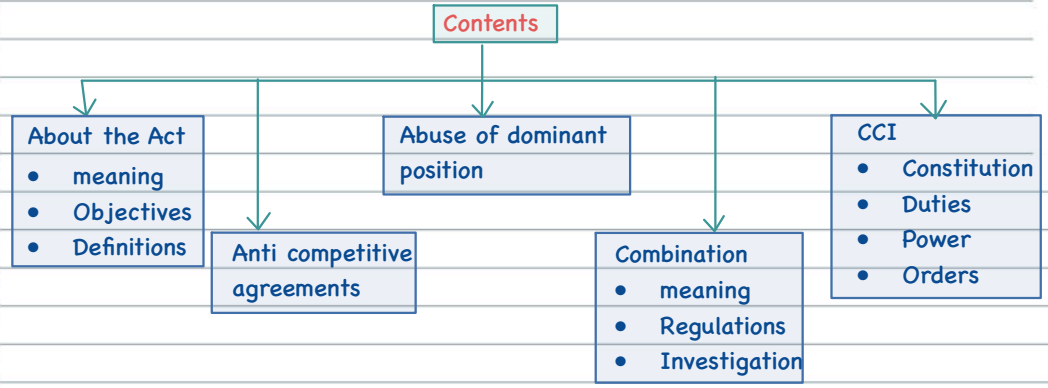
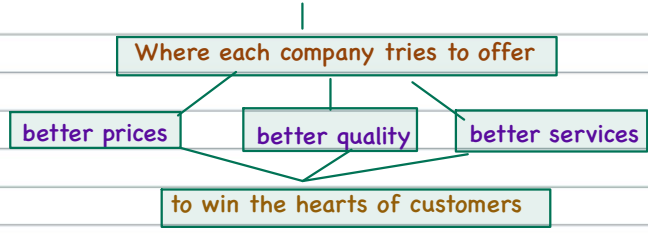


Module 5 - The Competition Act, 2002



Meaning of the word "competition"

Competition means a healthy race between businesses in the same market



THE GREAT MARKET RACE!

WELCOME TO THE GREAT MARKET RACE!

AND THEY'RE OFF!

OFFERING CUSTOMERS EXCITING THINGS...

DISCOUNT! FREE!

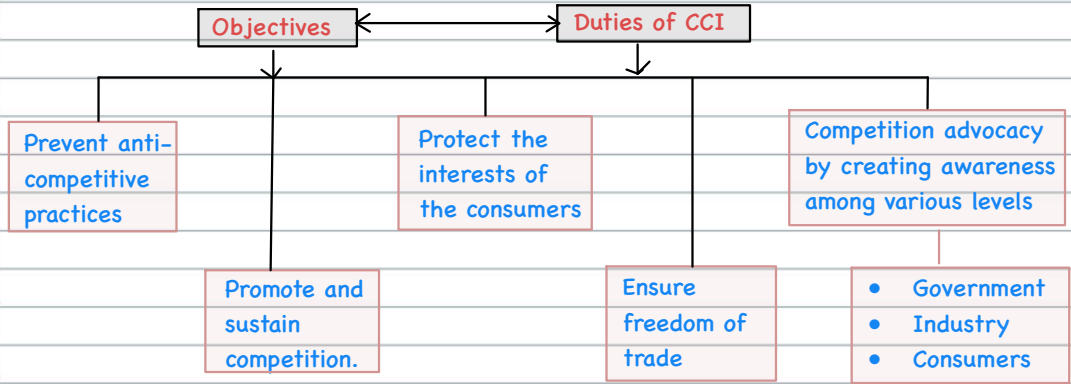
LOWER PRICES! AWESOME SERVICE!

THIS CUSTOMERS ARE LOVING IT!

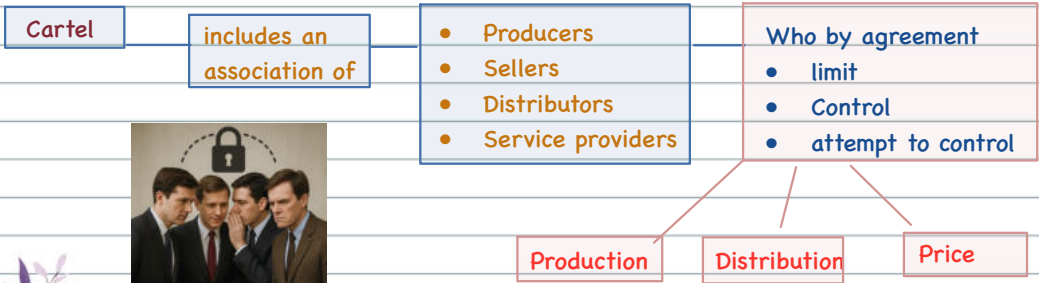
THIS IS WHAT COMPETITION LOOKS LIKE!

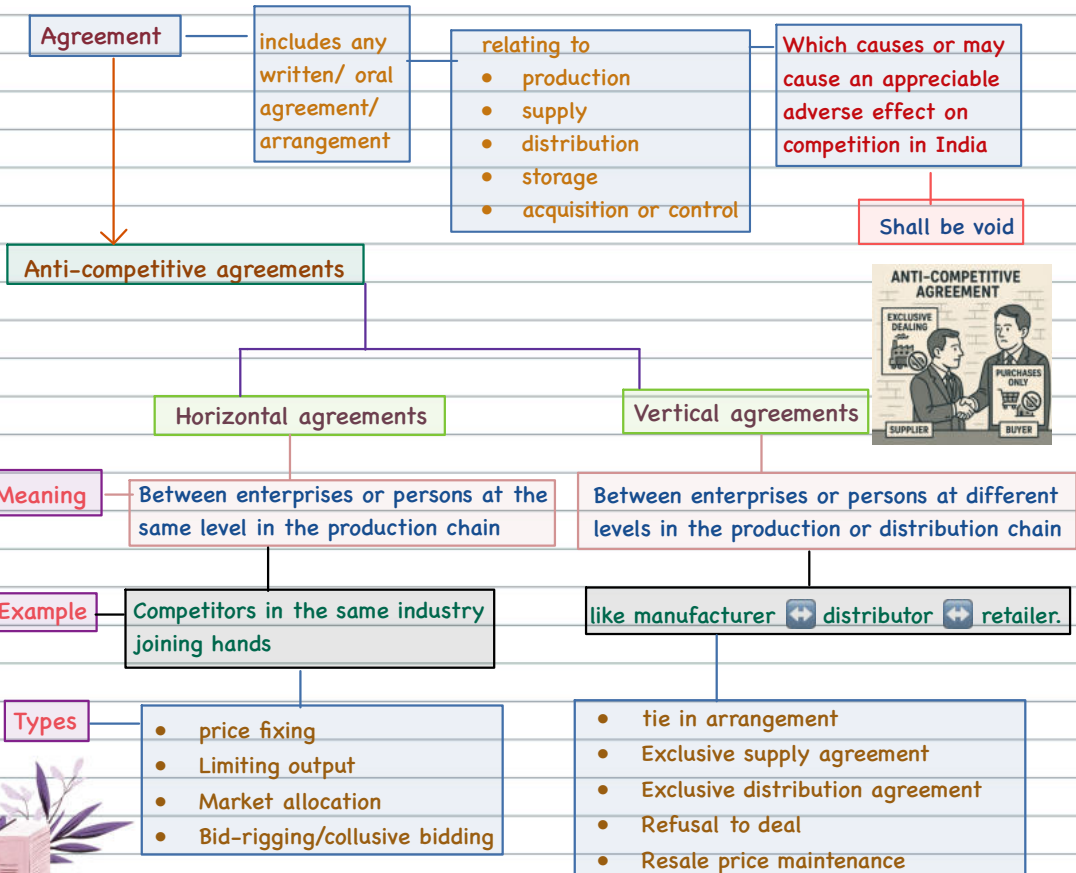
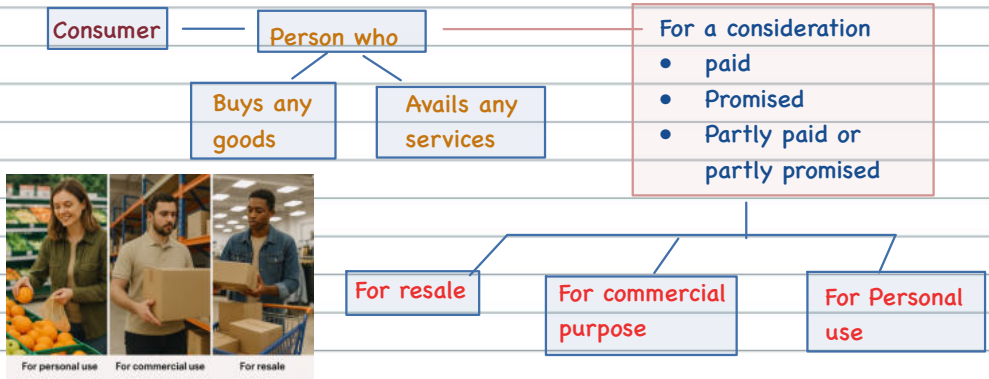
Competition is a fair race where no one trips others – they just try to run faster, smarter, and serve better! This benefits the customer, keeps the market fair, and encourages innovation.

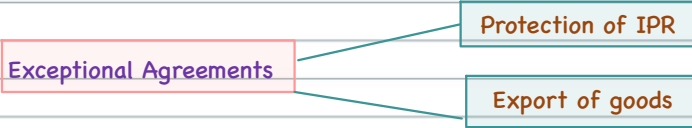
Title - The Competition Act, 2002
Came into force from - 13 January 2003
Amended in the year - 2007
Has repealed - The MRTP (Monopolies & Restrictive Trade Practices) Act, 1969
Regulatory body - The Competition Commission of India (CCI)
Established on - 14 October 2003
Tribunal - NCLT
Appellate tribunal - NCLAT [Replaced the Competition Appellate Tribunal (COMPAT)]



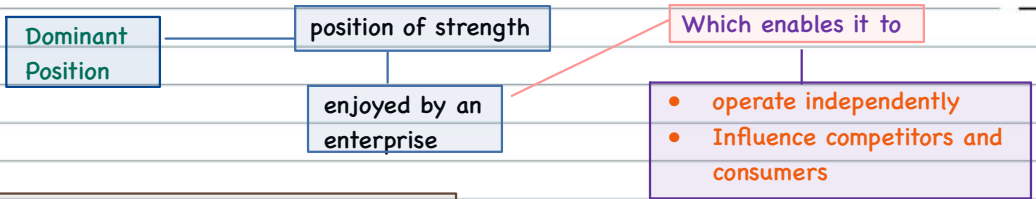
Definitions







Abuse of Dominant Position



Factors to consider while determining Dominant position

- market share
- Size and resources
- Economic power
- Dependence of consumers
- Countervailing buying power, etc.



Ways of Abuse of Dominant position

Imposes unfair conditions or prices

Creation of denial of market access

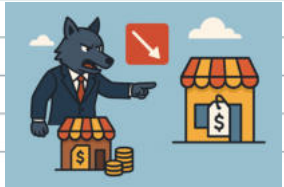
Enter into new market or protect the position in existing market

Predatory pricing

sale of goods or provision of services

at a price which is below the cost

to reduce or eliminate competition



Combinations

Meaning

- Acquisition of control, shares, voting rights, or assets (or)
- Merger or amalgamation

&

Satisfies the following thresholds



Individual level

or

Group level

In India

Combined Assets

> ₹ 2,500 cr

> ₹ 10,000 cr

or

Combined Turnover

> ₹ 7,500 cr

> ₹ 30,000 cr

In India & outside India

Combined Assets

US \$ 1.25 billion
+
at least ₹ 1,250 cr
in India

US \$ 5 billion
+
at least ₹ 1,250 cr
in India

or

Combined Turnover

US \$ 3.75 billion
+
at least ₹ 3,750 cr
in India

US \$ 15 billion
+
at least ₹ 3,750 cr
in India

If a combination is likely to cause appreciable adverse effect on competition in India

it shall be VOID

Factors to consider while determining appreciable adverse effect

- creation of entry barriers
- Driving out existing competitors
- accrual of benefits to consumers
- improvement in production or distribution
- Promotion of technical, scientific and economic development, etc.