions of this Act, then such statutory authority may make a reference in respect of such issue to the Commission.

Also any statutory authority may suo motu make such a reference to the Commission.

On receipt of a reference the Commission shall give its opinion, within sixty days of receipt of such reference, to such statutory authority which shall consider the opinion of the Commission and thereafter, give its findings recording reasons therefor on the issues referred to in the said opinion.

Reference by Commission [Section 21 A]

Where in the course of a proceeding before the Commission an issue is raised by any party that any decision which, the Commission has taken during such proceeding or proposes to take, is or would be contrary to any provision of this Act whose implementation is entrusted to a statutory authority, then the Commission may make a reference in respect of such issue to the statutory authority.

The Commission may, suo motu, make such a reference to the statutory authority.

On receipt of a reference the statutory authority shall give its opinion, within sixty days of receipt of such reference, to the Commission which shall consider the opinion of the statutory authority, and thereafter give its findings recording reasons therefore on the issues referred to in the said opinion.

Meetings of Commission [Section 22]

The Commission shall meet at such times and places, and shall observe such rules and procedure in regard to the transaction of business at its meetings as may be provided by regulations.

The Chairperson, if for any reason, is unable to attend a meeting of the Commission, the senior-most Member present at the meeting, shall preside at the meeting.

All questions which come up before any meeting of the Commission shall be decided by a majority of the Members present and voting, and in the event of an equality of votes, the Chairperson or in his absence, the Member presiding, shall have a second or/casting vote provided that the quorum for such meeting shall be three Members.
Procedure for inquiry under Section 19 [Section 26]

This section lays down the detailed procedure for any inquiry initiated *suo motu* by the Commission and various complaints and references referred to in section 19 of the Act.

The detailed procedure is as follows:

1. On receipt of a reference from the Central Government or a State Government or a statutory authority or on its own knowledge or information received under section 19, if the Commission is of the opinion that there exists a *prima facie* case, it shall direct the Director General to cause an investigation to be made into the matter.

   If the subject matter of an information received is, in the opinion of the Commission, substantially the same as or has been covered by any previous information received, then the new information may be clubbed with the previous information.

2. Where on receipt of a reference from the Central Government or a State Government or a statutory authority or information received under section 19, the Commission is of the opinion that there exists no *prima facie* case, it shall close the matter forthwith and pass such orders as it deems fit and send a copy of its order to the Central Government or the State Government or the statutory authority or the parties concerned, as the case may be.

3. The Director General shall, on receipt of direction submit a report on his findings within such period as may be specified by the Commission.

4. The Commission may forward a copy of the report to the parties concerned.

   In case the investigation is caused to be made based on reference received from the Central Government or the State Government or the statutory authority, the Commission shall forward a copy of the report to the Central Government or the State Government or the statutory authority, as the case may be.

5. If the report of the Director General recommends that there is no contravention of the provisions of this Act, the Commission shall invite objections or suggestions from the Central Government or the State Government or the statutory authority or the parties concerned, as the case may be, on such report of the Director General.

6. If, after consideration of the objections and suggestions if any, the Commission agrees with the recommendation of the Director General, it shall close the matter forthwith and pass such orders as it deems fit and communicate its order to the Central Government or the State Government or the statutory authority or the parties concerned, as the case may be.

7. If, after consideration of the objections or suggestions if any, the Commission is of the opinion that further investigations is called for, it may direct further investigation in the matter by the Director General or cause further inquiry to be made by in the matter or
itself proceed with further inquiry in the matter in accordance with the provisions of this Act.

(8) If the report of the Director General recommends that there is contravention of any of the provisions of this Act, and the Commission is of the opinion that further inquiry is called for, it shall inquire into such contravention in accordance with the provisions of this Act.

Orders by Commission after inquiry into agreements or abuse of dominant position [Section 27]

Where after inquiry the Commission finds that any agreement referred to in section 3 or action of an enterprise in a dominant position, is in contravention of section 3 or section 4, as the case may be, it may pass all or any of the following orders, namely:—

(a) direct any enterprise or association of enterprises or person or association of persons, as the case may be, involved in such agreement, or abuse of dominant position, to discontinue and not to re-enter such agreement or discontinue such abuse of dominant position, as the case may be;

(b) impose such penalty, as it may deem fit which shall be not more than ten per cent. of the average of the turnover for the last three preceding financial years, upon each of such person or enterprises which are parties to such agreements or abuse.

In case any agreement referred to in section 3 has been entered into by a cartel, the Commission may impose upon each producer, seller, distributor, trader or service provider included in that cartel, a penalty of up to three times of its profit for each year of the continuance of such agreement or ten per cent. of its turnover for each year of the continuance of such agreement, whichever is higher.

(c) Omitted

(d) direct that the agreements shall stand modified to the extent and in the manner as may be specified in the order by the Commission;

(e) direct the enterprises concerned to abide by such other orders as the Commission may pass and comply with the directions, including payment of costs, if any:

(f) Omitted

(g) pass such other order or issue such directions as it may deem fit.

While passing orders under this section, if the Commission comes to a finding, that an enterprise in contravention to section 3 or section 4 of the Act is a member of a group as defined in clause (b) of the Explanation to section 5 of the Act, and other members of such a group are also responsible for, or have contributed to, such a contravention, then it may pass orders, under this section, against such members of the group.
Division of enterprise enjoying dominant position [Section 28]

The Commission, may, notwithstanding anything contained in any other law for the time being in force, by order in writing, direct division of an enterprise enjoying dominant position to ensure that such enterprise does not abuse its dominant position. The order may provide for all or any of the following matters, namely:—

(a) the transfer or vesting of property, rights, liabilities or obligations;
(b) the adjustment of contracts either by discharge or reduction of any liability or obligation or otherwise;
(c) the creation, allotment, surrender or cancellation of any shares, stocks or securities;
(d) Omitted.
(e) the formation or winding up of an enterprise or the amendment of the memorandum of association or articles of association or any other instruments regulating the business of any enterprise;
(f) the extent to which, and the circumstances in which, provisions of the order affecting an enterprise may be altered by the enterprise and the registration thereof;
(g) any other matter which may be necessary to give effect to the division of the enterprise.

Notwithstanding anything contained in any other law for the time being in force or in any contract or in any memorandum or articles of association, an officer of a company who ceases to hold office as such in consequence of the division of an enterprise shall not be entitled to claim any compensation for such cesser.

Procedure for investigation of combination [Section 29]

(1) Notice to parties: Where the Commission is of the prima-facie opinion that a combination is likely to cause, or has caused an appreciable adverse effect on competition within the relevant market in India, it shall issue a notice to show cause to the parties to combination calling upon them to respond within thirty days of the receipt of the notice, as to why investigation in respect of such combination should not be conducted.

After receipt of the response of the parties to the combination under sub-section (1), the Commission may call for a report from the Director General and such report shall be submitted by the Director General within such time as the Commission may direct.

(2) Directions to parties to publish details: The Commission, if it is prima facie of the opinion that the combination has, or is likely to have, an appreciable adverse effect on competition, it shall, within seven working days from the date of receipt of the response of the parties to the combination, or the receipt of the report from the Director General
whichever is later direct the parties to the said combination to publish details of the combination within ten working days of such direction, in such manner, as it thinks appropriate, for bringing the combination to the knowledge or information of the public and persons affected or likely to be affected by such combination. [Sub-section 2].

(3) Invitation to affected party: The Commission may invite any person or member of the public, affected or likely to be affected by the said combination, to file his written objections, if any, before the Commission within fifteen working days from the date on which the details of the combination were published.

(4) Additional information: The Commission may, within fifteen working days from the expiry of the period specified before, call for such additional or other information as it may deem fit from the parties to the said combination.

The additional or other information called for by the Commission shall be furnished by the parties to the combination within fifteen days from the expiry of the above specified period.

After receipt of all information and within a period of forty-five working days from the expiry of the period for additional information, the Commission shall proceed to deal with the case of accordance within the provisions contained in Section 31.

Procedure in case of notice under sub-section 2 of section 6 [Section 30]
Where any person or enterprise has given a notice under 6(2), the Commission shall examine such notice and form its prime facie opinion and proceed as per provisions contained in Section 29.

Orders of Commission on certain combinations [Section 31]
The Commission can issue orders on certain combinations.

(1) Approval of combination: Where the Commission is of the opinion that any combination does not, or is not likely to, have an appreciable adverse effect on competition, it shall, by order, approve that combination including the combination in respect of which a notice has been given of section 6(2). [Sub-section 1]

(2) Direction: Where the Commission is of the opinion that the combination has, or is likely to have, an appreciable adverse effect on competition, it shall direct that the combination shall not take effect. [Sub-section 2]

(3) Modification: Where the Commission is of the opinion that the combination has, or is likely to have, an appreciable adverse effect on competition but such adverse effect can be eliminated by suitable modification to such combination, it may propose appropriate modification to the combination, to the parties to such combination. [Sub-section 3]
The parties, who accept the modification proposed by the Commission under sub-section (3), shall carry out such modification within the period specified by the Commission. [Sub-section 4]

If the parties to the combination, who have accepted the modification, fail to carry out the modification within the period specified by the Commission, such combination shall be deemed to have an appreciable adverse effect on competition and the Commission shall deal with such combination in accordance with the provisions of this Act. [Sub-section 5]

(4) **Amendment to modification:** If the parties to the combination do not accept the modification proposed by the Commission under sub-section (3), such parties may, within thirty working days of the modification proposed by the Commission, submit amendment to the modification proposed by the Commission under that sub-section. [Sub-section (6)]

If the Commission agrees with the amendment submitted by the parties under sub-section (6), it shall, by order, approve the combination. [Sub-section 7]

If the Commission does not accept the amendment submitted under sub-section (6), then, the parties shall be allowed a further period of thirty working days within which such parties shall accept the modification proposed by the Commission under Sub-section (3). [Sub-section 8]

(5) **Consequence of non-acceptance of the modification:** If the parties fail to accept the modification proposed by the Commission within thirty working days as referred above or within a further period of thirty working days referred to in sub-section (8) the combination shall be deemed to have an appreciable adverse effect on competition and be dealt with in accordance with the provisions of this Act. [Sub-section 9]

As per Sub-section 10 where the Commission has directed under sub-section (2) that the combination shall not take effect or the combination is deemed to have an appreciable adverse effect on competition under sub-section (9), then, without prejudice to any penalty which may be imposed or any prosecution which may be initiated under this Act, the Commission may order that

(a) the acquisition referred to in clause (a) of section 5; or

(b) the acquiring of control referred to in clause (b) of section 5; or

(c) the merger or amalgamation referred to in clause (c) of section 5,

shall not be given effect to. The Commission may however, if it considers appropriate, frame a scheme to implement its order.

(6) **Deemed approval by Commission:** If the Commission does not, on the expiry of a period of 210 days from the date of notice given to the Commission referred to in section 29(2), pass an order or issue direction in accordance with the provisions of sub-section (1) or (2) or (7), the combination shall be deemed to have been approved by the
Commission. For the purpose of determining the period of 210 days specified in this sub-section, the period of thirty working days specified in sub-section (6) and a further period of thirty working days specified in sub-section (8) shall be excluded. Where any extension of time is sought by the parties to the combination, the period of ninety working days shall be reckoned after deducting the extended time granted at the request of the parties. [Sub-section 12]

(7) **Consequence of a combination declared void by Commission:** Where the Commission has ordered a combination to be void, the acquisition or acquiring of control or merger or amalgamation referred to in section 5, shall be dealt with by the authorities under any other law for the time being in force as if such acquisition or acquiring of control or merger or amalgamation had not taken place and the parties to the combination shall be dealt with accordingly. [Sub-section 13]

As per Sub-section 14, nothing contained in this Chapter shall affect any proceeding initiated or which may be initiated under any other law for the time being in force.

**Acts taking place outside India but having an effect on competition in India [Section 32]**

The Commission shall, notwithstanding that,—

(a) an agreement referred to in section 3 has been entered into outside India; or  
(b) any party to such agreement is outside India; or  
(c) any enterprise abusing the dominant position is outside India; or  
(d) a combination has taken place outside India; or  
(e) any party to combination is outside India; or  
(f) any other matter or practice or action arising out of such agreement or dominant position or combination is outside India;

have power to inquire in accordance with the provisions contained in sections 19, 20, 26, 29 and 30 the Act into such agreement or abuse of dominant position or combination if such agreement or dominant position or combination has, or is likely to have, an appreciable adverse effect on competition in the relevant market in India and pass such orders as it may deem fit in accordance with the provisions of this Act.

**Power to issue interim orders [Section 33]**

Where during an inquiry, the Commission is satisfied that an act in contravention of sub-section (1) of section 3 or sub-section (1) of section 4 or section 6 has been committed and continues to be committed or that such act is about to be committed, the Commission may, by
order, temporarily restrain any party from carrying on such act until the conclusion of such inquiry or until further orders, without giving notice to such party, where it deems it necessary.

**Appearance before Commission [Section 35]**

A person or an enterprise or the Director General may either appear in person or authorise one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of his or its officers to present his or its case before the Commission.

**Power of Commission to regulate its own procedure [Section 36]**

In the discharge of its functions, the Commission shall be guided by the principles of natural justice and, subject to the other provisions of this Act and of any rules made by the Central Government, the Commission shall have the powers to regulate its own procedure.

The Commission shall have, for the purposes of discharging its functions under this Act, the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:-

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavit;

(d) issuing commissions for the examination of witnesses or documents;

(e) requisitioning, subject to the provisions of sections 123 and 124 of the Indian Evidence Act, 1872, any public record or document or copy of such of record or document from any office.

The Commission may call upon such experts, from the field of economics, commerce, accountancy, international trade or from any other discipline as it deems necessary to assist the Commission in the conduct of any inquiry by it.

The Commission may direct any person:

(a) to produce before the Director General or the Secretary or an officer authorized by it, such books, or other documents in the custody or under the control of such person so directed as may be specified or described in the direction, being documents relating to any trade, the examination of which may be required for the purposes of this Act;

(b) to furnish to the Director General or the Secretary or any other officer authorized by it, as respects the trade or such other information as may be in his possession in relation to the trade carried on by such person, as may be required for the purposes of this Act.
Rectification of orders [Section 38]

With a view to rectifying any mistake apparent from the record, the Commission may amend any order passed by it under the provisions of this Act. [sub-section (1)]

Subject to the other provisions of this Act, the Commission may make—

(a) an amendment under sub-section (1) of its own motion;

(b) an amendment for rectifying any such mistake which has been brought to its notice by any party to the order.

However, the Commission shall not, while rectifying any mistake apparent from record, amend substantive part of its order passed under the provisions of this Act.

Execution of orders of Commission imposing monetary penalty [Section 39]

If a person fails to pay any monetary penalty imposed on him under this Act, the Commission shall proceed to recover such penalty, in such manner as may be specified by the regulations.

In a case where the Commission is of the opinion that it would be expedient to recover the penalty imposed under this Act in accordance with the provisions of the Income-tax Act, 1961, it may make a reference to this effect to the concerned income-tax authority under that Act for recovery of the penalty as tax due under the said Act.

Where a reference has been made by the Commission under sub-section (2) for recovery of penalty, the person upon whom the penalty has been imposed shall be deemed to be the assessee in default under the Income Tax Act, 1961 and the provisions contained in sections 221 to 227, 228A, 229, 231 and 232 of the said Act and the Second Schedule to that Act and any rules made there under shall, in so far as may be, apply as if the said provisions were the provisions of this Act and referred to sums by way of penalty imposed under this Act instead of to income-tax and sums imposed by way of penalty, fine, and interest under the Income–tax Act, 1961 and to the Commission instead of the Assessing Officer.

Explanation 1: Any reference to sub-section (2) or sub-section (6) of section 220 of the Income-tax Act, 1961, in the said provisions of that Act or the rules made thereunder shall be construed as references to sections 43 to 45 of this Act.

Explanation 2: The Tax Recovery Commissioner and the Tax Recovery Officer referred to in the Income-tax Act, 1961 shall be deemed to be the Tax Recovery Commissioner and the Tax Recovery Officer for the purposes of recovery of sums imposed by way of penalty under this Act and reference made by the Commission under sub-section (2) would amount to drawing of a certificate by the Tax Recovery Officer as far as demand relating to penalty under this Act.
Explanation 3 Any reference to appeal in Chapter XVIID and the Second Schedule to the Income-tax Act, 1961, shall be construed as a reference to appeal before the Competition Appellate Tribunal under section 53B of this Act.

The court to which the order is so sent shall execute the order as if it were a decree or order sent to it for execution.

6. **DUTIES OF DIRECTOR GENERAL**

**Director General to investigate contravention [Section 41]**

The Director General shall, when so directed by the Commission, assist the Commission in investigating into any contravention of the provisions of this Act or any rules or regulations made thereunder. The Director General shall have all the powers as are conferred upon the Commission under section 36(2). Without prejudice to this power, the provisions of sections 240 and 240A of the Companies Act, 1956, so far as may be, shall apply to an investigation made by the Director General or any other person investigating under his authority, as they apply to an inspector appointed under that Act.

For the purposes of this section,

(a) the words “the Central Government” under section 240 of the Companies Act, 1956 shall be construed as “the Commission”;

(b) the word “Magistrate” under section 240A of the Companies Act, 1956 shall be construed as “the Chief Metropolitan Magistrate, Delhi”.

7. **PENALTIES**

**Contravention of orders of Commission [Section 42]**

The Commission may cause an inquiry to be made into compliance of its orders or directions made in exercise of its powers under the Act. If any person, without reasonable cause, fails to comply with the orders or directions of the Commission issued under sections 27, 28, 31, 32, 33, 42A and 43A of the Act, he shall be punishable with fine which may extend to rupees one lakh for each day during which such non-compliance occurs, subject to a maximum of rupees ten crore, as the Commission may determine.

If any person does not comply with the orders or directions issued, or fails to pay the fine imposed under sub-section (2), he shall, without prejudice to any proceeding under section 39, be punishable with imprisonment for a term which may extend to three years, or with fine which may extend to rupees twenty-five crore, or with both, as the Chief Metropolitan Magistrate, Delhi may deem fit.
The Chief Metropolitan Magistrate, Delhi shall not take cognizance of any offence under this section save on a complaint filed by the Commission or any of its officers authorized by it.

Compensation in case of contravention of orders of Commission [Section 42A]

Without prejudice to the provisions of this Act, any person may make an application to the Appellate Tribunal for an order for the recovery of compensation from any enterprise for any loss or damage shown to have been suffered, by such person as a result of the said enterprise violating directions issued by the Commission or contravening, without any reasonable ground, any decision or order of the Commission issued under sections 27, 28, 31, 32 and 33 or any condition or restriction subject to which any approval, sanction, direction or exemption in relation to any matter has been accorded, given, made or granted under this Act or delaying in carrying out such orders or directions of the Commission.

Penalty for failure to comply with directions of Commission and Director General [Section 43]

If any person fails to comply with a direction given by
(a) the Commission under of section 36(2) and (4); or
(b) the Director General while exercising powers referred to in section 41(2)
the Commission may impose on such person a penalty of rupees one lakh for each day during which such failure continues, subject to a maximum of rupees one crore.

Power to impose penalty for non-furnishing of information on combinations [Section 43A]

If any person or enterprise fails to give notice to the Commission under sub- section(2) of section 6, the Commission shall impose on such person or enterprise a penalty which may extend to one per cent of the total turnover or the assets, whichever is higher, of such a combination.

Penalty for making false statement or omission to furnish material information [Section 44]

If any person, being a party to a combination
(a) makes a statement which is false in any material particular, or knowing it to be false; or
(b) omits to state any material particular knowing it to be material,
such person shall be liable to a penalty which shall not be less than rupees fifty lakhs but which may extend to rupees one crore, as may be determined by the Commission.
Penalty for offences in relation to furnishing of information [Section 45]

Without prejudice to the provisions of section 44, if a person, who furnishes or is required to furnish under this Act any particulars, documents or any information,

(a) makes any statement or furnishes any document which he knows or has reason to believe to be false in any material particular; or

(b) omits to state any material fact knowing it to be material; or

(c) wilfully alters, suppresses or destroys any document which is required to be furnished as aforesaid,

such person shall be punishable with fine which may extend to rupees one crore as may be determined by the Commission. Without prejudice to the above provisions, the Commission may also pass such other order as it deems fit.

Power to impose lesser penalty [Section 46]

The Commission may, if it is satisfied that any producer, seller, distributor, trader or service provider included in any cartel, which is alleged to have violated section 3, has made a full and true disclosure in respect of the alleged violations and such disclosure is vital, impose upon such producer, seller, distributor, trader or service provider a lesser penalty as it may deem fit, than leviable under this Act or the rules or the regulations.

However, lesser penalty shall not be imposed by the Commission in cases where report of investigation directed under section 26 has been received before making such disclosure.

Further, lesser penalty shall be imposed by the Commission only in respect of a producer, seller, distributor, trader or service provider included in the cartel, who first made the full, true and vital disclosures under this section.

Lesser penalty shall not be imposed by the Commission if the person making the disclosure does not continue to cooperate with the Commission till the completion of the proceedings before the Commission.

The Commission may, if it is satisfied that such producer, seller, distributor, trader or service provider included in the cartel had in the course of proceedings,

(a) not complied with the condition on which the lesser penalty was imposed by the Commission; or

(b) had given false evidence; or

(c) the disclosure made is not vital and thereupon such producer, seller, distributor, trader or service provider may be tried for the offence with respect to which the lesser penalty was imposed and shall also be liable to the imposition of penalty to which such person has been liable, had lesser penalty not been imposed.
Crediting sums realised by way of penalties to Consolidated Fund of India [Section 47]

All sums realised by way of penalties under this Act shall be credited to the Consolidated Fund of India.

Contravention by companies [Section 48]

Where a person committing contravention of any of the provisions of this Act or of any rule, regulation, order made or direction issued thereunder is a company, every person who, at the time the contravention was committed, was in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly.

Nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the contravention was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such contravention.

Where a contravention of any of the provisions of this Act or of any rule, regulation, order made or direction issued thereunder has been committed by a company and it is proved that the contravention has taken place with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that contravention and shall be liable to be proceeded against and punished accordingly.

For the purposes of this section,—

(a) "company" means a body corporate and includes a firm or other association of individuals: and

(b) "director", in relation to a firm, means a partner in the firm.

8. COMPETITION ADVOCACY

Competition advocacy [Section 49]

The Central Government may, in formulating a policy on competition (including review of laws related to competition) or any other matter, and a State Government may, in formulating a policy on competition or on any other matter, as the case may be, make a reference to the Commission for its opinion on possible effect of such policy on competition and on the receipt of such a reference, the Commission shall, within sixty days of making such reference, give its opinion to the Central Government, or the State Government, as the case may be, which may thereafter take further action as it deems fit.
The opinion given by the Commission under sub-section (1) shall not be binding upon the Central Government or the State Government; as the case may be, in formulating such policy.

The Commission shall take suitable measures for the promotion of competition advocacy, creating awareness and imparting training about competition issues.

9. FINANCE, ACCOUNTS AND AUDIT

Grants by Central Government [Section 50]

The Central Government may, after due appropriation made by Parliament by law in this behalf, make to the Commission grants of such sums of money as the Government may think fit for being utilised for the purposes of this Act.

Constitution of Fund [Section 51]

There shall be constituted a fund to be called the "Competition Fund" and there shall be credited thereto—

(a) all Government grants received by the Commission;
(b) Omitted;
(d) the fees received under this Act;
(e) the interest accrued on the amounts referred to in clauses (a) and (c).

The Fund shall be applied for meeting:—

(a) the salaries and allowances payable to the Chairperson and other Members and the administrative expenses including the salaries, allowances and pension payable to the Director General, Additional, Joint, Deputy or Assistant Directors General, the Registrar and officers and other employees of the Commission;
(b) the other expenses of the Commission in connection with the discharge of its functions and for the purposes of this Act.

The Fund shall be administered by a committee of such Members of the Commission as may be determined by the Chairperson.

The committee shall spend monies out of the Fund for carrying out the objects for which the Fund has been constituted.

Accounts and Audit [Section 52]

The Commission shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.
The accounts of the Commission shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Commission to the Comptroller and Auditor-General of India.

However, the orders of the Commission, being matters appealable to the Appellate Tribunal or Supreme Court, shall not be subject to audit under this section.

The Comptroller and Auditor-General of India and any other person appointed by him in connection with the audit of the accounts of the Commission shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor-General of India generally has, in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Commission.

The accounts of the Commission as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.

**Furnishing of returns, etc., to Central Government [Section 53]**

The Commission shall furnish to the Central Government at such time and in such form and manner as may be prescribed or as the Central Government may direct, such returns and statements and such particulars in regard to any proposed or existing measures for the promotion of competition advocacy, creating awareness and imparting training about competition issues, as the Central Government may, from time to time, require.

The Commission shall prepare once in every year, in such form and at such time as may be prescribed, an annual report giving a true and full account of its activities during the previous year and copies of the report shall be forwarded to the Central Government.

A copy of the report received shall be laid, as soon as may be after it is received, before each House of Parliament.

**10. APPELLATE TRIBUNAL**

**Appellate Tribunal [Section 53A]**

The National Company Law Appellate Tribunal constituted under section 410 of the Companies Act, 2013 shall, on and from the commencement of Part XIV of Chapter VI of the Finance Act, 2017, be the Appellate Tribunal for the purposes of this Act and the said Appellate Tribunal shall—
(a) hear and dispose of appeals against any direction issued or decision made or order passed by the Commission under sub-sections (2) and (6) of section 26, section 27, section 28, section 31, section 32, section 33, section 38, section 39, section 43, section 43A, section 44, section 45 or section 46 of this Act; and

(b) adjudicate on claim for compensation that may arise from the findings of the Commission or the orders of the Appellate Tribunal in an appeal against any finding of the Commission or under section 42A or under sub-section (2) of section 53Q of this Act, and pass orders for the recovery of compensation under section 53N of this Act.

**Appeal to Appellate Tribunal [Section 53B]**

The Central Government or the State Government or a local authority or enterprise or any person, aggrieved by any direction, decision or order referred to in clause (a) of section 53A may prefer an appeal to the Appellate Tribunal.

Every appeal under sub-section (1) shall be filed within a period of sixty days from the date on which a copy of the direction or decision or order made by the Commission is received by the Central Government or the State Government or a local authority or enterprise or any person referred to in that sub-section and it shall be in such form and be accompanied by such fee as may be prescribed.

The Appellate Tribunal may entertain an appeal after the expiry of the said period of sixty days if it is satisfied that there was sufficient cause for not filing it within that period.

On receipt of an appeal under sub-section (1), the Appellate Tribunal may, after giving the parties to the appeal, an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or setting aside the direction, decision or order appealed against.

The Appellate Tribunal shall send a copy of every order made by it to the Commission and the parties to the appeal.

The appeal filed before the Appellate Tribunal under sub-section (1) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal within six months from the date of receipt of the appeal.

**Awarding compensation [Section 53N]**

Without prejudice to any other provisions contained in this Act, the Central Government or a State Government or a local authority or any enterprise or any person may make an application to the Appellate Tribunal to adjudicate on claim for compensation that may arise from the findings of the Commission or the orders of the Appellate Tribunal in an appeal against any findings of the Commission or under section 42A or under sub-section (2) of section 53Q of the Act, and to pass an order for the recovery of compensation from any enterprise for any loss or damage shown to have been suffered, by the Central Government or
Every application made under sub-section (1) shall be accompanied by the findings of the
Commission, if any, and also be accompanied with such fees as may be prescribed.

The Appellate Tribunal may, after an inquiry made into the allegations mentioned in the
application made under sub-section (1), pass an order directing the enterprise to make
payment to the applicant, of the amount determined by it as realisable from the enterprise as
compensation for the loss or damage caused to the applicant as a result of any contravention
of the provisions of Chapter II having been committed by such enterprise. The Appellate
Tribunal may obtain the recommendations of the Commission before passing an order of
compensation.

Where any loss or damage referred to in sub-section (1) is caused to numerous persons
having the same interest, one or more of such persons may, with the permission of the
Appellate Tribunal, make an application under that sub-section for and on behalf of, or for the
benefit of, the persons so interested, and thereupon, the provisions of rule 8 of Order 1 of the
First Schedule to the Code of Civil Procedure, 1908, shall apply subject to the modification
that every reference therein to a suit or decree shall be construed as a reference to the
application before the Appellate Tribunal and the order of the Appellate Tribunal thereon.

Explanation: For the removal of doubts, it is hereby declared that—

(a) an application may be made for compensation before the Appellate Tribunal only after
either the Commission or the Appellate Tribunal on appeal under clause (a) of sub-
section (1) of section 53A of the Act, has determined in a proceeding before it that
violation of the provisions of the Act has taken place, or if provisions of section 42A or
sub-section (2) of section 53Q of the Act are attracted.

(b) enquiry to be conducted under sub-section (3) shall be for the purpose of determining the
eligibility and quantum of compensation due to a person applying for the same, and not
for examining afresh the findings of the Commission or the Appellate Tribunal on whether
any violation of the Act has taken place.

Procedures and powers of Appellate Tribunal [Section 53 O]

The Appellate Tribunal shall not be bound by the procedure laid down in the Code of Civil
Procedure, 1908, but shall be guided by the principles of natural justice and, subject to the
other provisions of this Act and of any rules made by the Central Government, the Appellate
Tribunal shall have power to regulate its own procedure including the places at which they
shall have their sittings. The Appellate Tribunal shall have, for the purposes of discharging its
functions under this Act, the same powers as are vested in a civil court under the Code of
Procedure, 1908 while trying a suit in respect of the following matters, namely:-
(a) summoning and enforcing the attendance of any person and examining him on oath;
(b) requiring the discovery and production of documents;
(c) receiving evidence on affidavit;
(d) subject to the provisions of sections 123 and 124 of the Indian Evidence Act, 1872, requisitioning any public record or document or copy of such record or document from any office;
(e) issuing commissions for the examination of witnesses or documents;
(f) reviewing its decisions;
(g) dismissing a representation for default or deciding it ex parte;
(h) setting aside any order of dismissal of any representation for default or any order passed by it ex parte;
(i) any other matter which may be prescribed.

Every proceedings before the Appellate Tribunal shall be deemed to be judicial proceedings within the meaning of sections 193 and 228, and for the purposes of section 196, of the Indian Penal Code and the Appellate Tribunal shall be deemed to be a civil court for the purposes of section 195 and Chapter XXVI of the Code or Criminal Procedure, 1973.

**Execution of orders of Appellate Tribunal (Section 53P)**

Every order made by the Appellate Tribunal shall be enforced by it in the same manner as if it were a decree made by a court in a suit pending therein, and it shall be lawful for the Appellate Tribunal to send, in case of its inability to execute such order, to the court within the local limits of whose jurisdiction,-

(a) in the case of an order against a company, the registered office of the company is situated; or

(b) in the case of an order against any other person, place where the person concerned voluntarily resides or carries on business or personally works for gain, is situated.

The Appellate Tribunal may also transmit any order made by it to a civil court having local jurisdiction and such civil court shall execute the order as if it were a decree made by that court.

**Contravention of orders of Appellate Tribunal [Section 53Q]**

Without prejudice to the provisions of this Act, if any person contravenes, without any reasonable ground, any order of the Appellate Tribunal, he shall be liable for a penalty of not exceeding rupees one crore or imprisonment for a term up to three years or with both as the Chief Metropolitan Magistrate, Delhi may deem fit.
The Chief Metropolitan Magistrate, Delhi shall not take cognizance of any offence punishable under this sub-section, save on a complaint made by an officer authorized by the Appellate Tribunal.

Without prejudice to the provisions of this Act, any person may make an application to the Appellate Tribunal for an order for the recovery of compensation from any enterprise for any loss or damage shown to have been suffered, by such person as a result of the said enterprise contravening, without any reasonable ground, any order of the Appellate Tribunal or delaying in carrying out such orders of the Appellate Tribunal.

Right to legal representation [Section 53S]

A person preferring an appeal to the Appellate Tribunal may either appear in person or authorize one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to present his or its case before the Appellate Tribunal.

The Central Government or a State Government or a local authority or any enterprise preferring an appeal to the Appellate Tribunal may authorize one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to act as presenting officers and every person so authorized may present the case with respect to any appeal before the Appellate Tribunal.

The Commission may authorize one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to act as presenting officers and every person so authorized may present the case with respect to any appeal before the Appellate Tribunal.

Appeal to Supreme Court [Section 53T]

The Central Government or any State Government or the Commission or any statutory authority or any local authority or any enterprise or any person aggrieved by any decision or order of the Appellate Tribunal may file an appeal to the Supreme Court within sixty days from the date of communication of the decision or order of the Appellate Tribunal to them.

The Supreme court may, if it is satisfied that the applicant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed after the expiry of the said period of sixty days.

Power to Punish for contempt [Section 53U]

The Appellate Tribunal shall have, and exercise, the same jurisdiction, powers and authority in respect of contempt of itself as a High Court has and may exercise and, for this purpose, the provisions of the Contempt of Courts Act, 1971 shall have effect subject to modifications that,-
(a) the reference therein to a High Court shall be construed as including a reference to the Appellate Tribunal;

(b) the references to the Advocate-General in section 15 of the said Act shall be construed as a reference to such Law Officer as the Central Government may, by notification, specify in this behalf.

COMPETITION APPELLATE TRIBUNAL (PROCEDURE) REGULATIONS, 2011

In exercise of the powers conferred by sub-section (1) of section 53-O of the Competition Act, 2002, the Competition Appellate Tribunal hereby makes the following regulations or regulating the procedure of appeals and applications, namely:—

Language of Tribunal

3. (1) The proceedings of the Tribunal shall be conducted in English.

(2) No appeal, application, document or other papers contained in any language other than English, shall be accepted by the Tribunal unless the same is accompanied by a translation thereof in English attested by a translator and countersigned by the party concerned.

Sittings of Tribunal

4. The Tribunal shall ordinarily have sittings at its headquarters at New Delhi and at such places as the Chairperson may by general or special order direct.

Functions of Registrar

6. The Registrar shall—

(a) receive and register appeals, applications, interlocutory and all other miscellaneous applications relating to such appeals or applications, as the case may be;

(b) maintain all records of the Tribunal;

(c) represent the Tribunal before the Supreme Court in the event of an appeal under section 53T of the Act, and

(d) perform such other functions as the Chairperson may, from time to time, direct.

Registration of appeal or application

7. (1) Every appeal or application supported by an affidavit and a certified copy of the impugned direction, decision or order of the Commission, shall be verified and if found to be in order, be registered by the Registrar and shall be given a serial number.

(2) If the appeal, on scrutiny, is found to be defective, the appellant shall be advised to
rectify the defects and after rectification of the defects by the appellant, the appeal shall be registered.

(3) The appeal registered shall be put up for hearing before the Tribunal with a notice to the appellant and the Tribunal, after hearing the appellant, may either dismiss it summarily or direct issue of notice to all necessary parties or may make such orders as the circumstances of the case may require.

(4) In case, the Tribunal directs issuance of notice to the concerned parties, the Registrar shall issue notice, along with the order of the Tribunal and copy of the appeal to all the respondents.

(5) Where at any stage prior to the hearing of the appeal, the appellant desires to withdraw his appeal, he shall make an application to that effect to the Tribunal.

Pleadings before Tribunal

8. (1) Appeal or application, counters, rejoinders, supplemental pleadings or other documents, as the case may be, shall be accompanied by four copies thereof for the Tribunal's record and such additional number of copies thereof for being served on respondents.

(2) No pleadings, subsequent to the reply, shall be presented except by the leave of the Tribunal upon such terms as the Tribunal may think fit.

Service of notice or other documents

9. Every notice or other document, required to be served on or delivered to any person, may be sent by the Registrar by speed post or by courier or by e-mail to the person or his agent empowered to accept service.

Adjournment of hearings

10. The Tribunal may, if sufficient cause is shown at any stage of any proceeding, adjourn the hearing for such time or date as it may consider appropriate provided that in any case, the Tribunal shall not grant more than three adjournments during the course of the whole proceeding.

Ex parte hearings

11. If a party to the proceeding does not appear on the day fixed for hearing, the Tribunal may continue with the proceedings in the absence of such party.
Custody of records

12. The Registrar shall maintain the records of the Tribunal and no record or document filed in any case or matter shall be allowed to be taken out of the custody of the Tribunal without the leave of the Tribunal.

Inspection and certified copies of documents and other papers

13. (1) A party to any proceeding before the Tribunal may, subject to the provisions of the Act, on an application made by it or on its behalf, addressed to the Registrar, be allowed to inspect or obtain copies of pleadings and other documents or records in the proceeding on payment of fees and charges specified in the Rules.

(2) An inspection shall be allowed only in the presence of the Registrar.

(3) Copies of the proceedings, required under sub-regulation (1) or (2), may be certified, as true copies, by the Registrar.

(4) Every authorised officer, not below the rank of Under Secretary to the Central Government or the State Government or the Competition Commission of India shall, at all reasonable times, be entitled free of charge inspection of the file of proceedings of the Tribunal and the Tribunal shall provide such copies or extracts to the aforesaid officers, as they may request in writing.

Order of judgment of Tribunal

14. Every order, or judgment of the Tribunal shall be signed and dated by the Chairperson and Members who have heard the case:

Provided that the Chairperson or a Member who dissents with the final conclusion, shall record his reasons separately under his signature and date.

Rectification of errors

15. Any clerical or arithmetical mistakes in any proceeding, amendment of proceeding, declaration or order of the Tribunal or error may, at any time, be corrected by the Tribunal, either on its own motion or on the application of any party.

Interpretation

16. In case of any doubt as to the interpretation to these regulations, the matter shall be placed before the Chairperson who shall have the power to modify, waive and exempt the operation of any of these procedures by specific or general order and for reasons to be recorded in writing.
11. MISCELLANEOUS

Power to exempt [Section 54]
The Central Government may, by notification, exempt from the application of this Act, or any provision thereof, and for such period as it may specify in such notification—

(a) any class of enterprises if such exemption is necessary in the interest of security of the State or public interest;

(b) any practice or agreement arising out of and in accordance with any obligation assumed by India under any treaty, agreement or convention with any other country or countries;

(c) any enterprise which performs a sovereign function on behalf of the Central Government or a State Government.

In case an enterprise is engaged in any activity including the activity relatable to the sovereign functions of the Government, the Central Government may grant exemption only in respect of activity relatable to the sovereign functions.

Power of Central Government to issue directions [Section 55]
Without prejudice to the foregoing provisions of this Act, the Commission shall, in exercise of its powers or the performance of its functions under this Act, be bound by such directions on questions of policy, other than those relating to technical and administrative matters, as the Central Government may give in writing to it from time to time.

However, the Commission shall, as far as practicable, be given an opportunity to express its views before any direction is given under this sub-section.

The decision of the Central Government whether a question is one of policy or not shall be final.

Power of Central Government to supersede Commission [Section 56]
As per sub-section (1), if at any time the Central Government is of the opinion—

(a) that on account of circumstances beyond the control of the Commission, it is unable to discharge the functions or perform the duties imposed on it by or under the provisions of this Act; or

(b) that the Commission has persistently made default in complying with any direction given by the Central Government under this Act or in the discharge of the functions or performance of the duties imposed on it by or under the provisions of this Act and as a
result of such default the financial position of the Commission or the administration of the Commission has suffered; or

(c) that circumstances exist which render it necessary in the public interest so to do,

the Central Government may, by notification and for reasons to be specified therein, supersede the Commission for such period, not exceeding six months, as may be specified in the notification.

Before issuing any such notification, the Central Government shall give a reasonable opportunity to the Commission to make representations against the proposed supersession and shall consider representations, if any, of the Commission. Sub-section (2) provides that upon the publication of a notification under sub-section (1) superseding the Commission,—

(a) the Chairperson and other Members shall as from the date of supersession, vacate their offices as such;

(b) all the powers, functions and duties which may, by or under the provisions of this Act, be exercised or discharged by or on behalf of the Commission shall, until the Commission is reconstituted under sub-section (3), be exercised and discharged by the Central Government or such authority as the Central Government may specify in its behalf;

(c) all properties owned or controlled by the Commission shall, until the Commission is reconstituted under sub-section (3), vest in the Central Government.

According to Sub-section (3), on or before the expiration of the period of supersession specified in the notification issued under subsection (1), the Central Government shall reconstitute the Commission by a fresh appointment of its Chairperson and other Members and in such case any person who had vacated his office under clause (a) of sub-section (2) shall not be deemed to be disqualified for re-appointment.

Sub-section (4) provides that the Central Government shall cause a notification issued under sub-section (1) and a full report of any action taken under this section and the circumstances leading to such action to be laid before each House of Parliament at the earliest.

**Restriction on disclosure of information [Section 57]**

No information relating to any enterprise, being an information which has been obtained by or on behalf of the Commission or the Appellate Tribunal for the purposes of this Act, shall, without the previous permission in writing of the enterprise, be disclosed otherwise than in compliance with or for the purposes of this Act or any other law for the time being in force.

**Chairperson, Members, Director General, Registrar, officers and other employees, etc. of Commission to be public servants [Section 58]**

The Chairperson and other Members and the Director General, Additional, Joint, Deputy or
Assistant Directors General and Secretary and officers and other employees of the Commission and the Chairperson, Members, officers and other employees of the Appellate Tribunal shall be deemed, while acting or purporting to act in pursuance of any of the provisions of this Act, to be public servants within the meaning of section 21 of the Indian Penal Code.

Protection of action taken in good faith [Section 59]

No suit, prosecution or other legal proceedings shall lie against the Central Government or Commission or any officer of the Central Government or the Chairperson or any Member or the Director-General, Additional, Joint, Deputy or Assistant Directors General or Secretary or officers or other employees of the Commission or the Chairperson, Members, officers and other employees of the Appellate Tribunal for anything which is in good faith done or intended to be done under this Act or the rules or regulations made thereunder.

Act to have overriding effect [Section 60]

The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

Exclusion of jurisdiction of civil courts [Section 61]

This section provides that no civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Commission or the Appellate Tribunal is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

Application of other laws not barred [Section 62]

This section seeks to provide that the provisions of this legislation shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.

Power to make rules [Section 63]

The Central Government may, by notification, make rules to carry out the provisions of this Act.

In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the term of the selection committee and the manner of selection of panel of names under section 9(2);
(b) the form and manner in which and the authority before whom the oath of office and of secrecy shall be made and subscribed to under sub-section (3) of section 10;

(c) Omitted

(d) the salary and the other terms and conditions of service including travelling expenses, house rent allowance and conveyance facilities, sumptuary allowance and medical facilities to be provided to the Chairperson and other Members under sub-section (1) of section 14;

(da) the number of Additional, Joint, Deputy or Assistant Directors General or such officers or other employees in the office of Director General and the manner in which such Additional, Joint, Deputy or Assistant Directors General or such officers or other employees may be appointed under sub-section (1A) of section 16;

(e) the salary, allowances and other terms and conditions of service of the Director General, Additional, Joint, Deputy or Assistant Directors General or such officers or other employees under sub-section (3) of section 16;

(f) the qualifications for appointment of the Directors-General, Additional, Joint, Deputy or Assistant Directors-General or such officers or other employees under sub-section (4) of section 16;

(g) the salaries and allowances and other terms and conditions of service of the Secretary and officers and other employees payable, and the number of such officers and employees under sub-section (2) of section 17;

(h) Omitted

(i) Omitted

(j) Omitted

(k) the form in which the annual statement of accounts shall be prepared under sub-section (1) of section 52;

(l) the time within which and the form and manner in which the Commission may furnish returns, statements and such particulars as the Central Government may require under sub-section (1) of section 53;

(m) the form in which and the time within which the annual report shall be prepared under sub-section (2) of section 53;

(ma) the form in which an appeal may be filed before the Appellate Tribunal under sub-section (2) of section 53B and the fees payable in respect of such appeal;

(mb) the term of the Selection Committee and the manner of selection of panel of names under sub-section (2) of section 53E;
(mc) the salaries and allowances and other terms and conditions of service of the Chairperson and other Members of the Appellate Tribunal under sub-section (1) of section 53G;

(md) the salaries and allowances and other conditions of service of the officers and other employees of the Appellate Tribunal under sub-section (3) of section 53M;

(n) the manner in which the monies transferred to the Competition Commission of India or the Appellate Tribunal shall be dealt with by the Commission or the Appellate Tribunal, as the case may be, under the fourth proviso to sub-section (2) of section 66;

(o) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be, or may be, made by rules.

Every notification issued under sub-section (3) of section 20 and section 54 and every rule made under this Act by the Central Government shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session, or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the notification or rule, or both Houses agree that the notification should not be issued or rule should not be made, the notification or rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification or rule, as the case may be.

**Power to make regulations [Section 64]**

The Commission may, by notification, make regulations consistent with this Act and the rules made thereunder to carry out the purposes of this Act.

In particular, and without prejudice to the generality of the foregoing provisions, such regulations may provide for all or any of the following matters, namely:—

(a) the cost of production to be determined under clause (b) of the Explanation to section 4;

(b) the form of notice as may be specified and the fee which may be determined under sub-section (2) of section 6;

(c) the form in which details of the acquisition shall be filed under sub-section (5) of Section 6;

(d) the procedures to be followed for engaging the experts and professionals under sub-section (3) of section 17;

(e) the fee which may be determined under clause (a) of sub-section (1) of section 19;

(f) the rules of procedure in regard to the transaction of business at the meetings of the Commission under sub-section (1) of section 22;
(g) the manner in which penalty shall be recovered under sub-section (1) of section 39;
(h) any other matter in respect of which provision is to be, or may be, made by regulations.

Every regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation, or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation.

**Power to remove difficulties [Section 65]**

If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act as may appear to it to be necessary for removing the difficulty.

However, no such order shall be made under this section after the expiry of a period of two years from the commencement of this Act.

Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

**Repeal and saving [Section 66]**


The repeal of the Monopolies and Restrictive Trade Practices Act, 1969 shall, however, not affect

(a) the previous operation of the Act so repealed or anything duly done or suffered thereunder; or
(b) any right, privilege, obligation or liability acquired, accrued or incurred under the Act so repealed; or
(c) any penalty, confiscation or punishment incurred in respect of any contravention under the Act so repealed; or
(d) any proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, confiscation or punishment as aforesaid, and any such proceeding or remedy may be instituted, continued or enforced, and any such penalty, confiscation or punishment may be imposed or made as if that Act had not been repealed.

On the dissolution of the Monopolies and Restrictive Trade Practices Commission, the person appointed as the Chairman of the Monopolies and Restrictive Trade Practices Commission
and every other person appointed as Member and Director General of Investigation and Registration, Additional, Joint, Deputy, or Assistant Directors General of Investigation and Registration and any officer and other employee of that Commission and holding office as such immediately before such dissolution shall vacate their respective offices and such Chairman and other Members shall be entitled to claim compensation not exceeding three months' pay and allowances for the premature termination of term of their office or of any contract of service.

The Director General of Investigation and Registration, Additional, Joint, Deputy or Assistant Directors General of Investigation and Registration or any officer or other employee who has been, immediately before the dissolution of the Monopolies and Restrictive Trade Practices Commission appointed on deputation basis to the Monopolies and Restrictive Trade Practices Commission, shall, on such dissolution, stand reverted to his parent cadre, Ministry or Department, as the case may be.

The Director-General of Investigation and Registration, Additional, Joint, Deputy or Assistant Directors General of Investigation and Registration or any officer or other employee who has been, immediately before the dissolution of the Monopolies and Restrictive Trade Practices Commission, employed on regular basis by the Monopolies and Restrictive Trade Practices Commission, shall become, on and from such dissolution, the officer and employee, respectively, of the Competition Commission of India or the Appellate Tribunal, in such manner as may be specified by the Central Government, with the same rights and privileges as to pension, gratuity and other like matters as would have been admissible to him if the rights in relation to such Monopolies and Restrictive Trade Practices Commission had not been transferred to, and vested in, the Competition Commission of India or the Appellate Tribunal, as the case may be, and shall continue to do so unless and until his employment in the Competition Commission of India or the Appellate Tribunal, as the case may be, is duly terminated or until his remuneration, terms and conditions of employment are duly altered by the Competition Commission of India or the Appellate Tribunal, as the case may be.

Notwithstanding anything contained in the Industrial Disputes Act, 1947 or in any other law for the time being in force, the transfer of the services of any Director General of Investigation and Registration, Additional, Joint, Deputy or Assistant Directors General of Investigation and Registration or any officer or other employee, employed in the Monopolies and Restrictive Trade Practices Commission, to the Competition Commission of India or the Appellate Tribunal, as the case may be, shall not entitle such Director General of Investigation and Registration, Additional, Joint, Deputy or Assistant Directors General of Investigation and Registration or any officer or other employee any compensation under this Act or any other law for the time being in force and no such claim shall be entertained by any court, tribunal or other authority.

Where the Monopolies and Restrictive Trade Practices Commission has established a
provident fund, superannuation, welfare or other fund for the benefit of the Director General of Investigation and Registration, Additional, Joint, Deputy or Assistant Directors General of Investigation and Registration or the officers and other employees employed in the Monopolies and Restrictive Trade Practices Commission, the monies relatable to the officers and other employees whose services have been transferred by or under this Act to the Competition Commission of India or the Appellate Tribunal, as the case may be, shall, out of the monies standingon the dissolution of the Monopolies and Restrictive Trade Practices Commission to the credit of such provident fund, superannuation, welfare or other fund, stand transferred to, and vest in, the Competition Commission of India or the Appellate Tribunal as the case may be, and such monies which stand so transferred shall be dealt with by the said Commission or the Tribunal, as the case may be, in such manner as may be prescribed.

All cases pertaining to monopolistic trade practices or restrictive trade practices pending (including such cases, in which any unfair trade practice has also been alleged), before the Monopolies and Restrictive Trade Practices Commission shall, on the commencement of the Competition (Amendment) Act, 2009 referred to in the proviso to sub-section (1) stand transferred to the Appellate Tribunal and shall be adjudicated by the Appellate Tribunal in accordance with the provisions of the repealed Act as if that Act had not been repealed.

All cases pertaining to unfair trade practices other than those referred to in clause (x) of sub-section (1) of section 36A of the Monopolies and Restrictive Trade Practices Act, 1969 and pending before the Monopolies and Restrictive Trade Practices Commission immediately before the commencement of the Competition (Amendment) Act, 2009 shall stand transferred to the National Commission constituted under the Consumer Protection Act, 1986 and the National Commission shall dispose of such cases as if they were cases filed under that Act.

Further that all the cases relating to the unfair trade practices pending, before the National Commission under this sub-section, on or before the date on which the Competition (Amendment) Bill, 2009 receives the assent of the President, shall, on and from that date, stand transferred to the Appellate Tribunal and be adjudicated by the Appellate Tribunal in accordance with the provisions of the repealed Act as if that Act had not been repealed.

The National Commission may, if it considers appropriate, transfer any case transferred to it under this sub-section, to the concerned State Commission established under section 9 of the Consumer Protection Act, 1986 and that State Commission shall dispose of such case as if it was filed under that Act.

All cases pertaining to unfair trade practices referred to in clause (x) of sub-section (1) of section 36A of the Monopolies and Restrictive Trade Practices Act, 1969 and pending before the Monopolies and Restrictive Trade Practices Commission shall, on the commencement of the Competition (Amendment) Act, 2009 referred to in the proviso to sub-section (1) stand transferred to the Appellate Tribunal and the Appellate Tribunal shall dispose of such cases as if they were cases filed under that Act. For the removal of doubts, it is hereby declared that all cases referred
to in this sub-section, sub-section (4) and sub-section (5) shall be deemed to include all applications made for the losses or damages under section 12B of the Monopolies and Restrictive Trade Practices Act, 1969 as it stood before its repeal.

All investigations or proceedings, other than those relating to unfair trade practices, pending before the Director General of Investigation and Registration on or before the commencement of this Act shall, on such commencement, stand transferred to the Competition Commission of India, and the Competition Commission of India may conduct or order for conduct of such investigation or proceedings in the manner as it deems fit.

All investigations or proceedings, relating to unfair trade practices, other than those referred to in clause (x) of sub-section (1) of section 36A of the Monopolies and Restrictive Trade Practices Act, 1969 and pending before the Director General of Investigation and Registration on or before the commencement of this Act shall, on such commencement, stand transferred to the National Commission constituted under the Consumer Protection Act, 1986 and the National Commission may conduct or order for conduct of such investigation or proceedings in the manner as it deems fit.

All investigations or proceedings relating to unfair trade practices referred to in clause (x) of sub-section (1) of section 36A of the Monopolies and Restrictive Trade Practices Act, 1969 and pending before the Director General of Investigation and Registration on or before the commencement of this Act shall, on such commencement, stand transferred to the Competition Commission of India and the Competition Commission of India may conduct or order for conduct of such investigation in the manner as it deems fit. Further, that all investigations or proceedings, relating to unfair trade practices pending before the National Commission, on or before the date on which the Competition (Amendment) Bill, 2009 receives the assent of the President shall, on and from that date, stand transferred to the Appellate Tribunal and the Appellate Tribunal may conduct or order for conduct of such investigation or proceedings in the manner as it deems fit. All cases or proceedings pending before the Monopolies and Restrictive Trade Practices Commission shall abate.

The mention of the particular matters referred to in sub-sections (3) to (8) shall not be held to prejudice or affect the general application of section 6 of the General Clauses Act, 1897 with regard to the effect of repeal.