

**25**

**STANDING COMMITTEE ON FINANCE  
(2025-26)**

**EIGHTEENTH LOK SABHA**

**MINISTRY OF CORPORATE AFFAIRS**

**EVOLVING ROLE OF COMPETITION COMMISSION OF INDIA IN  
THE ECONOMY, PARTICULARLY THE DIGITAL LANDSCAPE**

**TWENTY-FIFTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

***August, 2025 / Sravana, 1947 (Saka)***

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*Presented to Lok Sabha on 11 August, 2025*

*Laid in Rajya Sabha on 11 August, 2025*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*August, 2025/ Sravana, 1947 (Saka)*

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## **COMPOSITION OF STANDING COMMITTEE ON FINANCE (2024-25)**

**Shri Bhartruhari Mahtab - Chairperson**

### **MEMBERS**

#### **LOK SABHA**

2. Shri Arun Bharti
3. Shri P. P. Chaudhary
4. Shri Lavu Sri Krishna Devarayalu
5. Shri Gaurav Gogoi
6. Shri K. Gopinath
7. Shri Suresh Kumar Kashyap
8. Shri Kishori Lal
9. Shri Harendra Singh Malik
10. Shri Chudasama Rajeshbhai Naranbhai
11. Thiru Arun Nehru
12. Shri N. K. Premachandran
13. Dr. C. M. Ramesh
14. Smt. Sandhya Ray
15. Prof. Sougata Ray
16. Shri P. V. Midhun Reddy
17. Dr. Jayanta Kumar Roy
18. Dr. K. Sudhakar
19. Shri Manish Tewari
20. Shri Balashowry Vallabhaneni
21. Shri Prabhakar Reddy Vemireddy

#### **RAJYA SABHA**

22. Shri P. Chidambaram
23. Shri Milind Murli Deora
24. Dr. Ashok Kumar Mittal
25. Shri Yerram Venkata Subba Reddy
26. Shri S. Selvaganabathy
27. Shri Sanjay Seth
28. Dr. Dinesh Sharma
29. Smt. Darshana Singh
30. Dr. M. Thambidurai
31. Shri Pramod Tiwari

### **SECRETARIAT**

- |                               |                  |
|-------------------------------|------------------|
| 1. Shri Gaurav Goyal          | Joint Secretary  |
| 2. Smt. Bharti Sanjeev Tuteja | Director         |
| 3. Shri T. Mathivanan         | Deputy Secretary |

## INTRODUCTION

I, the Chairperson of the Standing Committee on Finance, having been authorized by the Committee, present this Twenty Fifth Report on the subject 'Evolving Role of Competition Commission of India in the Economy, particularly the Digital Landscape'.

2. The Committee, on 20 January, 2025, held deliberations with the representatives of the Competition Commission of India on the subject. Thereafter, on 28 April, 2025, the Committee held discussions with the representatives of the Ministry of Corporate Affairs on the subject.

3. The Committee considered and adopted this Report at their sitting held on 06 August, 2025.

4. The Committee wish to express their thanks to the above-mentioned organizations for appearing before the Committee and furnishing the requisite material and information desired by the Committee in connection with the examination of the subject.

5. The Committee would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

6. For facility of reference, the Observations/Recommendations of the Committee have been printed in bold at the end of the Report.

**NEW DELHI;  
06 August, 2025  
15 Sravana, 1947 (Saka)**

**BHARTRUHARI MAHTAB  
Chairperson,  
Standing Committee on Finance**

## **PART – I**

### **A. INTRODUCTION**

1.1 India's economic liberalization, initiated in the early 1990s, marked a paradigm shift from a controlled and protectionist regime to one that embraced market-driven mechanisms as the primary engine for growth, innovation, and consumer welfare. This transition was founded on the belief that competitive markets, free from undue restrictions, would allocate resources more efficiently, spur entrepreneurship, and create opportunities for both businesses and consumers. However, this optimism about market forces was tempered by the recognition that markets are not inherently self-regulating and may suffer from inherent deficiencies such as monopolistic tendencies, information asymmetries, and exploitative practices.

1.2 The Competition Act, 2002, was enacted to address these deficiencies; and to ensure that market dynamics remained aligned with public interest by safeguarding competition across sectors. The Act provided the foundational principles for addressing anti-competitive agreements, preventing the abuse of dominance by powerful market players, and regulating mergers and acquisitions that could lead to market concentration or the stifling of innovation. At the helm of implementing this legislation, the Competition Commission of India (CCI) was constituted to act as the watchdog for maintaining competitive neutrality and fairness.

1.3 In recent years, India's economy has undergone another transformative phase, characterized by the rapid adoption of digital technologies, which has redefined market structures and consumer behaviour, creating immense opportunities for innovation and growth while posing novel challenges. In this evolving landscape, the CCI continues to adapt its enforcement strategies, analytical tools, and regulatory frameworks to keep pace with the rapid changes in market dynamics while preserving the principles of fair competition that underpin India's economic liberalization.

## **B. DIGITALIZATION OF MARKETS**

1.4 Digitalization has facilitated innovation at an unprecedented scale, and introduced new efficiencies across sectors. Businesses have used digital platforms to expand their reach, reduce operational costs, and cater to a global audience, while consumers have benefited from greater convenience, access to a broader range of products and services, and improved transparency. The COVID-19 pandemic acted as a catalyst, accelerating the adoption of digital technologies.

1.5 However, alongside these opportunities, digitalization has also introduced significant challenges. The most notable among these is the concentration of economic power in a handful of large technology platforms that serve as intermediaries between consumers and businesses. These platforms have become central to the functioning of the digital economy, leveraging their positions to consolidate their influence and expand into adjacent markets. This concentration has led to concerns over reduced contestability, stifling of innovation, etc.

1.6 Platforms have developed intrinsic features that entrench their dominance and create significant barriers to entry for new competitors. These platforms often function as gatekeepers, controlling critical market access points for businesses and consumers. Their ability to influence market outcomes—such as ranking search results, prioritizing their own products, or imposing terms on businesses that depend on them—gives rise to significant competition concerns. Moreover, the development of multi-product ecosystems by these platforms allows them to leverage their dominance in one market to capture others, further reinforcing their positions.

1.7 The digital revolution, therefore, presents a dual challenge for regulators. On the one hand, there is a need to ensure that the opportunities created by digitalization—such as enhanced market access, consumer empowerment, and innovation—are fully realized. On the other hand, it is imperative to address the risks of concentration, anti-competitive practices, and consumer harm. For competition regulators like the CCI, this requires a nuanced approach that

balances the need to preserve innovation incentives with the imperative to maintain fair and competitive markets.

### **Unique Features of Digital Markets and their Implications**

1.8 Several characteristics make digital markets distinct from traditional ones, posing unique challenges to competition authorities:

(i) *Network Effects* Platforms like social media networks and e-commerce marketplaces thrive on user density, where their value increases with each additional user. These network effects can cause markets to “tip” toward monopoly-like concentrations, making it nearly impossible for competitors to gain traction.

(ii) *Data Advantage* Big tech platforms derive significant power from their ability to collect, process, and leverage vast amounts of user data. This data advantage not only strengthens incumbents’ positions but also undermines the competitive ability of smaller firms to achieve scale or match personalization capabilities.

(iii) *Ecosystem Dominance* Major digital firms operate expansive ecosystems comprising complementary and interlinked products, such as app stores, payment systems, operating systems, and cloud services. While these ecosystems offer supply-side efficiencies, they can also enable anti-competitive leveraging of dominance into adjacent markets, foreclosing opportunities for standalone competitors.

(iv) *Gatekeeper Position* Platforms often act as intermediaries, controlling access between consumers and businesses. This gatekeeper role gives them the ability to influence consumer choices, dictate terms to businesses, and potentially distort market dynamics.

(v) *Zero-Price Markets* Many digital services are offered free to consumers, where the “price” paid is user data. This shifts the focus of competition analysis from price to non-price factors such as quality, innovation, and consumer privacy.

## **Anti-Competitive Practices by Big Tech in Digital Markets**

1.9 The meteoric rise of a handful of technology giants has brought immense benefits to businesses and consumers alike. However, the same dominance may also lead to practices that can potentially undermine competition, distort markets, and disadvantage smaller players. Big tech firms, particularly those operating platform-based business models, may deploy strategies that exploit their control over key market access points, creating significant barriers for competitors and tilting the playing field in their favour. These anti-competitive practices take various forms, each with far-reaching implications for the economy.

### ***(a) Self-Preferencing***

One of the most scrutinized practices in digital markets is self-preferencing, where platforms prioritize their own products or services over those of competitors. For instance, an e-commerce platform may rank its private-label goods higher in search results than similar products offered by third-party sellers. Similarly, search engines may tweak algorithms to favour their own affiliated services, such as maps or shopping platforms, over rivals. This not only reduces visibility for competitors but also limits consumer choice, as users are steered toward platform-owned products even when better alternatives might exist. Self-preferencing exploits the platform's gatekeeper role, allowing it to leverage its dominance to stifle competition and entrench its market power further.

### ***(b) Exclusive Agreements***

Big tech platforms often enter into exclusive agreements with businesses or service providers, restricting their ability to work with competing platforms. These agreements can foreclose markets, particularly for smaller competitors, by limiting their access to critical inputs, suppliers, or distribution channels. For example, an online hotel booking platform might sign an exclusivity deal with a popular hotel chain, preventing other platforms from listing those properties. Such arrangements can deny competitors the ability to offer a complete product portfolio, thereby discouraging consumers from using alternative services and consolidating the dominant platform's market position.

### ***(c) Predatory Pricing and Deep Discounting***

Large technology firms, with their deep financial reserves, may resort to predatory pricing or offer deep discounts to attract customers. By pricing their products or services below cost, these firms can drive out smaller competitors who lack the resources to sustain such losses. While consumers may initially benefit from lower prices, the long-term effects are detrimental: once competition is eliminated, the dominant platform can raise prices, reduce service quality, or impose unfavourable terms on consumers and businesses. This practice undermines the competitive landscape and stifles innovation by discouraging new entrants.

### ***(d) Tying and Bundling***

Big tech companies frequently use tying and bundling strategies to reinforce their dominance across multiple markets. For example, a platform might condition access to a “must-have” product, such as an operating system or an app store, on the mandatory inclusion of other services. This practice limits consumer choice, as pre-installed apps often deter users from seeking alternatives. It also forecloses competition, as rival service providers find it challenging to reach consumers in such tightly controlled ecosystems.

### ***(e) Exploitation of Bargaining Power***

As gatekeepers of digital markets, big tech platforms wield significant bargaining power over businesses that depend on them. This dependence creates an imbalance, allowing platforms to impose unfair terms of engagement on smaller businesses. Such practices erode trust between businesses and platforms, creating an exploitative environment that inhibits competition and innovation.

1.10 The above highlighted anti-competitive practices have profound implications for market dynamics and consumer welfare. By suppressing competition, big tech firms limit consumer choice, discourage innovation, and create artificial barriers to entry. Moreover, these practices often result in higher

prices, lower quality, and fewer options in the long run, negating the initial benefits of digital platforms.

## **Future Challenges**

1.11 The digital economy, characterized by rapid innovation and the dominance of technology-driven markets, presents a dynamic set of challenges for regulators worldwide. The CCI, as the guardian of fair competition in India, faces the daunting task of adapting its regulatory framework to address these complexities effectively. While the opportunities offered by the digital economy are immense, they are accompanied by challenges that test regulatory capacity/ agility and institutional resources.

### *(i) Technological Complexity*

The rapid pace of technological advancement in the digital sector is a significant challenge. Emerging technologies like Artificial Intelligence (AI), machine learning, blockchain, and advanced data analytics are reshaping market structures and creating novel competition issues. This requires the regulatory toolkit to be continually updated to keep pace with these developments.

### *(ii) Cross-Jurisdictional Issues*

Digital markets often transcend national borders, with major players operating globally. Anti-competitive practices by these firms may have localized effects in India but originate from actions taken in other jurisdictions. Addressing these cross-jurisdictional issues requires the CCI to collaborate with international competition authorities. Such cooperation allows for information sharing, alignment of enforcement strategies and capacity building within the overall domestic statutory architecture.

### *(iii) Resource and Capacity Gaps*

The complexity and scale of digital market cases place a considerable strain on the CCI's existing resources. Handling these cases demands specialized skills that go beyond traditional economic and legal analysis. Specific challenges include:

*(a) Technical Expertise*

The ability to analyse big data is crucial for evaluating market dominance and anti-competitive effects in data-driven markets. Understanding algorithmic design and its implications for market behaviour is critical to address issues like algorithmic collusion or discriminatory search rankings. Expertise in AI and machine learning is essential to assess how these technologies impact competition, innovation, and consumer welfare.

*(b) Coordination with other Regulators*

Digital markets often involve overlapping concerns such as privacy, data protection, and cyber security requiring a multidisciplinary approach, working with sectoral regulators like the Data Protection Authority to address these interconnected issues comprehensively.

*(c) Human Resources*

The move towards ex-ante regulation, when it happens, would require an increase in human resources. The CCI would need specialized personnel, including data scientists, technologists, and market analysts, to complement its existing legal and economic expertise. Addressing these resource and capacity challenges is imperative to remain effective in regulating digital markets.

Digital Markets Division (DMD)

1.12 Recognizing the unique challenges posed by digital markets, the CCI has recently constituted a Digital Markets Division (DMD) as a dedicated unit to focus on these issues. The establishment of the DMD marks a significant step toward addressing these challenges, ensuring that the CCI remains agile and effective in regulating digital markets.

1.13 On being asked the CCI to provide comprehensive details on Digital Markets Division (DMD) including its operational structure, specific responsibilities, staffing, and training; its difference in functioning from other CCI divisions, and its performance since its inception, particularly in terms of collaboration with other regulatory bodies, the CCI has submitted the following written response:-

*“In September 2024, the Commission granted approval for creation of Digital Markets Division (DMD) as a specialized unit to address the challenges of regulating digital markets. It will focus on present and future work requirements relating to draft Digital Competition Bill (DCB). Its primary functions inter alia include:*

*(i) facilitate cross-divisional exchange/discussions; (ii) connect with experts; (iii) engage with industry, academia, other regulators/ departments, international agencies; (iv) provide inputs on policy issues; (v) support in data analytics/management; and (vi) undertake any other task assigned to it in the context of digital markets.*

*Presently, staffing provision has been made for a core team of seven persons focussing on the niche area of digital markets. Training requirements include exposure to AI, data analytics, and algorithmic modeling. Lectures / workshops on AI are being organized, and further efforts are made to facilitate workshops on algorithmic behavior and data analytics. The DMD collaborates extensively with other divisions of CCI to tap knowledge and experience on digital markets that is internally available.*

*The DMD is involved in the following initiatives:*

- (i) Coordinating the market study on Artificial Intelligence and Competition.*
- (ii) Tracking developments in digital markets and in the regulatory landscape both in India and abroad.*
- (iii) Assisting in work relating to the draft Digital Competition Bill (DCB) and;*
- (iv) Coordination with Advocacy division of CCI to sensitize stakeholders on digital markets and competition issues.*

1.14 In this regard, one of the important suggestions received from the Stakeholder is given below:-

*Limited institutional capacity of the CCI and the need to strengthen capacity & mandate of the Digital Markets and Data Unit (“DMDU”) at the CCI with technical experts in AI, data analytics, and platform economics*

*The response of the Ministry on the above-mentioned suggestion is as follows:-*

*Views/Comments of the Ministry:-*

*The MCA has noted the need to assess CCI’s infrastructural capacity to effectively implement the DCB.*

*Justification by the Ministry:-*

*CCI has established a Digital Markets Division (DMD) with the objective of developing a comprehensive understanding of digital markets and formulating an informed roadmap for addressing competition issues in this rapidly evolving domain. The constitution of DMD reflects the CCI's proactive recognition of the distinct complexities of digital markets—such as algorithmic pricing, data-driven network effects, and AI-enabled business models. By creating a dedicated Division, the CCI has taken a critical institutional step toward enhancing domain-specific expertise, in dynamic digital ecosystems. The DMD would enable monitoring, better coordination with stakeholders, and support capacity building within the Commission.*

*Furthermore, in order to strengthen the resource capacity, a cadre restructuring proposal has been submitted by the CCI for the creation of 55 additional posts and the same is under consideration by the Ministry.*

**C. CCI's REGULATORY RESPONSE AND EVOLUTION UNDER THE COMPETITION (AMENDMENT) ACT, 2023**

1.15 Recognizing the complexities of regulating digital markets, the Competition (Amendment) Act, 2023, introduced several provisions to strengthen the CCI's ability to address emerging challenges:-

*(i) Deal Value Thresholds (DVT):* Recognising the need for regulating Merger & Acquisition (M&As) transactions particularly in the digital markets, involving high deal / transaction value and targets which may not have huge asset and turnover and for capturing such transactions within the purview of the Competition Act, the Government of India introduced the Deal Value Threshold (DVT) through Competition (Amendment) Act, 2023; thereby, enabling the CCI to look in to all such transactions which could have escaped its review.

With this enabling provision, all M&A transactions with deal value exceeding Rs. 2000 crore and the target enterprise (*i.e.*, enterprise being acquired) also having substantial business operations in India, are to be notified to the CCI, including transactions involving enterprises in new age markets, for competition assessment and accordingly will get tested for anti-competitiveness. This has

provided an opportunity to CCI to address likely harm to competition (appreciable adverse effect on competition) due to such transactions.

(ii) *Settlement and Commitment Mechanisms*: To resolve cases expeditiously, the Act empowers CCI to accept voluntary commitments from parties in certain types of anti-competitive conduct cases.

(iii) *Proportional Penalties*: A revised penalty structure ensures fair and proportionate punishment for violations in the digital sector.

(iv) CCI has notified regulations, including the Competition Commission of India (Combinations) Regulations, 2024, the Competition Commission of India (Settlement) Regulations, 2024, the Competition Commission of India (Commitment) Regulations, 2024 and the Competition Commission of India (Determination of Monetary Penalty) Guidelines, 2024, to operationalise aforesaid amendments introduced through the Competition (Amendment) Act, 2023.

1.16 On being asked as to whether the enabling provisions as introduced in the Competition Amendment Act like Deal Value Threshold, Settlement & Commitment Mechanisms have bolstered the CCI or need further improvements, the Ministry in their post-evidence replies has stated the following:-

*“The Competition (Amendment) Act, 2023 has introduced several important enabling provisions that significantly strengthen the enforcement and regulatory toolkit of the Commission. Among them, the introduction of the Deal Value Threshold (DVT) for merger control and the incorporation of settlement and commitment mechanisms represents major advancements.*

*The deal value threshold provision empowers the Commission to examine transactions that may not meet conventional asset or turnover thresholds but have high competitive significance particularly relevant in the digital economy, where acquisitions of nascent or innovative firms may escape notification under traditional criteria. As per DVT provision, any merger and acquisition would require prior notice to, and accordingly prior approval of, the Commission if the deal value of the transaction exceeds Rs.2000 crore and parties to such transaction has substantial business operations in India. This change allows the Commission to scrutinize potentially anti-competitive acquisitions that were previously outside its jurisdiction, thereby enhancing its preventive capabilities.*

*The Settlement and Commitment Mechanisms, introduced under Sections 48A and 48B of the Act, are designed to ensure faster resolution of cases, reduce litigation, and promote compliance through a cooperative approach. These mechanisms bring the Indian competition law framework in line with global best practices and allow the Commission to tailor outcomes in a proportionate and efficient manner, particularly in complex or evolving markets.*

*In sum, these reforms have substantially enhanced the Commission's enforcement and regulatory framework, and with continued institutional support and experience-based adjustments, they are well-positioned to address emerging competition concerns effectively."*

1.17 The current ex-post framework under the Competition Act, 2002, was designed to ensure fairness and contestability in traditional markets, addressing anti-competitive conduct after it has occurred. However, the rapid digitalization of markets and the unique characteristics of the digital economy—such as network effects, learning effects, and increasing returns to scale—pose significant challenges to this framework. These features enable digital markets to concentrate quickly, often leading to dominance by a few players before anti-competitive practices can be effectively adjudicated.

1.18 Recognizing these limitations, the Parliamentary Standing Committee on Finance (2022-23), in its report titled "*Anti-Competitive Practices by Big Tech Companies*" (presented on 22 December 2022), emphasized the need for a shift in regulatory strategy. The Committee *inter-alia* recommended that competitive behaviour in digital markets be also evaluated ex-ante, to pre-empt and prevent the emergence of monopolistic structures.

1.19 In response, the Ministry of Corporate Affairs (MCA) constituted the Committee on Digital Competition Law (CDCL) in 2023 under the chairmanship of the Secretary, MCA. The CDCL was tasked with examining the adequacy of the existing competition law framework and exploring the need for a separate ex-ante regulatory mechanism for digital markets. The Committee's comprehensive terms of reference included reviewing the sufficiency of the Competition Act, studying international best practices, other regulatory regimes and the practices of Systemically Important Digital Intermediaries (SIDIs).

1.20 The CDCL has since submitted its report, which includes a Draft Bill on Digital Competition Law, proposing an ex-ante regulatory framework tailored to the unique challenges posed by the digital economy. The proposed framework seeks to have provisions to prevent dominant digital intermediaries from engaging in practices which stifle competition or harm consumer interests. The Report of the CDCL along with Draft Digital Competition Bill (DCB) was placed on MCA website under the e-Consultation mode from March 12- May 15, 2024 and 106 comments/observations were received. These suggestions are being examined by the Ministry. Additionally, Ministry of Electronics and Information Technology (MeitY) organised stakeholder discussions between 18.06.2024 to 20.06.2024. The comments/feedback is awaited. Further the Ministry of Corporate Affairs has felt that an evidence-based foundation through market studies is also required to consider all relevant aspects for ex-ante regulation considering it is in nascent implementational stages globally.

1.21 In this regard, the Secretary, Ministry of Corporate Affairs has further added during oral evidence before the Committee as follows:-

*“The Digital Competition Bill, I think like I explained, we have reached the stage where a draft bill is there, but like I pointed out, and everybody has pointed out, that we have to also encourage our ecosystem of our startups and our MSMEs. The Bill is right now in the stage where we are trying to harmonize and make sure that whatever is being recommended in terms of the draft Bill does not harm the interests of our startup industry...”*

1.22 The CCI has also submitted their written view as follows:-

*“The Competition Commission of India (CCI) is of the view that ex-ante regulatory framework should reflect a balanced approach so as to achieve the objective of competitive digital markets without stifling innovation. Only the largest of the technology behemoths with systemic significance should come within its ambit and the ex-ante obligations should target/prevent only such conduct that are unambiguously anti-competitive. A transparent framework will enable the regulator (CCI) to effectively enforce the law and deliver on its mandate while providing regulatory certainty to the stakeholders.”*

1.23 When further asked as to whether the Ministry actively considered the inputs and representations made by Indian startups and digital businesses that are likely to benefit from the enactment of the DCB, share a list of such entities; key categories of feedback and the key points made by stakeholders thereunder, the Ministry in their post-evidence replies has stated that during March 2023, CDCL held closed-door consultations with entities and stakeholders likely to be impacted by the proposed law including industry associations, domestic and foreign digital enterprises and think-tanks etc. The views/ comments received from the members and entities/stakeholders were suitably incorporated. The following entities/associations/organisations, including Indian startups and digital businesses that were consulted by the Ministry:-

| <b>Sr. No.</b> | <b>Name of Stakeholders</b>                 |
|----------------|---------------------------------------------|
| 1              | Amazon                                      |
| 2              | Apple India Private Ltd.                    |
| 3              | Bundl Technologies Pvt Ltd. & Swiggy        |
| 4              | Centre for the Digital future               |
| 5              | Flipkart                                    |
| 6              | Google                                      |
| 7              | India Cellular and Electronics Association  |
| 8              | Internet and Mobile Association of India    |
| 9              | Meta (Facebook)                             |
| 10             | Oyo                                         |
| 11             | Uber                                        |
| 12             | USIBC                                       |
| 13             | Zomato                                      |
| 14             | All India Gaming Federation                 |
| 15             | Alliance of Digital India Foundation        |
| 16             | Artha Global                                |
| 17             | Asia Travel Technology Industry Association |
| 18             | AZB & Partners                              |

| Sr. No. | Name of Stakeholders                                            |
|---------|-----------------------------------------------------------------|
| 19      | Confederation of All India Traders                              |
| 20      | Digital News Publishers Association                             |
| 21      | Esya Centre                                                     |
| 22      | Federation of Hotel & Restaurant Associations of India          |
| 23      | Indian Council for Research on International Economic Relations |
| 24      | MakeMyTrip                                                      |
| 25      | Newspaper Association of India                                  |
| 26      | National Restaurant Association of India                        |
| 27      | NASSCOM                                                         |
| 28      | Paytm                                                           |
| 29      | Twitter                                                         |

1.24 The CCI has submitted in their written reply as follows:-

*“The key categories of feedback on the draft Digital Competition Bill (DCB) 2024 and the key points made by stakeholders thereunder are summarised below -*

***Thresholds for designation for SSDEs*** –The SSDE thresholds in the proposed DCB could encompass numerous Indian companies that are not yet competitive on a global scale, adversely affecting their growth and international standing. Given the diverse nature, size of their respective markets and mode of operations of different Core Digital Service (CDS), the metric for assessing the financial strength and spread should also differ for each CDS.

***Rebuttal of presumption of designation*** – There is no provision for rebutting presumption of designation based on quantitative thresholds. Under Article 3(5) of the DMA, the presumption of designation is rebuttable through sufficiently substantiated arguments.

***Qualitative criteria for designation*** - Qualitative criteria for designation are broadly defined and includes a residuary catch-all provision. Such qualitative criteria defeat the purpose of having quantitative criteria. Qualitative criteria entail policy unpredictability which may stifle innovation.

***Associate Digital Enterprises*** - Refining the criteria for ADEs is crucial to ensure precise identification of ADEs and minimize unintended consequences. The DCB does not clarify what constitutes ‘indirect involvement’ in providing a Core Digital Service. This lack of clarity may lead to uncertainty as to whether entities with offerings that are separate from but related/ complementary to the offerings of another group entity are required to be reported.

**Identification and Definition of Core Digital Services (CDS)-** Some definitions of CDSs are overly expansive, potentially covering entire digital markets regardless of their risk of competition harm. There is a need to bring more certainty and clarity in the definition of Core Digital Services.

**Differential Obligations for SSDEs providing the same CDS -** In case, differential conduct requirements for SSDEs providing competing CDS are specified, it may result in differing outcomes where competing SSDEs may face different compliance obligations and thus competitive pressures.

**Pro-competitive effects of obligations** – Certain obligations, such as self-preferencing, tying and bundling, cross usage of data, are not amenable to blanket prohibition, in view of their possible pro-competitive implications. Likewise, stakeholders sought that the obligation not to restrict third-party applications may be revisited to the extent it impacts the ability of an entity to provide a secure, trustworthy and reliable offering.

**Regulatory Complexity and overlap:** India already has established an effective framework for regulating digital markets and several legislative measures have been recently enacted and proposed to regulate digital markets in India viz the Digital Personal Data Protection Act, 2023 (DPDPA); the (proposed) Digital India Act; the Information Technology Act, 2000 (IT Act); the IT Rules, 2021; and the FDI Policy circular of 2020 (FDI Policy) etc. Given the availability of these regulatory tools, careful consideration should be given to ensure that introduction of any ex-ante regime does not conflict with existing laws and that any new ex-ante regulation effectively addresses regulatory gaps.”

1.25 Asked to clarify as to whether integration of DPDP Act and Draft Digital Competition Law is feasible, the CCI has submitted the written response as under:-

“Competition Agencies have an important role in data regulation. Online businesses are able to amass large amounts of consumer data. Access to data enables such businesses to engage in data-driven innovations. This in turn helps them to better assess consumer demand, habits, needs and preferences. Access to data can, therefore, represent a form of competitive advantage. Lower data protection standards can harm consumers by reducing the quality of services besides creating insurmountable entry barriers for potential competitors, entrenching the dominant position of established firms and distorting competition across various markets. The anti-trust law framework is an important regulatory tool to address the exploitative and exclusionary behaviour arising out of data accumulation by the entities commanding market power. CCI as such does not look into data protection per se. CCI’s role comes into play when usage of data as a non- price parameter leads to anti-competitive practices. Thus, role of CCI in this regard is critical in maintaining and ensuring that markets remain competitive and contestable.....

*The DPDP Act provides a framework for processing digital personal data, balancing the individual's right to protect personal data with the need to process such personal data for lawful purposes.*

*The draft Digital Competition Bill (DCB) aims to regulate the practices of identified Systemically Significant Digital Enterprises (SSDEs), keeping in view the principles of contestability, fairness and transparency, with the objective to foster innovation, promote competition and protect the interest of users in India.*

*Given the implications of data for competition in digital markets, the draft DCB provides for certain data-related obligations, which include an obligation that does not allow SSDEs to (a) intermix or cross use the personal data of end users or business users collected from different services including its Core Digital Service; or (b) permit usage of such data by any third party, without the consent of end users and business users. For the purposes of this provision, the concept/meaning of end user consent is aligned with that of the DPDP Act and the provision makes an explicit reference to the same.”*

1.26 On being asked as to how does the Ministry plan to ensure the proposed Digital Competition Act remains sufficiently flexible to adapt to rapidly evolving technologies; and what concrete measures is the Ministry implementing to enhance the interoperability of digital platforms, thereby fostering a more open and competitive digital ecosystem, the Ministry has submitted written replies as under:-

*“The draft Digital Competition Bill envisages that the thresholds for designating SSDEs will be periodically revised thereby providing for flexibility.”*

1.27 The following suggestion has been received from a stakeholder regarding threshold limit:-

*“The importance of defining appropriate threshold limits for designated enterprises to avoid overburdening of startups, strengthening compliance, enforcement and monitoring mechanisms to prevent regulatory evasion by Big Tech, clarifying enforcement priorities, narrowing scope of Core Digital Services to streamline initial focus, and ensuring remedies are tailored, specific and practically enforceable.”*

1.28 The written views/comments of the Ministry on the above suggestion are given below:-

*Views/Comments of the Ministry:-*

*“As per the recommendations of the CDCL, the draft DCB defines appropriate threshold limits for designated enterprises to prevent overburdening of startups and outlines enforcement priorities and provides list of nine (9) Core Digital Services (CDS) as indicated in the Schedule I. The DCB has accounted for strengthening compliance, enforcement and monitoring mechanisms through specific provisions on anti-circumvention from obligations and reporting and compliance mechanisms. Further, the DCB is in line with the penalty regime under the Competition Act, 2002.*

1.29 When the Committee, referencing a national daily's assertion that 'The European Union is the only jurisdiction where a comprehensive ex-ante competition framework, under the Digital Markets Act, is currently in force,' asked the Comments of the CCI on the accuracy of this statement; and also asked as to whether the draft Digital Competition Law in India is being proposed along similar lines to the European Union's framework.; and finally, could the CCI elaborate on any potential downsides this proposed Act might have on investments for start-ups in India, or any other foreseeable negative impacts, the CCI has submitted detailed written response as follows:-

*“EU is not the only jurisdiction where a comprehensive ex-ante competition framework for digital markets is currently enforced. The Digital Markets Act (DMA) is a comprehensive law in the EU, however, the United Kingdom has also introduced the Digital Markets, Competition and Consumer Act, 2024.*

*While both legislations i.e., DMA and DCB share a common objective—regulating large digital enterprises to ensure fair competition—their approach, scope, and design reflect distinct domestic considerations and market realities.*

*DMA is applicable to ten Core Platform Services (CPS). Nine of these services are included in the regulatory scope of the DCB as Core Digital Services (CDS), excluding “virtual assistants.” DCB uses inclusive definitions, whereas DMA relies on precise definitions.*

*Designation in both DMA and DCB is based on financial thresholds and user thresholds. Under DMA, financial threshold for designation is met if either*

*turnover in the European Economic Area (EEA) or market capitalisation is met. In terms of user threshold, both end-user and business-user thresholds are required to be fulfilled. Under DCB, financial thresholds are based on turnover in India, global turnover, gross merchandise value and global market capitalisation and it provides either end-user or business-user thresholds as spread test to trigger designation. While the DMA provides entities an opportunity to rebut under exceptional circumstances, DCB does not provide such an opportunity upon crossing the threshold. The DCB further provides a qualitative designation mechanism based on sixteen qualitative criteria. Additionally, the DCB allows the Commission to designate other entities within the same corporate group as Associate Digital Enterprises (ADEs) if they are directly or indirectly involved in the provision of Core Digital Services in India.*

*The obligations under DCB and DMA pertain to the areas of fair dealing, self-preferencing, anti-steering, tying and bundling, use of non-public business user data to compete, intermixing/ cross-usage of data, data portability, installation of third-party applications/changing of default settings. The DMA includes additional obligations such as reporting of M&A activities. The DCB allows the CCI to specify distinct conduct obligations for each CDS via subordinate legislation. SSDEs are required to periodically report compliance measures to the Commission. The DMA, on the other hand, sets out obligations in the statute itself, which designated gatekeepers are required to implement within six months of designation.*

*Stakeholder feedback has highlighted that the DCB's comparatively lower quantitative thresholds could lead to larger-coverage, resulting in inadvertent capture of fast-growing domestic firms and start-ups that do not pose systemic risks. This may disincentivise scaling, hinder innovation, and deter long-term investment in India's burgeoning digital commerce space. In addition, by imposing obligations on large digital platforms that serve as critical intermediaries for market access, the DCB may indirectly constrain the ability of start-ups and smaller businesses to leverage these platforms for visibility, reach, and customer acquisition."*

1.30 In this regard, the CCI has further added in their written replies as follows:-

***“Scope and applicability***

*“The Digital Markets Act (DMA) in the EU is applicable to the following 10 (ten) Core Platform Services (CPS):*

- a) Online intermediation services;*
- b) Online search engines;*
- c) Online social networking services;*
- d) Video-sharing platform services;*

- e) Number-independent interpersonal communication services;
- f) Operating systems;
- g) Cloud computing services;
- h) Advertising services;
- i) Web browsers;
- j) Virtual assistants.

India's Draft Digital Competition Bill (DCB) 2024 is applicable to the following 9 (ten) Core Digital Services (CDS):

- (a) Online search engines;
- (b) Online social networking services;
- (c) Video-sharing platform services;
- (d) Interpersonal communications services;
- (e) Operating systems;
- (f) Web browsers;
- (g) Cloud services;
- (h) Advertising services; and
- (i) Online intermediation services

Thus, the draft DCB in India is applicable to 9 (nine) of the 10 (ten) digital services covered under the DMA in the EU (excluding virtual assistants).

### ***Obligations***

Obligations pertaining to the following areas are included in both the draft DCB and the DMA–

- Fair dealing
- Self-preferencing
- Anti-steering
- Tying and bundling
- Use of non-public business user data to compete, intermixing/ cross- usage of data, data portability
- Installation of third-party applications/changing of default settings”

1.31 Asked to share the experience of UK etc. where ex-ante framework has been introduced, the CCI has submitted their written response as under:-

*“The European Union (EU) and the United Kingdom (UK) have introduced comprehensive legislations to regulate competition in digital markets in their respective jurisdictions, establishing ex-ante obligations for designated large digital platforms (gatekeepers/platforms with strategic market status). These regimes are still in the early stages of implementation, and as a result, enforcement experience is currently limited for CCI to draw upon. CCI is closely monitoring the developments to assess the impact, effectiveness, and challenges associated with enforcing ex-ante rules in digital markets. CCI has engaged in bilateral meetings with competition authorities in the EU and the UK to better understand their legal frameworks, implementation processes, and resource needs.*

*The status of enforcement of ex-ante legislation for digital markets in the EU and UK is summarised below.*

#### **EU**

*The Digital Markets Act (DMA) of the European Union aims at comprehensively regulating the gatekeeper power of the largest digital companies. The Digital Markets Act (DMA) came into force on 1 November 2022 and became applicable on 2 May 2023.*

*The European Commission designated six companies (Alphabet, Amazon, Apple, ByteDance, Meta and Microsoft) as gatekeepers on September 6, 2023. These designated gatekeepers submitted their compliance reports within the statutory deadline of six months in March 2024. Booking Holdings was designated as gatekeeper on 13 May 2024. It has submitted its compliance report in November 2024.*

#### **UK**

*The Digital Markets, Competition and Consumers (DMCC) Act 2024 aims to promote competition in fast-moving digital markets, while protecting UK consumers and businesses from unfair or harmful practices by the very largest technology firms. The DMCC Act 2024 received the Royal Assent on 24 May 2024 and the digital markets competition regime came into force on 01 January 2025.*

*It is also pertinent to mention that in **Japan**, the Act on Improving Transparency and Fairness of Digital Platforms, 2020 (TFDP Act), effective since February 1, 2021, operates as an ex-ante enforcement law with a limited goal of ensuring transparency and fairness in the conduct of digital platforms. Under the Act, Specified Digital Platforms must make certain disclosures to user providers and general users. As such, the Act is not a comprehensive legislation for regulating digital markets.”*

1.32 One of the stakeholders has suggested that the passage of DCB is needed to identify and address Anti-Competitive Practices of digital gatekeepers, specifically: (i) Self-referencing; exploitative payment policies, restrictive and exclusionary practices of app stores; Tying and bundling of services; Arbitrary deplatforming and lack of process transparency. The Ministry has responded to this suggestion as follows:-

*“Views/Comments from the Ministry:*

*The DCB recommended by CDCL includes specific provisions to deal with anti-competitive behaviours like self-preferencing, tying and bundling and restrictive practices of app stores.*

1.33 Responding to one of the important suggestions received from a stakeholder that inadequacy of existing ex-post enforcement mechanisms and the urgent need for a forward-looking, preventive (ex-ante) legislative framework, such as the proposed Digital Competition Bill (DCB), the Ministry in their written reply has stated as under:-

*“Views/Comments of the Ministry:-*

*The Digital Competition Bill (DCB) recommended by the Committee on Digital Competition Law (CDCL) provides for an ex-ante approach to the regulation of digital markets.*

1.34 The National Competition Policy (NCP) was prepared in 2011, but the same has not been implemented yet. The Supreme Court in 2018, in CCI versus Bharti Airtel Case, emphasised the need for NCP to enhance market efficiency and employment. On being asked the current status of the NCP, the Ministry in their written replies has submitted the following:-

*“Cabinet Note along with National Competition Policy was sent to Cabinet Secretariat on 04.07.2014 seeking approval of the Cabinet on the National Competition Policy. The Cabinet considered the same in its meeting held on 09.07.2014 and deferred it.”*

#### **D. CCI's EXPERIENCE:**

1.35 The CCI has been instrumental in maintaining competitive markets and ensuring that businesses operate fairly within the framework of the Competition Act, 2002. In its regulatory toolkit, the CCI employs a dual approach of enforcement and advocacy, which has been crucial in regulating markets, particularly in the fast-evolving digital economy. While enforcement ensures accountability and deterrence, advocacy fosters awareness and voluntary compliance, creating a balanced regulatory environment. By leveraging these twin tools, the CCI has not only addressed existing competition concerns but also laid the groundwork for a more competitive, innovative, and consumer-centric digital economy. As markets continue to evolve, the CCI's proactive and adaptive strategies will remain critical in shaping India's competition landscape.

1.36 In this regard, the Chairperson, CCI has deposed before the Committee on 20 January, 2025 as follows:-

*“... Fair competition, as we know, ensures fair access and reduce entry barriers. It provides a conducive environment for businesses to thrive and bring huge benefits to the consumer in the form of choices, lower prices. However, despite these widespread benefits, even in the liberalized markets, competition may not happen on its own because of information asymmetries, anti-competitive practices followed by the participants, cartelization and so on. Because of this, the requirement of a market regulator like CCI is felt. Therefore, in this backdrop, following the recommendations of the Raghavan Committee, Competition Act, 2002 was passed by the Parliament in December, 2002. It received the assent of the President of India on January 13, 2003, thereby becoming the law of land from that date. However, because of some legal challenges, there was a delay in the substantive provisions getting notified, which eventually got notified only on May 20, 2009, relating to prohibition of anti-competitive agreements, and abuse of dominant position...”*

*...There were some legislative challenges. Although the body was set up, the substantive provisions could not be implemented. Effectively, from 2009, CCI started its functioning and the merger control regime came into being in 2011. In between, there have been some amendments in 2007, 2009 and 2017. In 2023, there were some substantive amendments which have strengthened the functioning of CCI. The objectives of the Competition Act are to prevent practices having adverse effects on competition, to promote and sustain competition in markets, to protect the interest of consumers and to ensure freedom of trade.*

*These are the various pillars on which the functioning of CCI rests. Firstly, there are enforcement functions which are covered under Sections 3 and 4 of the Act. Under the Act, anti-competitive agreements entered between enterprises are prohibited. These agreements can be horizontal agreements, vertical agreements or other kinds of agreements. Section 4 of the Act prohibits abuse of dominant position by dominant enterprises. This can take various forms in terms of imposition of unfair conditions, unfair prices, discrimination, denial of market access, leveraging and so on.*

*Sections 5 and 6 lay down the merger regime wherein the Commission regulates the mergers and acquisitions. The merger regime is ex-ante, mandatory and suspensory, which means that all amalgamations, acquisitions and mergers which meet the thresholds in terms of assets, turnovers and deal value, which is laid in the Act, are required to be notified. The Commission assesses them for anti-competitive effects, if any, and the Commission can either approve them without modifications, with modifications, and in appropriate cases, it can also block the mergers.*

*Apart from that, there are advisory functions which have been vested with the Commission, wherein the Commission provides opinion on various policy formulations on the likely impact on competition of these policies.*

*Lastly, the Commission, under Section 49(3) of the Act, has been vested with advocacy functions, wherein it undertakes training, develops a culture of competition compliance and does advocacy programmes...*

*...the progress made since inception, the total number of cases received under the enforcement antitrust cases are around 1,300, out of which 1,168 cases have been disposed of. In these cases, in around 500 cases where prima facie a contravention was found, these cases were referred for investigation to the investigating arm of CCI, which is the Director-General, and thereafter, on the basis of the findings of the investigation report, inquiry was conducted and appropriate orders were passed. Cases where at the prima facie stage, no contravention was found, they were closed at the outset itself.*

*On the merger control regime, so far around 1,200 cases have been received, out of which 1,109 cases have been disposed of without modification. In 31 cases, the approval was given with modifications to address anti-competitive effects, and as of now, only 14 cases are pending.....Advocacy serves as a proactive mechanism to foster a culture of competition in the country. Over the years, CCI has undertaken various initiatives to embed competition principles and enhance compliance through education, collaboration, and policy influence. To highlight a few key initiatives, CCI runs the internship program under which we provide internships to around 15 students every month who are pursuing law, economic, and other fields in various universities across the country. In order to provide insights about the various provisions of the Act and to disseminate*

*information about latest developments, CCI publishes advocacy booklets, frequently asked questions, and newsletters. CCI also has a State resource person scheme, wherein retired officials are engaged to undertake programmes at the State- level. Regional workshops are also carried out by the Commission from time to time, and we engage with universities and educational institutions. Advocacy programmes with corporates, trade bodies and associations are also undertaken on a regular basis...*

*... More than 300 programmes every year are being conducted. As I mentioned earlier, State Resource Person Scheme, which was launched in January, 2020, has been used for training State officials especially Procurement Officers on competition principles and their application in governance and public procurement.*

*CCI also conducts in-depth market studies to analyse competition dynamics in specific sectors. In fact, CCI has conducted market studies in various areas. One of the prominent studies is the e-commerce market study, which provided key insights into the landscape of the e-commerce sector. In order to address information asymmetry and to ensure competition on merits, CCI recommended various transparency measures in search rankings, data use, reviews and rating mechanism, revision of contracts, and discount policy. Given the increasing role that AI is likely to take in shaping the digital economy, CCI has also pioneered a market study on cutting-edge topics of Artificial Intelligence and Competition. This was initiated in 2024 and is underway. Through these kinds of studies, CCI has been contributing to global discourse and enhancing India's thought leadership in competition policy. CCI is also leading a market study on renewable energy under the BRICS framework.*

*In recent times, CCI has enhanced its global footprint. It has strengthened international ties through cooperation agreements and active participation in forums like OECD, UNCTAD and ICN, reaffirming India's role as a global influencer in competition law and policy. CCI became a member of ICN Steering Group in October, 2023. CCI executed MoUs with foreign counterpart agencies of Russia, US, Australia, EU, Canada, BRICS, Brazil, Japan and Mauritius. We have signed MoU with Egyptian Competition Authority also on 25<sup>th</sup> June, 2023 during the visit of the hon. Prime Minister of India. CCI is also a track lead for competition chapters in bilateral and multilateral FTAs.*

*Based on the experience gained and in light of the rapid changes which were happening in the economy, and following the recommendations of the Committee which was set up to review the Competition Act, the Competition (Amendment) Act, 2023 was enacted in 2023 and it has brought about several changes. On the merger regime, a significant change has been that it has expedited the merger review timelines by reducing the time-limit for approval of combinations (Mergers and Acquisitions) from 210 days to 150 days. Value of transaction has been introduced as another criteria for*

*notifying combinations to CCI. If the value of transaction in connection with acquisition of any control, shares, and voting rights, exceeds Rs. 2000 crore, with substantial operations in India, it would require filing. Earlier, these kinds of transactions were falling through the gaps. There were certain transactions where low assets and turnover were there, and, therefore, they were not getting captured in the earlier regime where the thresholds were based only on assets and turnovers. But now, with this value of transaction threshold introduced, such transactions will also get assessed for their competition impact.*

*In order to develop a trust-based regime, and also, keeping in mind that anti-trust cases often take significant time because of multiple appeals provision, which is there in the legislative framework, settlement and commitment mechanisms have been introduced. They allow voluntary remedies to be offered in certain anti-competitive cases. The settlement/commitment mechanism, for instance, applies to certain anti-competitive agreements and abuse of dominance cases. Settlement application can be filed after a receipt of an investigation report but prior to passing of a final order by the Commission. And commitment application can be filed after prima facie order but prior to receipt of an investigation report. So, these mechanisms are expected to expedite resolution of cases.*

*The Act has also increased regulatory oversight through other mechanisms such as leniency plus regime which allows a cartel participant to make CCI aware about other cartels which may be going on and through this, they get additional discounts. Then, there are hub-and-spoke cartels. These essentially cover those enterprises which may not be part of the horizontal agreements but facilitate these kinds of agreements, and now, they are within the net of the horizontal agreements. The Act has expanded the scope of anti-competitive agreements beyond horizontal and vertical agreements and now, covers all types of agreements. Also, the parties who wish to avail appeals at the Appellate Forum need to deposit 25 per cent of the penalty amount before proceeding with the appeal, and the penalties are now indexed to global turnover.*

*In order to operationalise the Competition (Amendment) Act, CCI took upon itself in right earnest the drafting of regulations, and these regulations were notified after extensive public consultation to ensure inclusivity and transparency. In fact, in the last year, a lot of work has been done on this front and various regulations including General Regulations, Combination Regulations, Guidelines for Determination of Monetary Penalty, Settlement/Commitment Regulations, Lesser Penalty Regulations, have been put in place, and now, the Act is fully functional with the entire framework being there.*

*Now, coming to the topic of digitalisation of markets. The Indian economy has been going through a transformative phase which has been characterised by rapid adoption of technologies, and these have redefined*

*market structures and introduced new business models and arrangements. Consumer behaviours have changed significantly with users adopting digital means to procure goods and services. On the one hand, it has created huge opportunities, and on the other hand, they have posed novel challenges. In this backdrop, CCI has been continuously adapting its approach to respond in a dynamic and targeted manner. And CCI has followed a nuanced approach so as to ensure a balance between the need to have incentives of innovation and at the same time, address anti-competitive practices in the markets.*

*To mention some of the opportunities, now, there are various innovations at high pace which are happening. Novel efficiencies have emerged. Businesses can use digital platforms to expand reach, reduce operational costs, and enhance visibility. Consumers have benefitted multi-fold through greater convenience and access to diverse products and services. COVID-19 acted as a catalyst and accelerated digital adoption, and as a result, businesses are leveraging technologies for market expansion across borders.*

*At the same time, this has led to various novel challenges. One of the prominent challenges is the concentration of power in the hands of a few large platforms that serve as intermediaries between consumers and businesses. These platforms have assumed the role of a gatekeeper, as a result of which, they are able to design the business environment, set the rules, and influence the market outcomes. Digital markets have expanded multi-product ecosystems which allow the platforms to leverage dominance across markets. Entrenched dominance creates insurmountable barriers to entry, stifling innovation and limiting competition.*

*Our experience in digital markets has shown that there are several unique characteristics of digital markets which distinguish them from the traditional brick and mortar markets. The first important, being the network effect, platforms like social media often thrive on user density whereby it makes the other competitors very difficult to achieve, scale and compete.*

*It also confers huge data advantage by virtue of their ability to access, collect and process data. It results in development of ecosystem dominance with several interlinked products thereby foreclosing competition for competitors. Because of the gatekeeper position, they are conferred with huge bargaining power as a result of which they act as intermediaries and impose unfair conditions. Also, these markets are often characterised by zero price markets where consumers pay by way of data and this has led to change in competition analysis where non-price factors such as innovation, privacy and quality also assume significance.*

*Because of these changes in the market dynamics, now several new anti-competitive practices and strategies have been adopted by big tech. Self-preferencing is one such strategy which has been widely examined across*

*jurisdictions whereby the platforms favour their own products and services at the expense of third-party products and services.*

*They may enter into exclusive agreements thereby restricting partners for dealing with competitors and limiting their access to critical input suppliers or distribution channels. They may indulge in predatory pricing and selling goods and providing services at a price which is below the cost of production of goods or provision of services with a view to reducing competition or eliminate the competitors. This may help the consumers in the form of low prices in the short run, but in the long run it takes away the choices and allows the dominant entities to raise prices.*

*Tying and bundling is another very common strategy which is being adopted by mandating bundled product purchases and enhancing their presences across markets. These platforms, because of huge bargaining power which they possess, also exploit by imposing unfair terms on smaller businesses.*

*In the last decade through its enforcement decisions, CCI has been instrumental in maintaining competitive markets and checking anti-competitive practices. We have looked into numerous cases pertaining to these activities like self-preferencing, exclusivity, leveraging of dominance etc. We have been tailoring our remedies, keeping in mind the unique features like multi-sided markets and data-driven markets. CCI is committed to ensure contestable and innovative digital markets.*

*To mention a few significant cases which have been decided by CCI in recent past, the first case was the Google search bias case where Google was found to be indulging in search bias in online general search which deprived users of alternative choices. There, negotiated agreements were entered which limited publishers' ability to use competing search services. Google was found to leverage its dominance and strengthen its position in online syndicate search services. Based on the inquiry, CCI imposed a penalty of Rs.135 crore and directed Google to cease and desist from anti-competitive activities and directed it to carry out certain remedial measures.*

*In the Google Android matter where Google was found to be making mandatory pre-installation of Google Mobile Suit under its MADA agreement with prominent placement on Android mobile platforms, it was found to be leveraging dominance in the online search market, denying market access to competing search app. It was found that through anti-fork agreements, it reduced OEM's ability to develop and sell devices with Android forks and limiting innovation and harming consumers. Again, in this case, besides imposing a penalty of over Rs.1,000 crore, CCI issued cease and desist directions and gave specific remedies to address anti-competitive conduct.*

*In the Google pay matter, it was found that Google made mandatory use of Google Play billing system for in-app purchases of digital goods which was found to be anti-competitive. It imposed discriminatory conditions on its own*

*apps like YouTube which bypassed GPPS fees. Google leveraged its dominance in the mobile operating system and app store markets to protect its position in downstream markets. After a detailed inquiry, CCI imposed a penalty of more than Rs.900 crore and directed Google to cease and desist besides carrying out certain remedies.*

*In the most recent case of WhatsApp, CCI found WhatsApp 2021 policy update implemented on a take-it-or-leave-it basis to have undermined user autonomy, leveraged network effects, and it constituted abuse of dominant position. Sharing of WhatsApp user data with Meta for non-service-related purposes was found to have created entry barriers for competitors in the display advertising market. So, CCI imposed a penalty of around Rs.200 crore on Meta, directed Meta to cease and desist from these anti-competitive activities and directed it to carry out certain remedial measures.*

*Earlier, in a case involving MakeMyTrip in the hotel aggregation services market, CCI found imposition of price and room parity obligations to be anti-competitive. There were exclusivity conditions restricting hotel partners to list on other platforms and also denial of market access wherein through commercial arrangements with OYO, others like Fab Hotels and Treebo were delisted from MMT. In this case also, CCI imposed monetary penalty of over Rs.200 crore and directed MMT to cease and desist and imposed remedial measures.*

*To maintain a competitive environment in dynamic economic scenario, it is critical that rules and regulations evolve to keep pace with the changes. The ex-post anti-trust framework is designed to cater to situations where the anti-competitive conduct has already taken place. However, given the specific unique characteristics of the digital markets, it is found that the markets tend to become concentrated in a very short period of time and the anti-competitive practices may irreparably harm the markets in a very short time.*

*In order to address this situation, the Parliamentary Standing Committee had recommended to see whether ex-ante framework for digital markets can be introduced and, in this backdrop, a committee was set up to review and see the need for the ex-ante regulations and suggest a framework. Based on the CDCL recommendations, a draft digital competition law for systematically significant digital enterprises has been put in place and this aligns with the move towards ex-ante regulation of digital markets which is taking place globally.*

*These are some of the challenges which we foresee because of the technological complexity. Artificial intelligence, machine learning, blockchain are reshaping markets and it is very important to understand these underlying technologies. Most of these digital platforms transcend geographical national boundaries and there are global practices which require international collaboration. Many of these activities have interface with other sectoral regulators and other regulators such as data privacy and*

cyber security regulators, thereby requiring a regular collaboration with these agencies.

*In this backdrop, CCI's approach has been to have a proactive engagement, and we have already set up a Digital Markets Division in CCI which is a dedicated unit for digital market challenges to ensure agility and effectiveness in regulating digital markets. This unit is also steering digital competition bill, and it is in the process of engaging data scientists, IT experts, etc. So going forward, we feel that understanding technological advancements, and to adapt to challenges in the digital economy are going to be extremely critical. CCI will continue to undertake advocacy enforcement and regulatory actions to ensure a competitive marketplace and ensure that the markets are competitive, innovative, and consumer-friendly as we go along....”*

1.37 When further asked as to can the CCI proactively foster an environment of healthy competition in the market, rather than just reacting to anti-competitive practices, the CCI has submitted the following in their written replies as under:-

*“Efficient public procurement is critical for implementing policies and programs that directly impact citizens, ensuring optimal utilization of public funds. To achieve cost-effective procurement, it is essential that the processes adopted by government agencies are designed to promote competition. While the primary responsibility for fostering healthy competition in public procurement process lies with the procuring agency, CCI has played a pivotal role in ensuring a competitive procurement landscape. As part of its enforcement efforts, CCI identifies and penalizes entities engaged in anti-competitive practices such as cartelization and bid-rigging. By imposing strict penalties, CCI deters potential offenders and ensures that the procurement process is free from collusion.*

*Additionally, CCI fulfils its advocacy mandate by equipping procurement officers with tools and knowledge to prevent collusion and design competition-efficient systems. In this regard, CCI has issued a comprehensive ‘Diagnostics Toolkit Towards Competitive Tenders - for Public Procurement Officers’ which helps agencies detect and mitigate bid-rigging and assess procurement processes from a competition perspective.*

*CCI also engages with Government departments through workshops and training sessions to educate officials on identifying cartels and fostering competitive practices. In this regard, the State Resource Person (SRP) outreach is an initiative undertaken by CCI to bolster competition advocacy at the state level. This program is designed to engage with key stakeholders, including state governments, public officials, and local institutions, to raise awareness about competition laws and their importance in fostering a fair and competitive market environment.”*

1.38 To a specific query as to what steps have been taken to educate, engage and influence stakeholders to adopt pro-competitive practices voluntarily i.e. how many workshops, seminars, webinars etc. have been conducted in the past three years and what has been the profile and participation in the same, the CCI has stated the following in their written replies:-

*"...Section 49 (3) of the Competition Act, 2002 (Act) mandates CCI to take suitable measures for promotion of competition advocacy or culture, creating awareness and imparting training about competition issues.*

*Accordingly, CCI regularly engages with stakeholders such as judiciary, industry, academia, central & state governments, central and state public sector undertakings (PSUs), professional bodies, apex industry chambers, trade associations, training academies etc.*

*With the industry, competition advocacy is aimed at imparting training to ensure voluntary competition compliance, and is undertaken through apex industry chambers such as CII, ASSOCHAM, FICCI, PHDCCI etc., trade associations and professional bodies such as ICAI, ICSI etc.*

*With the Government, at both Central and State level, the issue of public procurement and competition issues therein, is addressed through conducting advocacy programmes for the procurement officers. Training is imparted on important topics such as warning signals of bid rigging, how to file Information/ Reference with CCI etc.*

*With the Academia, focus is on creating awareness and building capacities in the field of competition law among students and faculty of higher institutions in law, economics, business and finance. This is done through conduct of advocacy programmes, internships, sponsoring of moot court competitions, etc.*

*The details of advocacy events (workshops, seminars, webinars etc.), undertaken with diverse stakeholders during the past three years, are as below:*

| <i>Years</i>   | <i>Advocacy Events with State Government Departments/ PSUs etc.</i> | <i>Advocacy Events with Industry Chambers/ Trade Associations/ Professional bodies/ Educational Institutions</i> |
|----------------|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| <i>2022-23</i> | <i>232</i>                                                          | <i>153</i>                                                                                                       |
| <i>2023-24</i> | <i>245</i>                                                          | <i>120</i>                                                                                                       |
| <i>2024-25</i> | <i>192</i>                                                          | <i>47</i>                                                                                                        |

1.39 Hon'ble Minister of Corporate Affairs replied *inter-alia* to an unstarred question number 301 on 5 February, 2024 in Lok Sabha that the CCI had issued self-regulation advisories in two sectors, namely e-commerce sector and cab aggregator industry. When the Committee desired to know the exact dates when these two advisories were issued; and if the CCI had subsequently assessed the effectiveness of these advisories, particularly in light of the evolving nature of the cab, bike, and taxi aggregator industry, the CCI has submitted the following written replies:-

*“The E-commerce Advisory was issued on 8<sup>th</sup> January 2020 as part of the Study Report on E-commerce.....*

*Based on the observations and recommendations of the Market Study dated 09.09.2022 on “Competition and Regulatory Issues Related to the Taxi and Cab Aggregator Industry: With Special Reference to Surge Pricing in the Indian Context” and the mandate of the Commission, inter alia, to ensure fair competition and for overall well-functioning ecosystem, following advisory was issued:*

*While any anti-competitive conduct of Cab Aggregators (CAs) may attract enforcement action, the CAs are advised to adopt self-regulatory measures to address information asymmetry and transparency concerns, some of which are illustrated below:*

#### *Description and Calculation of Fares*

*(i) Set out on the website and more importantly on CA mobile platform/application (as this is what is largely utilised by both riders and drivers) a general description of various components/heads (in plain and*

*easily understandable language) of total fare. Any change thereof be reflected in a timely manner.*

*(ii) Break up of total fare so as to appropriately reflect the surge component in the invoice generated on the App and sent to the riders and drivers.*

*(iii) Set out a clear and transparent cancellation policy. In the event of cancellation of ride by the rider, the sharing of the cancellation charge between driver and CAs be reflected in a transparent manner to the drivers.*

#### *Surge Pricing*

*(i) Formulate clear and transparent policy on surge pricing and dissemination of the same to both riders and drivers, including adequate transparency with respect to the sharing of revenue on account of surge between the drivers and the CAs. Any change in policy be communicated, in a timely manner.*

*(ii) The surge charged for each ride be reflected in the invoice.*

#### *Collection, use, and data sharing*

*(i) Set out a clear and transparent policy on data that is collected on the CA platform, the use of such data by the platform and also the potential and actual sharing of such data with third parties or related entities. The scope, extent and purpose for data collection be also set out clearly. Any changes be disseminated, in a timely manner.*

#### *Non-Discriminatory Allocation of Rides*

*(i) Algorithm while allocating rides amongst various available cabs, should not give preference to the vehicle owned, directly or indirectly, by the said CA platform.*

*The cab aggregator advisory is available on the following link:<https://www.cci.gov.in/economics-research/market-studies/details/40/1>.*

*Pursuant to the issue of Advisory, no information alleging anti-competitive practices against cab aggregators has been received by CCI.”*

1.40 Regarding the CCI's role as a competition watchdog since its inception, the Committee seek to understand the specific metrics used to assess its effectiveness in promoting a competitive culture and to identify instances where its interventions have yielded demonstrably positive market outcomes, the CCI has submitted the following post-evidence written replies:-

*“CCI is an expert body established by the Competition Act 2002 (‘The Act’). CCI has been established to prevent practices having adverse effect on*

*competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade carried on by other participants in markets, in India, and for matters connected therewith or incidental thereto. The Act prohibits anti-competitive agreements (Section 3), abuse of dominant position (Section 4) and provides for regulation of Combinations (Mergers and Acquisitions) (Sections 5 & 6).*

*CCI in its journey so far has examined more than 1160 antitrust cases in varying sectors of the economy viz. automobile, railways, sports, digital markets, transport, mineral extraction, entertainment, real-estate, pharmaceuticals, etc. The Commission has been able to achieve a remarkable performance in meeting its mandate.*

*In pharmaceutical distribution chain, earlier, the chemists and druggists' associations all over the country were mandating NOC from the association for obtaining stockist licences, which acted as a barrier between the pharmaceutical company and its stockists. Through intervention of the Commission in multiple cases, the pharmaceutical companies are now free to grant stockist licences depending on their business requirements rather than based on the discretion of the chemists and druggists' associations. The consumers are having an increased access to medicines and that too at lower prices.*

*Similarly, the interventions of the Commission in the Sports sector have resulted in removing restrictions on participation of players in local tournaments and organization of such tournaments imposed by various state level and national associations.*

*The Commission has also examined various cases pertaining to the entertainment sector involving issues such as restriction on exhibition of dubbed movies. The Commission found that such anti-competitive conduct resulted in limiting production and supply of dubbed movies and their screening in violation of Section 3(1) read with Section 3(3)(b) of the Act, causing an appreciable adverse effect on competition. The Commission directed the concerned parties to cease and desist from imposing such restrictions.*

*In the automobile sector, the Commission examined the issue of sale of spare parts and repair services. CCI issued an order directing the automobile Original Equipment Manufacturers (OEMs) to ensure easy availability of spare parts and diagnostic tools in the market. Further, Original Equipment Suppliers (OESs) were permitted to sell spare parts freely in the open market without restrictions. The Commission also directed the OEMs to disclose spare parts pricing, warranty terms, and service provisions to enhance transparency and competition, while ensuring no barriers were placed on independent repairers and garages.*

*CCI has also examined multiple cases relating to cartelization/ bid-rigging in public procurement tenders issued by various Government authorities including Indian Railways, wherein the erring parties were penalised as well as cease & desist directions were issued.*

*With regard to combination (M&A) cases, it is submitted that since the combination review regime came into effect from June 2011, CCI has received a total of 1229 combination notices from diverse sectors such as financial markets, pharmaceutical and healthcare, Information Technology & Services, PVC & chemicals, auto & auto components, power, mining & metals, media & entertainment, food & refined oil etc. Out of these, 1215 cases have been disposed of. 31 cases were disposed of with behavioural and structural modifications/remedies leading to ex-ante redressal of likely adverse effect on competition in India due to the combinations. The Commission's intervention to restore competition through effective remedies has been demonstrated in several cases. Some of such cases are:*

*i. In the combination involving Tata Sons Private Limited, Talace Private Limited, Singapore Airlines Limited, Air India Limited and Tata SIA Airlines Limited (Vistara), a commitment to maintain minimum capacities on certain identified routes was required as a remedy to address competition concerns.*

*ii. In Bayer Aktiengesellschaft and Monsanto Company matter, remedies included the divestiture of Bayer's seed technology and glufosinate-ammonium (a herbicide) business. Monsanto was required to divest 26% indirect shareholding and rights in an Indian company in order to eliminate overlaps in Bt cotton seeds, hybrid rice and millet seeds. In addition to the divestiture, several behavioural remedies were also required to reduce the anti-competitive effects of the multiple overlaps. Amongst others, the remedies ensured farmers' access to affordable agricultural inputs.*

*iii. In Linde Aktiengesellschaft and Praxair, Inc. case, the remedies included the divestiture of Linde's and Praxair's certain assets engaged in the supply of industrial gases in India with a view to allow entry of a new player or afford an opportunity to existing competitors to scale up and pose effective competitive constraints on the merged entity.*

*iv. In ZF Friedrichshafen AG and WABCO Holdings Inc. case, the remedy included the divestiture of 49% shareholding, and all rights and arrangements thereof, in Brakes India Private Limited, by ZF, to preserve competition in the overlapping product lines.*

*v. In the combination involving Sun Pharmaceutical Industries Limited and Ranbaxy Laboratories Limited, the remedies were the divestiture of certain molecules wherein the combined entity was gaining a position, which could have caused appreciable adverse effect on competition. The remedy preserved competition and ensured that consumers continued to have access to affordable medicines.*

*vi. In Reliance Industries Limited; Viacom18 Media Pvt. Ltd.; Digital 18 Media Limited; Star India Pvt. Ltd.; Star Television Productions Limited matter, the remedy included the sale of certain TV channels. CCI also required behavioural modifications.*

*vii. In the combination involving Holcim Limited and Lafarge S.A. in the market for grey cement, the remedies required divestiture of entire share capital of Lafarge India held by Lafarge S.A. As a result of the intervention, a new player (Nirma Limited) entered into the market.*

*viii. In the combination involving Agrium, Inc. and Potash Corporation of Saskatchewan, Inc. (PotashCorp) in the market for potash, the remedies required divestiture of stakes held by PotashCorp in Arab Potash Company, Sociedad Quimica y Minera and Israel Chemicals Limited with intent of creating three independent competitors in the market.*

*It needs to be underscored that structural remedies by their very nature encourage/promote new entry or allow for expansion by other competitors in the market as these players can acquire business required to be divested by the merging parties. This in itself is demonstrative of positive market outcome for competition and consumers.*

*Besides the above, in some other cases, CCI has also imposed certain remedies including firewall measures to prevent anti-competitive behaviour, such as the exchange of sensitive information between merging entities that could harm competition. Such behavioural remedies address the concerns of market foreclosure, coordination etc. thereby reinforcing the competitive nature of markets.”*

1.41 To a specific query of the Committee as to whether the CCI has a systematic approach for comparing its regulatory and enforcement capabilities with global best practices and those of other prominent antitrust authorities, the CCI has submitted written replies as below:-

*“CCI’s approach to both the substantive and procedural aspects of competition law enforcement is continually aligned with international best practices. This extends to CCI’s advocacy initiatives and agency effectiveness strategies as well. In achieving this, the method followed by CCI rests on the following:*

*Legal framework: The statutory framework under the Competition Act, 2002, as amended by the Competition (Amendment) Act 2023, offers the flexibility to tailor CCI’s enforcement strategies to sector-specific needs and evolving market dynamics. It also equips the Commission with a robust toolkit, including mechanisms such as leniency plus for cartels, settlement and commitment procedures for anti-competitive agreements (other than*

*cartels)& abuse of dominant position, and a deal value threshold (in addition to traditional asset/turnover thresholds) for merger notifications. The Commission strives to make optimal use of these instruments for effective enforcement and speedy market correction.*

*International cooperation: CCI actively engages with the global antitrust community through multilateral forums like the International Competition Network (ICN) and the Organisation for Economic Co-operation and Development (OECD), and holds bilateral dialogues with foreign competition authorities to exchange knowledge, experiences, and best practices.*

*Research and trend analysis: The Research and Trend Analysis Division of CCI tracks and analyses global trends in competition enforcement, drawing insights from international case studies and decisions to understand emerging challenges and best practices for addressing complex antitrust issues.*

*Capacity building: CCI focuses on continuous building of its institutional capacity by organizing training programs and workshops for its staff in collaboration with foreign competition authorities. Secondments to competition authorities in mature jurisdictions are also organised to equip the professional staff with the latest developments in antitrust toolkit and regulatory practices.*

*Periodic review and amendment of regulations: CCI conducts continuous internal evaluations through proactive and regular engagement with stakeholders. Regulations are periodically reviewed and updated, taking into account stakeholder inputs and global best practices, to streamline processes, facilitate compliance, and ensure timely enforcement and merger reviews.*

*By benchmarking itself against global standards, CCI aims to enhance the effectiveness of its enforcement and regulatory measures while promoting fair competition in the Indian market.”*

1.42 When further asked as to what international best practices does CCI consider most relevant for strengthening its regulatory capabilities, especially within the dynamic landscape of digital market, the CCI has submitted the following written replies:-

*“As CCI strengthens its regulatory capacity in digital markets, it considers several international best practices as relevant. These include a flexible, nuanced and dynamic regulatory approach that can appropriately respond to emerging market circumstances and rapid technological advancements. Strong emphasis on evidence-based assessments ensures that decisions are grounded in robust analysis of market structure and conduct. Additionally,*

*cooperation with competition authorities in other jurisdictions and sharing best practices helps address cross-border challenges posed by digital platforms. Finally, following a transparent and consultative approach that includes views of various stakeholders helps foster a balanced and effective regulatory environment.”*

1.43 When asked to clarify as to whether the Production Linked Incentive (PLI) scheme, which has shown positive results for participating industries, causing a concern about its anti-competitive nature, specifically by selecting only a few beneficiaries in each sector and undermining broader market fairness, the CCI in their written replies has stated as follows:-

*“The Production-Linked Incentive (PLI) Scheme is a policy initiative by the Government of India aimed at boosting domestic manufacturing, enhancing exports, and making Indian industries globally competitive.*

*As the statutory body responsible for promoting and sustaining competition in markets, CCI remains committed to ensuring that competition principles are upheld. CCI, in its advocacy role, has been engaging with relevant stakeholders, including the Government, to highlight the importance of ensuring that schemes and policies do not inadvertently lead to anti-competitive outcomes. CCI provides inputs to the government in formulating policies, if sought. However, the ultimate policy decision rests with the Government.”*

1.44 Asked to clarify the specific role and authority of the CCI in situations where external entities are threatened or deterred from participating in a tender, potentially impacting fair competition and market integrity, the CCI has submitted the following written response:-

*“As regards threatening of outside players to not to participate in a tender or to not to enter into a market despite allocation of tender to them, the provisions of Section 3(3) of the Competition Act, 2002, clearly prohibit any anti-competitive agreements which may lead to limiting or controlling the supply of goods or provision of services in the market or lead to allocation of geographical area(s) of a market amongst various competitors. As such, anytime an information has been received in this regard, the Commission has examined the matter and taken action wherever required.”*

1.45 The evolving role of the CCI reflects the broader transformation of India's economy into a digital economy. The Competition Act provides crucial tools to

address the unique challenges of digital markets. However, continued vigilance, collaboration, and capacity building are essential to ensure that India's digital economy remains competitive, innovative, and consumer friendly. The CCI's proactive stance will play a central role in shaping a fair and inclusive digital landscape for the future.

1.46 The Secretary, Ministry of Corporate Affairs during the oral evidence on 28 April, 2025 has deposed before the Committee as follows:-

*... the rapid transformation of digital markets demands an equally progressive and forward-thinking regulatory response. A proactive approach in regulating the digital economy including expanding the scope of existing laws to address the control of consumer data, scrutinising mergers or acquisitions that may harm competition and collaboration with international counterparts to ensure consistency in regulatory actions needs to be done. Moreover, quick adaptation to new digital trends, ensuring a timely response to emerging anti-competitive practices and ex-ante evaluation of competitive behaviour in digital markets to pre-empt and prevent the emergence of monopolistic structures is the need of the hour. It is also equally important to understand the position of CCI in comparison with its international competition authorities/regulators in dealing with the challenges in each sector...*

*Now, we come to the Digital Competition Law. As you said, based on the recommendations of the Parliamentary Standing Committee's Report, we constituted the CDCL to examine the adequacy of the existing competition framework and to look at a separate ex-ante competition law keeping in mind the ongoing international practices as well as the India's needs. So, what are the key recommendations? The Committee has suggested for an enactment of an ex-ante competition law to complement the existing Competition Act. It does address the unique features of digital markets. It is ex-ante. So, it is a disclosure-based framework. The first part is the applicability of the draft Bill, which looks at Systemically Significant Digital Enterprises and the Associate Digital Enterprises. These are those Enterprises who have been identified or designated on the basis of their significant presence both in financial terms as well as in quantitative and qualitative terms. On the quantitative terms, we look at the financial thresholds and user-based, and on the qualitative terms, we look at certain other criteria. So, this is the applicability of the draft Bill.*

*.....it identifies SSDEs and ADEs, providing Core Digital Services. A list of nine Core Digital Services have been identified and have been included in the Schedule. It is also based on the 53<sup>rd</sup> Report of the Parliamentary Standing Committee and international practices. Here, there is an imposition of an ex-ante obligation on them to prevent anti-competitive harms in digital*

*markets, foster innovation, transparency, contestability, and Indian users' welfare. So, there are different criteria.*

*The CDSs have been identified on the basis of the market concentration. There are nine of these. I will just name them out to you. They are: online search engines, online social networking, video sharing, interpersonal communication, operating systems, web browsers, cloud services, advertising and online intermediaries. As of now, the maximum number of orders which have been passed by CCI is essentially in the line of online intermediation.*

*In terms of the obligation, basically, all the ten ACPs -- which have been identified by the Report of the Parliamentary Standing Committee -- have been taken into consideration except for the Mergers and Acquisitions one because that has come into the Amendment already. They have been incorporated. So, the others have been covered. We also clubbed certain of them. Fair and transparent dealing covers a lot of Anti-Competitive Practices. Then, there are self-preferencing -- which has been highlighted -- anti-steering, tying and bundling restrictions, data usage restrictions, and restrictions on third-party applications.*

*These are obligations which the SSDEs and ADEs, once designated, will have to meet and as per the draft Bill, they will have to come up with the details as and when the regulations are going to be framed. They will come out with a disclosure on all these points as per the regulations.*

*So, there is a disclosure regime and there is a designation regime. The penalty regime and taking action is as per the competition Act which is right now. So, the settlement provisions, the remediation, the penalties, that is being more or less taken from the existing competition Act but this in terms is a new point which is coming up in the draft Bill. So, we published the report and the draft DCB between April to May, 2024. We got about 106 stakeholder submissions and they are presently being examined by MCA. I will be discussing some of these points in the next two slides where I will explain what are the concerns or the issues which have been raised by the stakeholders. Separately, the MeitY also held consultations and they also got a lot of comments. But we have not officially got their response to the comments which they have received and their view, although MeitY was a part of the CDCL. So, we did have some views initially.*

*Now, I will come to what are the key issues which are emerging on the basis of the discussions, on the basis of the points raised by stakeholders. I will point all of these out. First of all, the one major point here is that the list of core digital services as per stakeholders, they feel that the definition itself is very wide and a lot of these digital services have not really experienced concentration like social networking, video sharing, cloud services. They also say that the definition of online intermediaries and certain definitions are too wide. So, they cover a gamut of activities which we do not know whether they*

*will come into the purview of the Digital Competition Bill or not, like it covers right now, food delivery, cab aggregators, app stores. So, it is very heterogenous. So, one point has been raised about this.*

*Mostly Sir, wherever we have ex-ante regulations, there has been a study of market studies which has taken about sometime before they went out with a clear threshold. In our case, we have not had a formal market study to really quantify these guidelines. These quantitative thresholds as well as the digital services have been taken on the basis of whatever information we have as of now. But a formal specific market study has not been conducted. So, that is the first point which has been raised by stakeholders.*

*The second point is the adverse effect of the SSDE designation. When we designate a particular entity as SSDE, then it has an impact on them and Sir, here the right to contest the designation has not yet been provided in the draft Bill. This has been raised in the stakeholder consultation and in the other international jurisdictions before we designate an enterprise as an SSDE, they are given the right to contest. That we had not provided for as of now.*

*So, the issue of ADEs, if you remember, we had mentioned Associate Digital Enterprises are the ones who will have obligations for them. The obligations will be varied for different kind of digital services and within the digital services market, for each kind of digital enterprises, the obligations shall be varied. The Act provides for that. The draft Bill provides for that and also, that will come through regulations. So, a lot of delegated legislation is envisaged. So, the definition of ADE suggests that it is directly or indirectly involved in providing these digital services with the SSDEs. So, this kind of a definition where indirectly or directly, they are involved, the point has been raised that it is quite ambiguous and it may also affect those enterprises, those start-ups in our system who are giving services to them and will not let them grow, so, there is a lot of ambiguity regarding that.*

*So, hence, innovation also gets effected by that. Then, we come to the whole question of quantitative thresholds. So, on both the criteria, that means the financial strength criteria which I have mentioned here, we have mentioned that turnover has to be more than Rs. 4000 crore or global turnover is to the tune of more than 30 billion dollars or gross merchandize value more than Rs. 16000 crore or gross market capitalisation of fair market value more than 75 billion USD. These are all there. The SSDE has to satisfy any of the financial criteria and the users criteria and by users, we have mentioned that they should have end users of one crore or business users of 10,000 . So, this itself, the calculation of an end user is a challenging proposition. We did a study to find out which enterprises will come under this and the concert of a business user is coming for the first time in our context. So, even the classification of business user will have to be seen.*

*Another point raised was that the business users of 10,000 in India may be very low compared to the international. International is 10,000 crore. EU has 10,000 but for India, it may be too low because of the sheer size of our market, although the internet penetration is much lower. It is only 48%. We have almost 89 to 90 per cent abroad.*

*Then, Sir, even the manner of calculation, there are certain challenges there in terms of how do you calculate global turnover from all products and services. Then, the concept of gross merchandise value for digital markets, how do you calculate that. So, this along with the low threshold will pose some challenges. So, this is one concern which has been raised by stakeholders.*

*Then, the effect on MSME is another concern. I have already explained the point of those MSME or those start-ups who are part of ADE, but there is another impact which we had not thought about in that sense.*

*Actually, MSMEs are also benefiting from targeted advertising which they do through these platforms and the single sign on service which is available to them through these platforms. So, this effect can also have a negative effect on them. Sir, we have a small study which a party has done to show that impact on that.*

*Then, in terms for the user also because there is a consent-based mechanism which we have looked at and now, the new Data Protection rules have also come in. So, there is possibility of over-lapping and also, it has been pointed out that the consent-based framework and asking consent at every stage may also lead to a poorer experience on the user interface and user experience. So, that also has been highlighted in that sense.*

*Then,.....there are multiple regulators in multiple acts and regulations which different Ministries are looking at. We have the FDI, we have the Consumer Affairs, we have the DPDP Act and its whole set of rules, then we have, may be SEBI also at certain places and then, we come into the picture in the competition thing. So, it is possible that there would be overlaps, there would be parallel proceedings, there may be jurisdiction overlaps which has to be ironed out little bit as we go further, Sir.*

*Finally, the ex-ante regulation wherever it has come about, especially it started mostly in Europe in May, 2024. The fall out of that or the implications of that is just being felt. So, that also needs to be studied a little more and Sir, at that time, when the Committee had framed its recommendations and also given its draft Bill, the quick commerce revolution or innovation was not really playing out. Now, that also started playing out. That also needs to be considered. So, these are the areas which have been highlighted by stakeholders. Some we are cognisant of, some we are getting more comments everyday almost on a regular basis.*

*So, as of now, CCI is doing its internal study. We, as a Ministry, feel that before we go forward, we need some evidence-based foundation through some market studies so that we can look at all these aspects which have been raised, especially because the ex-ante regulation even internationally is at a nascent stage....”*

## **E. MONITORING OF DIGITAL MARKETS**

1.47 Self-preferencing is one of the most scrutinized practices in digital markets where platforms prioritize their own products or services over those of competitors. When asked about the monitoring of self-preferencing; and guidelines or thresholds for when such practices cross the line into anti-competitive behavior, the Ministry in their written replies has stated the following:-

*“CCI has been actively inquiring cases involving anti-competitive practices including self-preferencing by Big Tech companies within the framework of Section 3 (anti-competitive agreements) and Section 4 of the Act.*

*Section 19(3) provides a list of factors to determine whether an agreement has an appreciable adverse effect on competition under Section 3 viz. creation of barriers to new entrants in the market, driving existing competitors out of the market, foreclosure of competition, benefit or harm to consumer, improvements in production or distribution of goods and services or promotion of technical, scientific and economic development by means of production or distribution of goods or provision of services. Section 4 of the Act prohibits a dominant enterprise position from indulging into abusive conduct such as self-preferencing.*

*CCI, either based on Information filed or suo moto, can look into the issue of self-preferencing practices in digital markets, particularly when dominant platforms prioritize their products or services over those of competitors. Such practices are examined under Section 4 of the Act. The Commission in recent times has looked into the following matters, where the issue of self-preferencing has been examined:*

- (i) Umar Javeed & Others against Google LLC & Others*
- (ii) XYZ against M/s Alphabet Inc. & Others*
- (iii) Kshitiz Arya & Ors AND Google LLC & Ors.*
- (iv) Updated Terms of Service and Privacy Policy for WhatsApp users.”*

1.48 In this regard, the Secretary, Ministry of Corporate Affairs has added the following:-

*.” CCI is a very good market regulator in merger and acquisition sector. However, it is facing challenges in enforcement of Competition Law, especially in digital market. Some of the investigations in major digital companies are stalled by courts, mentioning that CCI has not followed anti-trust proceedings and shared their private data with others.”*

1.49 The Committee raised concerns that the rapid pace of technological development could render the CCI's enforcement actions obsolete. They asked how the CCI plans to address this, especially with the rise of "Agnetic AI," and what framework it is developing to shift from a reactive "post-mortem" approach to a proactive "ante rephrase" strategy. This shift would allow the CCI to anticipate and address potential anticompetitive issues before they become entrenched, rather than acting only after the technology and market have already moved on. The Ministry in their post-evidence reply stated as under:-

*“Agentic AI is an evolving concept. In order to understand the Artificial Intelligence (AI) and competition framework, CCI has outlined a comprehensive scope of work for its study on AI and competition. This study focuses on understanding AI's transformative impact on markets and its competition implications. The study is at advanced stage.”*

1.50 Asked to explain the CCI's plan to balance enforcement actions in digital markets with the need to preserve innovation incentives, especially for emerging Indian technology companies, the Ministry in their post-evidence replies has stated as follows:-

*“Through its enforcement actions against anti-competitive practices and regulation of mergers in all sectors including digital markets, CCI ensures that the markets remain competitive and contestable.*

*CCI is aware of the unique characteristics, advantages and novel challenges and competition concerns that digital markets pose.*

*Keeping in view these aspects, the law is applied to new age markets in a nuanced manner with an endeavour to retain incentives to innovate and grow while addressing anti-competitive practices.*

*Under its Advocacy mandate, CCI also engages with stakeholders to create awareness, build a culture of competition law compliance, so as to foster innovation and maintain healthy market competition, in line with the overarching objective of the Competition Act.”*

1.51 The Committee has asked the CCI to explain how it differentiates between dominance achieved through genuine innovation and that resulting from anti-competitive behavior, and whether the term "dominant position" needs to be redefined to be more focused., the CCI in their post-evidence replies has *inter-alia* stated the following:-

*“..... Dominant position of an enterprise is a reflection of the market power that a firm enjoys. Explanation to section 4 defines ‘dominant position’ as under:*

*“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;”*

*A firm’s dominance depends on an exhaustive list of factors provided in Section 19(4) of the Competition Act viz. market share of the enterprise, size and resources of the enterprise, size and importance of the competitors, economic power of the enterprise including commercial advantages over competitors, vertical integration of the enterprises, dependence of consumers on the enterprise, entry barriers, countervailing buying power, relative advantage, by way of contribution to the economic development, by the enterprise enjoying a dominant position having or likely to have appreciable adverse effect on competition, etc.*

*Therefore, it may be seen that determination of dominance involves mix of qualitative and quantitative factors based on case specific parameters. The definition of ‘dominance’ and the related parameters grant sufficient guidance to CCI to examine dominance based on evolving market dynamics.”*

1.52 In this regard, the Ministry of Corporate Affairs has submitted the following post-evidence replies:-

*“Under Section 26(1) of the Act, the Commission may direct an investigation into matters, including those related to the digital market, where a prima facie violation is found by the Commission. The cases involving digital markets investigated and penalised by CCI over the last five years and their outcome is as follows:*

| <i>Sl.</i> | <i>Case No.</i>                                                                                                                                                                                                                                                                                      |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>1.</i>  | <i>Umar Javeed &amp; Others against Google LLC &amp; Others</i> <ul style="list-style-type: none"> <li><i>• Final Order passed on 20.10.2022.</i></li> <li><i>• Cease and desist directions as well as behavioural directions.</i></li> <li><i>• Penalty of Rs. 1337 crore(Recovered)</i></li> </ul> |
| <i>2.</i>  | <i>XYZ against M/s Alphabet Inc. &amp; Others</i>                                                                                                                                                                                                                                                    |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <ul style="list-style-type: none"> <li>• <i>Final Order passed on 20.10.2022.</i></li> <li>• <i>Cease and desist directions as well as behavioural directions.</i></li> <li>• <i>Penalty of Rs. 937 crore.Reduced penalty amount of Rs 216.69 Crores has been paid .</i></li> </ul>                                                                                                                                                         |
| 3. | <p><i>Kshitiz Arya &amp; Ors AND Google LLC &amp; Ors.</i></p> <p><i>The Commission passed an order under section 48A (3) of the Act (Settlement Provisions) on 21.04.2025.</i></p> <p><i>The Final Settlement Amount, after applying a Settlement Discount of 15%, is Rs. 20.24 crore.</i></p> <p><i>(Recovered)</i></p>                                                                                                                   |
| 4. | <p><i>Updated Terms of Service and Privacy Policy for WhatsApp users</i></p> <ul style="list-style-type: none"> <li>• <i>Final order passed on 18.11.2024.</i></li> <li>• <i>Monetary penalty of Rs. 213.14 crore imposed on Meta. Matter is pending in NCLAT.</i></li> <li>• <i>Issued cease-and-desist directions and also directed Meta and WhatsApp to implement certain behavioural remedies within a defined timeline.</i></li> </ul> |

1.53 To a specific query of the Committee as to how is the CCI addressing concerns around bargaining power by dominant players in emerging areas like artificial intelligence and cloud services, the Ministry in their post-evidence reply has stated as under:-

*“CCI is being equipped to address the challenges posed by AI systems, balancing their potential to drive innovation with risks like algorithmic collusion, data monopolization, and anti-competitive market dynamics. The proposed DCB includes provisions to regulate SSDEs, which could encompass dominant AI platforms.”*

1.54 In response to concerns highlighted by the Committee as to why are Indian startups still facing high commissions (around 20%) for app uploads and transactions on App Stores and Play Stores, unlike in the EU where the Digital Markets Act allows alternative app stores and side-loading with reduced commissions; and given that side-loading is permitted elsewhere for major players, why hasn't this been implemented in India to allow small startups to distribute their apps directly via browsers; what are the barriers preventing this, and why has the

Competition Commission of India (CCI) not been able to enforce such changes on dominant platforms like Apple and Google in the Indian context, the CCI has submitted the following post-evidence written replies:-

*“The Commission has examined the issue of side loading in multiple cases related to the digital ecosystem. In particular, in Umar Javeed & Others vs. Google LLC & Others, the Commission vide Order dated 20.10.2022 directed that Google shall not restrict the ability of app developers, in any manner, to distribute their apps through side-loading.”*

1.55 To a specific query raised by the Committee that in a digital economy where large platforms control vast amounts of consumer data and market access, how does the CCI ensure that consumer protection is effectively integrated into its competition enforcement efforts; and looking ahead as digital markets continue to evolve, what are the CCI's explicit intentions and concrete plans for more deeply incorporating consumer welfare principles into the broader competition law framework, the CCI in their post-evidence replies has stated the following:-

*“Competition Agencies have an important role in data regulation. Access to data enables businesses to engage in data-driven innovations. This in turn helps them to better assess consumer demand, habits, needs and preferences. However, lower data protection standards can harm consumers by reducing the quality of services besides creating insurmountable entry barriers for potential competitors and distorting competition across various markets. The anti-trust law framework is an important regulatory tool to address the exploitative and exclusionary behaviour arising out of data accumulation by the entities commanding market power. CCI as such does not look into data protection per se. CCI's role comes into play when usage of data as a non- price parameter leads to anti-competitive practices.*

*One of the objectives enshrined in the Preamble to the Competition Act is to protect the interests of consumers. Benefit or harm to consumers is also one of the factors in the framework provided under the Act for assessment of appreciable adverse effect on competition. Thus, consumer protection and consumer welfare principles are embedded in the Competition Act and form an integral part of competition law enforcement including in digital markets.”*

1.56 The Committee while pointing out that storing and transmitting digital data may increase the risk of breach of data, which may lead to financial loss or penalties, asked the Ministry to clarify the measures that are taken by CCI to

prevent such data leak to ensure safety, particularly data safety and financial loss, the Ministry in their post-evidence replies has stated as under:-

*“The Competition Act, 2002 read with CCI General Regulations 2024, provides for robust provisions to safeguard confidential information obtained during the proceedings before the Commission.”*

1.57 The shift to an ex-ante framework is intended to pre-empt the rise of monopolistic structures in digital markets. In response to a specific query about the mechanisms to identify emerging anti-competitive trends or practices before they solidify into monopolistic behavior, the CCI has stated the following in their written replies:-

*“The shift towards an ex-ante framework in digital markets represents a major evolution in the CCI strategy. Traditionally, competition law enforcement has been ex-post, i.e., acting after anti-competitive behaviour occurs. However, in fast-moving digital markets, monopolistic structures can solidify very quickly, making reactive enforcement too slow and ineffective. Recognizing this, the CCI is increasingly developing mechanisms to identify and address potential anti-competitive trends early, before they cause irreversible harm to market dynamics.*

*One key mechanism CCI is using is the tool of market studies, which allow it to understand market structure and inherent dynamics. By conducting detailed, forward-looking market studies on e-commerce and Artificial intelligence. Through these studies CCI can map evolving competition in specific digital sectors.”*

1.58 In this regard, the Ministry in their post-evidence replies has added the following:-

*“As per its advocacy mandate under the Act, CCI commissions market studies from time to time to identify emerging anti-competitive trends or practices. Market studies are a widely used tool for competition authorities worldwide to develop a better understanding of competitive conditions within one or more sectors. They can form a useful basis of competition advocacy leading to recommendations for governments, sector regulators, businesses, business associations.”*

1.59 The Committee while pointing out that though new competition settlement rules simplify proceedings, allowing affected parties to claim compensation directly from NCLAT post-settlement (where the order is non-appealable) could still lead to

litigation delays. In light of this, the Committee asked as to how does the Ministry assess the adequacy of these new rules compared to the previous framework and global legal standards; what specific impact do these changes have on reducing overall litigation and delays, and what further legislative or regulatory adjustments are deemed necessary to fully empower the CCI in effectively overseeing competition in the dynamic digital space, the Secretary, Ministry of Corporate Affairs has stated the following during the oral evidence of the Committee:-

*“... This is regarding the settlement in the new system which has been established. It has just started. In September, 2024 this has been notified. This article, which you are referring to, we are also aware of. I think, it has been just about five, six months since this new procedure or mechanism has been played out. So, let us just analyse it in the next five, six months to see what exactly is transpiring. The applicant or the affected party, who they are and what they are? After may be six, seven months, we will be in a position to relook this to prevent any appeal from any other side. This is because at the same time, we also have to protect the interest of the consumer. So, mandating that one of them can appeal, the other party cannot appeal may not possibly stand the test of judicial scrutiny. So, we will examine this in the new next few months and see how it does...”*

1.60 The Ministry has further added the following in their post-evidence replies:-

*“The Competition Act, 2002 (Act) was amended on April 11, 2023, vide the Competition (Amendment) Act, 2023. Among other things, the Amendment Act introduced Section 48A in the Act to create a settlement mechanism. Section 48A of the Act enables an enterprise against whom an inquiry under Section 26(1) of the Act is initiated for an alleged contravention of Section 3(4) or Section 4 of the Act, as the case may be, to apply for settlement before the CCI.*

*.Section 53N (1) of the Act (as amended) allows the Central or State Government, local authorities, enterprises, or individuals to apply to the Appellate Tribunal for compensation if they have suffered loss or damage due to a violation of Chapter II of the Act or a settlement order by the Commission. This claim for compensation can be based on findings or orders by the Commission, the Appellate Tribunal, the Supreme Court, or under specific sections such as 42A, 48A, 53Q(2), or 53T of the Act. The Tribunal may pass an order requiring an enterprise to pay compensation for any proven loss or damage suffered by the applicant. A mechanism of compensation, even after a settlement is reached, is an important check that balances the non-appealing nature of settlement orders.*

*Under the earlier regime, the Competition Commission of India (CCI) did not have any formal mechanism for settlement, meaning that once a prima facie case was formed, proceedings would continue to their full adjudicatory conclusion, often leading to prolonged litigation. The new framework allows parties to settle before the completion of the inquiry/investigation, thereby enabling faster resolution. The intent of creating a procedure for settlement is driven by the need to reduce litigation and to ensure quicker market correction. Globally, jurisdictions like the EU and the UK have long incorporated settlement procedures in competition law enforcement.*

*In major jurisdictions such as the EU, UK, US, settlements typically happen in cartel cases and that too require an explicit admission of guilt and a formal finding of infringement. This acknowledgment serves as a foundation for aggrieved parties to pursue compensation claims, even though specific statutory provisions for such claims may not be detailed in the settlement procedures.*

*As per EU directives concerning actions for damages arising from breaches of national and EU competition laws, certain documents submitted during the settlement process may be exempt from disclosure due to their self-incriminating nature. However, these exemptions are carefully balanced so as not to unjustly hinder the rights of injured parties to seek compensation.”*

1.61 When further asked as to how CCI is going to solve the issue of facing challenges in enforcement of Competition Law, especially in digital market as all big companies like Swiggy, Zomato Amazon are engaging big lawyers, advocates and paying huge money and they are getting Judgment from the courts.; and the need for amending the rules and regulations or the law, the Ministry in their post-evidence reply has stated the following:-

*“CCI has a panel of advocates to represent it before various fora. Further, in complex matters such as those related to digital markets, CCI engages Solicitor General, Additional Solicitor Generals to ensure that the matters are properly defended. In one of the cases before the Hon’ble Supreme Court, the Attorney General of India appeared on behalf of CCI. Thus, by engagement of suitable counsels CCI ensures that the legal challenges are appropriately dealt with.”*

1.62 Asked to reply as to whether the CCI had any interaction with Amazon in restricting their way, if anti-competitive, the CCI has submitted written post-evidence replies as under:-

*“The Commission received an information in the month of November, 2019 from Delhi Vyapar Mahasangh where allegations of anti-competitive conduct*

were levelled against Flipkart Internet Pvt. Ltd. and Amazon Seller Services Pvt. Ltd. It was inter alia alleged that these marketplaces through vertical arrangements with their respective alleged 'preferred sellers' were leading to foreclosure of other non-preferred traders or sellers from these online marketplaces and that by having exclusive tie-ups in the relevant market with the smartphone companies, exclusivity through discounting and preferential listings were being provided. The Commission vide order dated 13.01.2020 directed the DG to cause an investigation into the matter.

DG submitted Investigation Report qua Flipkart Internet Pvt. Ltd. and Amazon Seller Services Pvt. Ltd. on 12.08.2024. This case was bifurcated into two parts, one pertaining to Flipkart and the other, pertaining to Amazon.

The Commission considered the Investigation Report qua each of these OPs and decided to forward non-confidential version of the Investigation Report to the concerned entities (which included certain entities, which were arrayed as opposite parties). Aggrieved with the order of the Commission by which it asked parties to file financial statements and objections & suggestions, 31 writ petitions have been filed in Hon'ble High Courts of Karnataka, Punjab and Haryana, Delhi, Telangana, Madras and Allahabad.

Vide order dated 06.01.2025, the Hon'ble Supreme Court of India on the transfer petition filed by CCI, directed that writ petitions pending in the Hon'ble High Courts of Delhi, Madras, Karnataka, Punjab & Haryana, Telangana, Allahabad be transferred to Hon'ble High Court of Karnataka. The matter is sub-judice."

1.63 To a specific point raised by the Committee as to how does the CCI propose to address these recourse and capacity challenges to remain effective in regulating digital markets, the CCI in their written replies has stated the following:-

*"The shift towards an ex-ante regulatory framework would necessitate a calibrated enhancement of institutional capacities, particularly in terms of human resources with specialized skill sets such as data science, technology analysis, and market intelligence.*

*In this regard, apart from building in-house capacities, CCI is collaborating with academic institutions, think tanks, and international counterparts to facilitate knowledge-sharing and capacity-building.*

*Further, as stated above, the establishment of the Digital Markets Division (DMD) marks a strategic shift in the CCI's approach to digital regulation, enabling it to address both current and emerging challenges in the digital economy.*

*The DMD would have to be staffed with the specialized manpower which would be decided upon, once the regulatory requirements under ex-ante digital regulation become clearer. To enhance the capacity of CCI, three technical Young Professionals (two Data Analyst and one Information Technology Expert) have been engaged to meet the initial requirements.”*

## **F. MERGERS AND ACQUISITIONS (M&As)**

1.64 When the Committee sought clarification on several critical aspects of CCI's merger and acquisition (M&A) assessment, particularly concerning rapidly changing technological industries as to how does the CCI differentiate between legitimate business strategies and anti-competitive practices like bundling or leveraging when evaluating M&As, and what criteria are used to determine if such consolidation stifles innovation or competition; given that digital platforms often have low asset values but significant market influence, what mechanisms does the CCI employ to factor this into its Deal Value Thresholds, which currently apply to M&As exceeding Rs. 2000 crore; and finally, considering the global operations of many digital platforms, how does the CCI coordinate with international regulators to assess cross-border M&As, the CCI in their post-evidence replies has stated the following:-

*“CCI assesses the Mergers, Acquisitions and Amalgamations, between entities, which are notified based on thresholds in terms of assets, turnover and value of transaction, to see if they cause or likely to cause Appreciable Adverse Effect on Competition (AAEC) in markets in India.*

*As provided under Section 20(4) of the Act, for the assessment of AAEC in case of a combination, CCI considers all or any of the following factors: (a) actual and potential level of competition through imports in the market; (b) extent of barriers to entry into the market; (c) level of concentration 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.*

*The new age markets (digital markets) bring with them new challenges due to use of technology. The Commission carries out assessment of Combinations (including digital markets) using the aforesaid factors given in Section 20(4) of the Act considering their characteristics & features and specific challenges posed by them.*

*If a proposed combination causes or likely to cause AAEC, the CCI may propose/accept suitable remedies and / or modifications to restore and maintain competition, thereby protecting the interests of the consumers.*

*The Competition (Amendment) Act, 2023 introduced a specific provision relating to Deal Value threshold (DVT). With this enabling provision, all M&A transactions involving smaller companies/enterprises with deal value exceeding INR 2000 crore and Target enterprise (i.e. enterprise being acquired) also having substantial business operations in India, will be notified to CCI. This provides an opportunity to CCI to review such transactions (which may not breach asset and turnover threshold) and address likely AAEC in India, if any, due to such transactions.*

*Further, CCI keeps tab on all M&A transactions, which are not reported/notified to it. This ensures that reportable combinations are notified to CCI and appropriate action be taken under the relevant provisions of the Act.*

*The Commission engages in International Cooperation with other Competition Authorities including with respect to Combinations filed with the Commission and other authorities.”*

## **G. REGULATION OF DUOPOLIES IN CRITICAL SECTOR**

1.65 There are large-scale technology firms which engage in predatory pricing, offering deep discounts that smaller competitions cannot sustain, which has led to duopolies. In critical sector like telecom, only two major players remain, and aviation. Now, the problem has shifted from monopolies to duopolies. Therefore, the Committee when asked CCI's long-term strategy to regulate and mitigate the rise of duopolies in critical sector, and how can competition laws be enhanced to address these emerging challenges, the Ministry in their post-evidence replies has stated the following:-

*“The conduct of duopolies can be examined under the framework of Section 3 of the Act which covers all anti-competitive agreements including horizontal agreements and vertical agreements.”*

## **H. PROTECTION OF MSMEs AND SMALL BUSINESSES**

1.66 The Committee during the sitting held on 20 January 2025 had informed CCI that the current "Deal Value Threshold" (DVT) rule, which sets a minimum merger and acquisition value of Rs. 2000 crore, appears counter-intuitive. In Tamil Nadu, for example, many businesses are being acquired by larger corporations without requiring Competition Commission of India (CCI) approval, precisely because their acquisition value falls below this Rs. 2000 crore cap. Considering that Tamil Nadu accounts for 44% of India's MSMEs, this DVT rule creates an "inverted pyramid" effect. It enables large corporates to easily acquire MSMEs without regulatory scrutiny, potentially harming the MSME sector. When asked as to is it possible to implement safeguards within the DVT rule to protect MSMEs from such acquisitions and ensure fair competition, the CCI has submitted written replies as follows:-

*“Consequent upon the recent amendment to the Competition Act, 2002 (Act) in the year 2023, an additional notification threshold i.e., value of transaction or Deal Value Threshold (DVT) of INR 2000 Crore with Substantial Business Operations in India (SBOI) has been stipulated under Section 5(d) of the Act.*

*The objective of introducing this threshold was to fill the enforcement gap regarding the ability of CCI to review transactions particularly, in digital markets. The acquisitions where the asset/turnover threshold criteria were not met as is the case in zero priced digital markets were not notifiable even though they may be strategic in nature and would have implications with regard to the competitive landscape. Thus, DVT was designed to enhance the overall effectiveness of merger review regime in India.*

*Lowering DVT would mean reviewing cases where target entities may not have any impact on competition due to their insignificant presence in their areas of operations. Further, it may lead to inefficient use of resources, as this involves evaluation of more transactions of little or no significance from competition perspective. This may result in regulatory overreach and may cause inefficiency in the system.*

*With lower threshold, more transactions require filing and regulatory compliance. This would increase the legal and administrative costs for businesses and can be onerous for companies, particularly MSMEs,*

*hindering their growth and access to potential M&A opportunities.”*

1.67 To a specific question as to what measures is the Ministry of Corporate Affairs going to take up to solve problems for survival of domestic industries, especially small industries and MSMEs, the Ministry has submitted the following in their written replies:-

*“Ministry is cognizant of the unique challenges faced by MSMEs including limited access to resources and reliance on larger market platforms for market reach. Under Section 3 & 4 of the Act, CCI looks into matters relating to anticompetitive agreements and abuse of dominant position by enterprises in digital markets. Under Section 5 and 6 of the Act CCI discharges its regulatory functions related to combinations and inquires whether the combination has caused or is likely to cause an appreciable adverse effect in India.*

*Through its enforcement actions against such anti-competitive practices and regulation of mergers under the framework of the Act, in all sectors including digital markets, CCI ensures that the markets remain competitive and contestable thereby protecting MSMEs from anti-competitive practices of the enterprises*

*CCI also conducts advocacy programs to help MSMEs understand their rights and obligations under Competition Act.”*

1.68 When asked about the steps being taken by the Ministry to address the control and misuse of data by large digital enterprises; to ensure that smaller businesses have fair access to data and mechanisms in place to assess whether data usage practices are anti-competitive, the Ministry has submitted post-evidence replies as under:-

*“The Competition Commission assesses data practices within the existing framework of the Act, particularly under Section 4(2), which deals with abuse of dominant position. Data-related conduct may be scrutinized where it results in denial of market access (Section 4(2)(c)), leveraging dominance across markets (Section 4(2)(e)), or imposition of unfair conditions (Section 4(2)(a)).*

*In addition, the Ministry of Electronics and Information Technology (MeitY) plays a key role in shaping India’s data governance landscape. It is*

*responsible for implementing the Digital Personal Data Protection Act, 2023 (DPDP Act), the Information Technology Act, 2000 (IT Act), and the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (Privacy Rules), to ensure the secure collection and processing of personal data. Further, through initiatives like the National Data Governance Framework Policy, MeitY aims to ensure that non-personal and anonymized data from both government and private entities are safely accessible to the research and innovation ecosystem.”*

1.69 All India Consumer Products Distribution Federation has raised serious concern about the predatory pricing practices adopted by major commerce platforms like Blinkit, Swiggy, Zomato, etc. According to them, these platforms are offering deep discounts and selling products below cost price, which is significantly harming small retailers and traditional *kirana* stores, and threatening the very survival of traditional retail markets across the country. In this regard, the Committee asked the CCI about the steps taken to protect the interest of small retailers and traditional Kirana stores against predatory pricing practices and online platforms like issuing specific guidelines or regulatory framework to prevent and control predatory pricing by these platforms, the Ministry has submitted the following written replies:-

*“CCI can inquire into allegations of predatory pricing by online platforms with market power, including e-commerce and quick commerce players. Under the provisions of the Competition Act, CCI enquires into such conducts that may amount to anti-competitive agreements under Section 3 or an abuse of dominance under Section 4. Predatory price, as per the Act, is a price which is below the cost of production of the goods or provision of services, and is charged with a view to reduce competition or eliminate the competitors. Predatory pricing, contravenes section 4(2) of the Act when indulged in by a dominant enterprise. An assessment of discounts for competition law purposes thus involves evaluation of market power of the enterprise offering the discounts, the nature of discounts, duration and the intent/rationale behind the same. The issue of discounts may also be examined as part of exclusive/preferential agreements under Section 3(4) of the Act on a case-by-case basis. Where prima facie contravention of the provision of the Act is found, the Commission initiates investigations into complaints concerning predatory pricing/ deep discounting to ensure that no player gains undue advantage at the expense of competition.”*

1.70 To a pertinent query asked by the Committee as to what steps are being taken by the CCI to ensure that the large digital enterprises do not abuse their market position or stifle local competition, especially MSMEs and start-ups, Secretary, Ministry of Corporate Affairs has deposed before the Committee as follows:-

*“.... the whole issue of digital markets and the best way forward is something which is evolving and the right balance there is very important. I am sure the Committee would realize that we do not want to harm our own domestic industry, which is why I had raised all these issues. So, hopefully our market study which we are commissioning right now will come up with some concrete answers and concrete solutions of the kind of provisions which we shall be keeping in the draft Bill so that we are able to do the balancing act*

*I would definitely like to mention that India's market is different. So, while we do follow the international practices in certain cases, but in certain positions our domestic market has very unique features like the entire quick commerce thing is something which is very, very homegrown in India. It is not there in the international arena. So, that is something which hopefully the market study will throw up, and we will share the results of that.”*

1.71 The representative of the CCI has further added as follows:-

*“CCI conducts and undertakes its mandate as per the provisions of the Act.*

*As per Section 3 of the Act, it prohibits anti-competitive agreements. Section 4 prohibits abuse of dominant position.*

*Section 5 provides for regulation of combinations. So, CCI discharges its functions within this framework. Predatory pricing and deep discounting –an issue was raised – by entities, including by online platforms can also be examined if the conduct amounts to anti-competitive agreements under Section 3 of the Act or abuse of dominant position under Section 4 of the Act. Recently, in one of the cases, an information was received alleging anti-competitive practices like deep discounting by some quick commerce companies, for which the Commission asked the informant to provide evidences to substantiate the allegation so that a prima facie view can be taken to inquire the matter within the framework of the law.”*

1.72 When the Committee asked CCI to clarify as to has there been an evolution in policies to penalize app stores for anti-competitive practices, thereby opening them up for more startup benefits, the CCI in their written replies has stated the following:-

*“CCI examines each case on its own merits. Therefore, CCI may impose penalties and direct implementation of behavioural remedies to address the competitive harm. The remedies are a critical component of enforcing competition law in cases of abuse of dominance so as to ensure that anti-competitive conduct is effectively addressed. Remedies are intended to not only correct past behaviour but also prevent future abuses, maintain market fairness and safeguard competition moving forward. The ultimate aim is to re-establish conditions that revive the competitive process, and allow rivals to compete on merits. Thus, the competition authority has the inherent powers to direct necessary measures to restore and promote competition in the relevant market. Recognising these principles, Section 27(g) of the Act also empowers the Commission to issue such other orders or directions, as it may deem fit.”*

1.73 Regarding the possible impact of India-US bilateral negotiations on the domestic market competition, Secretary, Ministry of Corporate Affairs has stated the following:-

*“Regarding the India and US bilateral impact, that is still an area which is under negotiation, so we really do not know what is going to come out of that. But I definitely would like to submit before the Committee that the mandate of the Competition Commission and the Competition Act and that of the other regulatory Acts is different. While data privacy, data security and sharing of data do come into the competition aspect when it impacts competition, but the data privacy and data security issue is basically governed by the DPDP Act, and the rules which have come right now where a different set of regulatory framework and a Board has been set up. So that will be taken care of by them.”*

1.74 In this regard, the Ministry of Corporate Affairs in their written replies has stated that as of now, there appears to be no impact.

## **I. MARKET STUDY**

1.75 One of CCI's notable advocacy initiatives was its Market Study on E-Commerce in India, published in January 2020. The study provided a comprehensive analysis of the e-commerce ecosystem and identified emerging competition issues. As part of its advocacy mandate, the CCI encouraged e-commerce platforms to put in place transparency measures in the areas of search ranking, collection, use and sharing of data, user review and rating mechanism, revision in contract terms, and discount policy. These recommendations aimed to address concerns while maintaining the innovative potential of the sector.

1.76 Asked about the key recommendations and findings from CCI's market study on e-commerce and status of its implementation, the Ministry in their post-evidence replies has stated the following:-

*“Under its advocacy mandate, a Market Study on E-commerce in India (‘the study’) was conducted by the Competition Commission of India in 2019-20 with a view to better understand the functioning of e-commerce in India and its implications for markets and competition. Bargaining power imbalance and information asymmetry between e-commerce marketplace platforms and their business users were found to be at the core of many issues that came up in the market study. It was observed that improving transparency over certain areas of the platforms’ functioning can reduce information asymmetry and can have a positive influence on competition outcomes. In view of the foregoing, the report enumerated certain areas for self-regulation by the e-commerce marketplace platforms. These were advocated with a view to reduce information asymmetry and promote competition on the merits. The Commission urged the e-commerce platforms to put in place transparency measures in the areas of search ranking, collection, use and sharing of data, user review and rating mechanism, revision in contract terms, and discount policy.*

*The study can be accessed at [market-study-on-e-commerce-in-india-key-findings-and-observations1653547672.pdf](https://www.cci.gov.in/Market-Study-on-E-commerce-in-India-Key-Findings-and-Observations-1653547672.pdf)*

*Any alleged anti-competitive practices by the E-commerce entities are examined within the framework of Section 3 and 4 of the Act. Wherever violations under the Act are established, Commission directs remedies, besides levying penalties, to address competition concerns.”*

1.77 The CCI had also done a detailed study on diagnostic medical equipment industry in India, and they have recommended a series of steps to promote medical device manufacturing in India. When the Committee asked as to what definite steps does the Ministry taking to address the persistent unethical practices and existing monopolies that make basic diagnostic services unaffordable for the common man so as to ensure that fair-trade practices are consistently followed, the Ministry has submitted the following written replies:-

*“The Commission has proactively addressed competition concerns in the medical diagnostic industry through its comprehensive Market Study of the Diagnostic Medical Imaging Equipment Industry in India, focusing on MRI and CT scan equipment. This study provides an in-depth analysis of the industry's structure and competitive dynamics.*

*Key findings from the study highlight significant market concentration, with five Original Equipment Manufacturers (OEMs) commanding over 90% of the MRI and CT scan equipment market. High entry barriers such as technological complexity, brand loyalty, and import dependence further entrench this concentration. The after-sales service market also exhibits limited competition, often bundled with equipment sales, leading to potential customer lock-in.*

*To foster fair competition and prevent monopolistic practices, the Commission has recommended:*

- (i) **Promotion of Local Manufacturing:** Encourage Original Equipment Manufacturers (OEMs) to increase assembly operations in India, with a strategic shift towards full-scale local production. This initiative aims to reduce import dependency and foster competition in the domestic market.*
- (ii) **Development of Strategic Partnerships:** Facilitate collaborations between OEMs and local entities to enhance indigenous capabilities, support startups, and develop a robust ecosystem for DMI equipment manufacturing and services.*
- (iii) **Enhancement of Transparency:** Advocate for OEMs to adopt self-regulatory measures that promote transparency in pricing, availability of spare parts, and after-sales services. This includes clear disclosure of maintenance contracts and delivery timelines, enabling hospitals and diagnostic centres to make informed procurement decisions.*
- (iv) **Open Market Access for Spare Parts:** Recommend that OEMs provide open-market access to spare parts for Original Equipment Suppliers (OESs) and Independent Service Operators (ISOs). This measure is intended to foster competition in the after-sales service market and reduce customer lock-in.*

*These recommendations are designed to address the high concentration in the DMI equipment market, enhance competition, and ensure fair trade practices, ultimately benefiting healthcare providers and patients across India.”*

1.78 When the Committee asked as to has the CCI conducted any study specifically examining potential monopolies in the cement and airline industries, the CCI in their written replies has stated the following:-

*“From time to time, CCI has inquired into cases in the cement sector relating to cartelisation and imposed penalties wherever contravention was found apart from issuing cease and desist directions.*

*CCI has also inquired into several cases in the aviation sector including those relating to price cartelisation, collusion in fuel surcharge rates for cargo transportation by the domestic airlines and imposed penalties wherever contravention was found apart from issuing cease and desist directions.*

*CCI has examined issue of collusion in fixing of Fuel Surcharge (FSC) rates for cargo transportation by the domestic airlines in the case of Express Industry Council of India Vs. Jet Airways (India) Ltd. & Others whereby CCI found Jet Airways (India) Ltd, IndiGo Airlines and SpiceJet Ltd acted in a concerted manner in fixing and revising the FSC rates and thereby contravened the provisions of Section 3(1) read with Section 3(3)(a) of the Act. Besides imposing penalty, CCI also issued cease and desist order against these airlines.*

*In another case, CCI examined allegations related to price parallelism due to cartelisation in the civil aviation sector. However, the matter was ordered to be closed as no evidence could be found during investigation of such alleged cartelization.*

1.79 When the committee specifically desired to know as to has the CCI conducted any study focused on Netflix's market practices and its potential impact on displacing the Indian OTT platforms from smart TVs, the CCI has submitted written response as follows:-

*"CCI has not conducted any market study on Netflix. However, CCI had conducted a market study on the Film Distribution Chain in India<sup>1</sup> and its objectives included, inter alia, to understand the role of multiplexes, Over-The-Top (OTT), television, and other platforms in the exhibition of cinema, and the competition dynamics between exhibitors and upstream players (producers/distributors).*

*In the combination approved by CCI in 2024, relating to Reliance Industries Limited; Viacom18 Media Pvt. Ltd.; Digital 18 Media Limited; Star India Pvt. Ltd. and Star Television Productions Limited, it was gathered that in terms of monthly average users, Netflix (with less than 10 crore users in FY23) lagged behind Jiocinema and Hotstar+ (they are now part of a merged entity); and Amazon Prime Video and MX Player (MX Player and Amazon miniTV have merged into one service called Amazon MX Player).*

*No combination matter or inquiry is pending against Netflix. Further, CCI has not received any information related to anti-competitive practices by OTT players."*

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<sup>1</sup>Market Study on the Film Distribution Chain in India (2022)

1.80 Furthermore, the CCI has launched a Market Study on Artificial Intelligence (AI) and Competition, recognizing the transformative role of AI in shaping the digital economy. This study underscores the CCI's forward-looking approach in addressing emerging challenges and ensuring that AI-driven markets remain competitive and inclusive. On being asked the reason behind the study on AI and competition, the CCI in their written replies has stated as follows:-

“CCI, as a market regulator, endeavours to keep pace with market developments and study relevant issues to upgrade its understanding and regulatory tools. The broad objectives of the AI Study *inter-alia* are:

- i) To understand certain key AI systems and markets/ecosystems thereof, including AI actors/stakeholders, essential inputs/resources, value chains, market structures and parameters of competition;
- ii) To understand the emerging and potential competition issues in these markets/ecosystems, if any;
- iii) To study the scope and nature of AI applications/use cases, and assess associated opportunities, risks and ramifications from a competition standpoint;
- iv) To understand the existing and evolving regulatory/legal frameworks governing AI systems and applications in India and other major jurisdictions;
- v) To reach out to all relevant stakeholders for a holistic understanding of the issues at the intersection of AI and competition;
- vi) To understand trends and patterns of AI and to ascertain enforcement and advocacy priorities of the Commission with respect to AI and its application in markets;

Management Development Institute Society, Gurugram (MDIS) made a detailed presentation on the interim report in the special meeting of the Commission held on 13.06.2025. The Commission directed MDIS to submit the final report after incorporating the suggestions made during the presentation. The said AI study is likely to be completed by 30th September, 2025.”

1.81 The Committee further asked as to how does the CCI plan to address the possibility of market giants monopolizing the AI space, and what specific steps will it take to ensure fair competition for the numerous small AI startups, Secretary, Ministry of Corporate Affairs has deposed before the Committee as follows:-

*“... The other issue regarding the market studies happening on artificial intelligence. I think everybody is very seized of the matter because AI by itself is changing. You know, every day there is a new story coming. So they have done the right thing in commissioning that study. As and when the studies report comes out, that will inform the policy intervention, both in terms of regulations or in terms of amendment in the Act, which we will look at.”*

The Ministry in their post-evidence replies has further added the following:-

*“The report of the Market Study being conducted by a leading management institute is still to be submitted to CCI.”*

1.82 When asked how is the CCI proposing to address competition concerns arising from artificial intelligence and algorithmic collusion; and does the CCI believe that there is a need to strengthen the Competition Act to deal with such issues effectively, the CCI has submitted written replies as follows:-

*“It has been mentioned that ‘Digital markets often transcend national borders, with major players operating globally. Anticompetitive practices by these firms may have localized effects in India but originate from actions taken in other jurisdictions and addressing such cross-jurisdictional issues requires CCI to collaborate with international competition authorities.’*

1.83 On market studies, a stakeholder has suggested the following:-

*“Deepening stakeholder engagement and expanding sector-specific market studies in the Digital Economy”*

The response of the Ministry on the above-mentioned suggestion is given below:-

*“Views / Comments from the Ministry:-*

*The MCA remains committed to deepening stakeholder engagement. Further, CCI has been expanding sector-specific market studies.*

## **J. DISPOSAL OF CASES BY THE CCI:**

1.84 The details of disposal of anti-trust cases by the CCI:-

(Since inception till 10.01.2025)

|                                                                                                                                           |      |
|-------------------------------------------------------------------------------------------------------------------------------------------|------|
| No. of cases received                                                                                                                     | 1303 |
| No. of cases referred for investigation                                                                                                   | 516  |
| Investigation Reports received                                                                                                            | 484  |
| No. of cases where Investigation Reports awaited                                                                                          | 44   |
| No. of cases set aside/ quashed by Courts                                                                                                 | 05   |
| No. of cases disposed of                                                                                                                  | 1168 |
| No. of cases under consideration before the Commission                                                                                    | 86   |
| Total pending cases with the Commission<br>(at prima facie, after receipt of Investigation Reports & pending investigation before the DG) | 130  |

1.85 The details of disposal of Combination (M&A) Cases by the CCI:-

(Since inception till 10.01.2025)

| Notices Received | Notices Disposed of without modification | Notices Disposed of with modification | Invalid/ Withdrawn Notices | Notices Pending |
|------------------|------------------------------------------|---------------------------------------|----------------------------|-----------------|
| 1229             | 1109                                     | 31                                    | 75                         | 14              |

1.86 Performance of the CCI on select performance parameters:-

| S.No | Particulars                                                                                                                                 | 2021-22   | 2022-23   | 2023-24  |
|------|---------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|----------|
| 1    | No. of antitrust information received                                                                                                       | 59        | 42        | 50       |
| 2    | No. of prima facie Orders passed in respect of alleged anti-competitive conduct (orders passed under Section 26(1) and 26(2))               | 64        | 39        | 36       |
| 3    | No. of investigations completed by DG                                                                                                       | 22        | 24        | 18       |
| 4    | No. of matters in which Orders passed under Sections 26(2), 26(6), 27 and Other/Misc.Orders passed with respect to anti-competitive conduct | 75        | 48        | 33       |
| 5    | Amount of penalty levied (Rs. Crore)                                                                                                        | 1335.77   | 2672.48   | 2.55     |
| 6    | No. of proposed combinations approved/disposed of                                                                                           | 93        | 99        | 101      |
| 7    | Average no. of days taken to dispose of a combination notice                                                                                | 17        | 21        | 16       |
| 8    | No. of advocacy programs                                                                                                                    | 340       | 385       | 365      |
| 9    | No. of employees (as on 31 <sup>st</sup> March of the respective FY)<br>Commission<br>DG Office                                             | 106<br>19 | 100<br>23 | 94<br>16 |
| 10   | No. of trainings organized for capacity building of officers (including overseas training)                                                  | 24        | 35        | 15       |

1.87 The committee inquired whether the CCI has sufficient judicial and technical experts to handle the growing complexity of cases, particularly those involving the evolving digital landscape. They also asked if the Ministry has conducted any study on this matter to ensure the CCI is adequately resourced for its diverse array of responsibilities, the Secretary, Ministry of Corporate Affairs during the oral evidence deposited before the Committee as under:-

*“In terms of personnel management, yes, there is a huge gap between the sanctioned strength and the actual people who are in place. Here, I think our experience right now has been that for the last three years, there have been five drives which have been undertaken to recruit the people. Recently, on the 18<sup>th</sup> of October, 22 posts again were advertised for deputation. Then in February, the interview also was held and the appointment has been issued to the selected candidates. Similarly, for the DG office also, an interview for four posts have been conducted. We have also given some relaxations in the essential eligibility criteria. On the short-term basis, whatever shortage is there, they have a system of hiring young professionals and domain experts, which they do, which supplements their work. There is a revised cadre restructuring proposal which has been sent by CCI to us, on which we are working with them...”*

*... in the Government, the remuneration patterns which we offer to permanent cadre is a tad lower than what is there in the market. The effort to be continuously updated with whatever is happening in the current scenario, a lot of it will also come from the private sector. So, I think if we talk in a principle term, a kind of a balancing between a core cadre, permanent cadre, for which we are doing a cadre restructuring as well as we are doing existing recruitment drives, but simultaneously how we can better help CCI to tap into expertise outside the system on a short-term basis, maybe that can also be looked at. We are looking at it, but now the Committee also has guided us, we will do that further...*

*... The point is that we can have that optimum kind of a balance. So, this is what we are striving at to take into account in the cadre restructuring proposal... “*

1.88 In this regard, the Ministry has submitted the following written replies:-

*“The inquiry and investigation process for anti-trust cases before the Competition Commission of India (CCI) is a multi-stage, detailed procedure rooted in the principles of natural justice. Upon receiving information under section 19(1) of the Competition Act, 2002 (Act), the Commission first forms a prima facie opinion based on available material and may seek additional input from the involved parties. If no case is found, the matter is closed under*

*Section 26(2) of the Act; otherwise, it is referred to the Director General (DG) for investigation under Section 26(1) of the Act. The Commission also has the power to take suo motu cognizance under section 19(1) of the Act. After the DG submits the report, the Commission undertakes a thorough adjudication process—sharing reports, inviting objections, allowing hearings, processing settlement applications, and ensuring fair access to case records—all under the framework of the Act and the Competition Commission of India (General) Regulations, 2024. There have been occasions where proceedings have been halted by orders of the Hon'ble Courts or delayed due to incomplete pleadings (such as objections or suggestions from the parties) before the Commission.*

*In the initial years of enforcement action by CCI, there was a need to proactively identify anti-competitive practices and spread awareness among stakeholders. With 15 years of competition advocacy behind CCI, the need for suo moto cases by the CCI is lower and numerous formal complaints and leniency applications are being received. The Commission also focuses on proactive market surveillance through market studies in emerging sectors. This strategy enables the Commission to utilize its resources more efficiently and concentrate on cases supported by strong evidence, thereby strengthening the enforcement of competition laws in India.*

*Further it is to add that in order to harness the technical expertise, CCI is also looking to tap expertise outside the core cadre/permanent cadre on short term basis.”*

1.89 The Ministry has further added the following in their post-evidence replies:-

*“The creation and operationalization of the Digital Markets Division (DMD) marks a strategic shift in the CCI’s approach to regulating digital markets. CCI has taken a number of measures such as investing in specialized manpower, fostering external collaborations, and building technical capacity to equip itself in terms of both judicial/ legal expertise and technical expertise in light of the changing digital landscape.*

*The DMD is tasked with addressing both current and emerging issues in digital markets, especially those related to the draft Digital Competition Bill (DCB) and other specialized assignments. Its core functions include: facilitating knowledge exchange within CCI; connecting with external experts to bring in cutting-edge technical and judicial insights; engaging with industry stakeholders, academic institutions, other regulatory bodies, government departments, and international agencies to stay abreast of global best practices and trends; providing policy inputs and supporting the Commission in data analytics and management; etc.*

*In addition, efforts have been made to streamline administrative processes to maximize efficiency with the existing workforce. CCI also places significant*

*emphasis on skill development, training programs, and capacity building. To further enhance its capabilities, CCI collaborates with academic institutions, research organizations, and international competition authorities.”*

1.90 The CCI has also added in this regard in their written replies as follows:-

*“Given the broad scope of antitrust law, encompassing both traditional and digital markets, the Competition Commission of India (CCI) has undertaken measures to enhance and expand its professional expertise across multiple domains, including law, economics, financial analysis, and data science. CCI has adopted a multi-pronged approach to ensure effective enforcement with the available resources.*

*Currently, 113 out of 195 sanctioned posts are filled in CCI. CCI has undertaken proactive recruitment measures, including seven recruitment drives over the past four years, with an additional six specifically aimed at strengthening its investigative arm under the Director General. To bridge short-term staffing limitations, CCI engages Young Professionals and Experts through a merit-based selection process to provide specialized support in critical areas including digital markets, data analytics, etc.*

*CCI recognizes the importance of structural improvements, including increased budgetary allocations and additional manpower to fully address resource constraints. Therefore, cadre review and restructuring have been done from time to time since the year 2019. Recently, substantive amendments have been made in the Competition Act 2002, which have reduced timelines and expanded the regulatory toolkit in the form of introduction of commitment and settlement frameworks and a leniency plus regime. Therefore, CCI has sent a cadre restructuring proposal including inter alia, an increase in manpower, which is required for meeting the current requirements for effective discharge of the mandate under the amended Competition Act, 2002, for approval of the Ministry of Corporate Affairs.....*

*Given the increasing complexity of competition enforcement, there is a need for continued institutional support, particularly in financial and human resource matters. For this, CCI continues to engage with the Ministry of Corporate Affairs for strengthening the investigative arm and for increase in human resources so as to continue to effectively address emerging challenges.”*

1.91 As requested by the Committee, the CCI has furnished the data for past 5 years regarding sanctioned strength, actual strength and vacancies at various levels/posts in CCI at Annexure-I.

## **K. BUDGET OF THE CCI:**

1.92 Regarding budget allocation to the CCI, the CCI has submitted the following written replies:-

*“CCI is a statutory body under the Ministry of Corporate Affairs (MCA) and receives Grants in Aid (GIA) from the MCA.*

*As per Section 51 of the Competition Act, the Competition Fund is set up to meet the salaries/ allowances, administrative expenses and other expenses of the Commission in connection with the discharge of its functions for the purposes of the Act. The credits into the Fund are by way of grants, fees and interest accrued thereon.*

*CCI submits the Budget Estimates (BE) and Revised Estimates (RE) to the MCA, based on the planned activities for financial year. The details of the RE (proposed by CCI), GIA allocated by the Ministry in the Financial Years 2021-22, 2022-23, and 2023-24 are furnished below:*

(Fig. in Rs. crore)

| FY           | 2021-22      |                   |                                           | 2022-23      |                   |                                           | 2023-24      |                   |                                           |
|--------------|--------------|-------------------|-------------------------------------------|--------------|-------------------|-------------------------------------------|--------------|-------------------|-------------------------------------------|
| Particulars  | GIA Received | Total Expenditure | Expenditure met out of Internal Resources | GIA Received | Total Expenditure | Expenditure met out of Internal Resources | GIA Received | Total Expenditure | Expenditure met out of Internal Resources |
| GIA Salaries | 25.00        | 30.84             | 5.84                                      | 26.02        | 34.19             | 8.17                                      | 30.00        | 36.21             | 6.21                                      |
| GIA General  | 21.00        | 24.40             | 3.40                                      | 21.00        | 37.10             | 16.10                                     | 19.98        | 33.41             | 13.43                                     |
| <b>Total</b> | <b>46.00</b> | <b>55.24</b>      | <b>9.24</b>                               | <b>47.02</b> | <b>71.29</b>      | <b>24.27</b>                              | <b>49.98</b> | <b>69.62</b>      | <b>19.64</b>                              |

*The Competition Fund comprises of GIA received from Ministry and internal funds generated through Fees and Interests. As can be seen from the above table, funds allocated by the Ministry were insufficient to meet the expenditure. Therefore, the short-fall in the GIA is met from the accumulated internal resources forming part of Competition Fund. For FY 2024-25, Ministry has allocated Rs. 51.00 crore under BE. CCI had proposed RE to the tune of Rs. 78.21 crore. The allocation under RE is awaited”*

1.93 The Committee has inquired about the reasons behind the seemingly insufficient allocation of funds to the CCI from financial year 2021-22 to 2023-24 especially given the CCI's critical role in the evolving digital economy. The Committee also desired to understand the rationale for the CCI's budget remaining stagnant at Rs. 51 crore despite the rapid growth of the global and Indian digital markets. Furthermore, the Committee asked for a comparison of the funds allocated to the CCI over the last ten financial years against the CCI's actual budgetary demands during the same period. The CCI has submitted written post-evidence replies as under:-

*“Financial resources are critical for the effective functioning of any competition authority. CCI continues to engage with the Government for requisite resources and undertakes strategic prioritization of initiatives so as to pro-actively pursue its mandate across sectors and expand into emerging domains like AI, Data analytics, etc.*

*The funds allocated to CCI in the last ten financial years vis-à-vis demand is as per Annexure-II.*

*Grants-in-Aid released by the Ministry is in commensurate with the CCI's Budgetary requirement considering the internal resources available with CCI. The CCI collects fees from regulatory filings and gets income from interest. Details of allocation of funds for Competition Commission of India (CCI), CCI's income from fees & interest and the expenditure incurred in last 5 years are as below:*

*(Rs in crore)*

| Year    | BE    | RE    | RE<br>(submitted<br>by CCI) | Grants Released<br>by the Ministry | CCI's income<br>from Fees and<br>Interest              | Expenditure |
|---------|-------|-------|-----------------------------|------------------------------------|--------------------------------------------------------|-------------|
| 2020-21 | 66.00 | 53.19 | 69.32                       | 46.15                              | 27.05                                                  | 68.80       |
| 2021-22 | 46.00 | 46.00 | 59.82                       | 46.00                              | 28.25                                                  | 55.24       |
| 2022-23 | 46.00 | 47.02 | 73.00                       | 47.02                              | 29.65                                                  | 71.29       |
| 2023-24 | 51.00 | 49.98 | 85.33                       | 49.98                              | 34.54                                                  | 69.62       |
| 2024-25 | 51.00 | 51.00 | 78.21                       | 51.00                              | 44.67<br>(upto<br>31.3.2025-<br>excluding<br>interest) | 64.75       |

*Hence, CCI has received sufficient Grants-in-Aid from Ministry to effectively execute its mandate.*

*Beside this, Rule 229(iv) and 230(6) of General Financial Rules 2017 stipulates some provisions regarding Grants-In-Aid and Loans which is delineated as below:*

*"Rule 229(iv): All autonomous organisations, new or already in existence should be encouraged to maximise generation of internal resources and eventually attain self-sufficiency.*

*Rule 230 (6): The Grants sanctioning authorities should not only take into account the internally generated resources while regulating the award of Grants but should consider laying down targets for internal resources generation by the Grantee Institutions or Organisations every financial year, particularly where Grants are given on a recurring basis every year."*

1.94 When the Committee further asked about the Ministry's concrete plans for funding and equipping the CCI Digital Market Division with the specialized technical expertise and sufficient human resources required to effectively regulate competition in the digital economy, Secretary, Ministry of Corporate Affairs has stated as follows:- ...

*"....the funding which we have provided to them also takes into account the fees which they anyway collect through regulatory filings and from their interests. For 2024-2025, their income from fees and interest was Rs. 35.11 crore. We gave them almost Rs. 51 crore. We gave the entire amount. So actually, there is an element of self-sufficiency in the way the CCI is running. As a matter of principle also, the Government would like to encourage them to be self-sufficient. However, keeping that in mind, if any further requirement is sought from CCI in terms of undertaking a major shake-up or a major restructuring of the way it functions, then at that time, the Government will definitely provide the funds to it."*

## **L. PENALTIES IMPOSED BY THE CCI**

1.95 Monetary penalties imposed and realized by the CCI during the years from 2021-22 and 2023-24 are given below:-

(Rs.crore)

| Year    | No. of cases | Penalty imposed | Penalty realized | Penalty refunded/ being refunded | Net Penalty realized as on March 31, 2024   |                     |                     |
|---------|--------------|-----------------|------------------|----------------------------------|---------------------------------------------|---------------------|---------------------|
|         |              |                 |                  |                                  | Realized without resorting to Section 39(2) | Referred to IT Dept | Realized by IT Dept |
| 2021-22 | 19           | 1335.77         | 177.23.          | --                               | 177.23                                      | --                  | --                  |
| 2022-23 | 19           | 2672.48         | 1340.41          | --                               | 1340.41                                     | --                  | --                  |
| 2023-24 | 07           | 2.55            | 2.15             | --                               | 2.15                                        | --                  | --                  |

1.96 When asked as to why penalty enforcement has been weak despite the Supreme Court's 10% pre-deposit condition for appeals; whether the 2023 Amendment Act's new provision, which mandates a 20% pre-deposit, will significantly improve penalty recovery; and the monitoring mechanisms for realization of penalties, the Ministry in their written post-evidence replies has stated the following:-

*“The Competition Amendment Act, 2023 provides for penalties up to 10% of global turnover of enterprises found to be contravening provisions of the Act. Thus, the Act provides significant penalties, benchmarked to global turnover, for penalising enterprises indulging in anticompetitive practices which also act as a deterrent for enterprises with global presence.*

*The detailed penalty structure prescribed through Competition Commission of India (Determination of Monetary Penalty) Guidelines, 2024 ensures fair and proportionate punishment for violations.*

*As on 30.04.2025, out of the total imposed penalty of Rs 20,350.46 crore, an amount of Rs. 18,512.28 crore has either been stayed or dismissed by the Appellate Courts. Thus, the amount realizable as on 30.04.2025 is Rs.*

1,838.19 crore only. An amount of Rs. 1823.57 crore has been realized. Thus, 99.20% of realizable amount has been recovered.

*As per proviso to Section 53B.(2) of the Act, no appeal by a person, who is required to pay any amount in terms of an order of the Commission, shall be entertained by the Appellate Tribunal unless the appellant has deposited twenty-five per cent of that amount in the manner as directed by the Appellate Tribunal.*

*Any amount as a deposit condition mandated by the appellate court is deposited in the registry of respective appellate court.*

| Case                                  | Issues                                                                                                                                                                                                                                                                                                                                             | Decision                                                                                                                                                                     |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Google<br>(Case Nos. 07 & 30 of 2012) | Search bias in online general search which deprived users of alternative choices. Agreements limited publishers' ability to use competing search services. Leveraged its dominance to strengthen its position in online syndicate search service.                                                                                                  | CCI imposed a penalty of Rs. 135.86 crore; directed Google to cease and desist from anti-competitive activities; and directed Google to carry out certain remedial measures. |
| Google<br>(Case No. 39 of 2018)       | Mandatory pre-installation of Google Mobile Suite (GMS) under MADA with prominent placement on Android mobile phones<br><br>Leveraged dominance in the online search market, denying market access to competing search apps<br><br>Reduced OEMs' ability to develop and sell devices with Android forks, limiting innovation and harming consumers | CCI imposed a provisional monetary penalty of Rs. 1337.76 Crores; issued a cease-and-desist order, and directed Google to carry out certain remedial measures.               |

|                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Google<br>(Case Nos. 07 of 2020, 14 of 2021 and 35 of 2021)                                                                                   | <p>Mandatory use of Google Play Billing System (GPBS) for in-app purchases of digital goods</p> <p>Discriminatory treatment of its own apps, like YouTube, which bypass GPBS fees</p> <p>Leveraged its dominance in the mobile OS and app store markets to protect its position in downstream markets</p>                                            | CCI imposed a provisional penalty of Rs. 936.44 crore on Google; directed Google to cease and desist from anti-competitive activities and directed Google to carry out certain remedial measures |
| WhatsApp/<br>Facebook (Meta)<br><br>(Suo-Moto Case no. 01 of 2021)                                                                            | <p>WhatsApp's 2021 policy update, implemented on a "take-it-or-leave-it" basis, undermined user autonomy, leveraged network effects, and constituted abuse of its dominant position</p> <p>Sharing of WhatsApp user data within Meta for non-service-related purposes created entry barriers for competitors in the display advertisement market</p> | CCI imposed penalty of Rs. 213.14 crore on Meta; directed Meta to cease and desist from anti-competitive activities and directed Meta to carry out certain remedial measures                     |
| Federation of Hotel & Restaurant Association of India vs MMT with 01/2020<br>Ruptub Solutions Private Limited vs MMT<br>(Case no. 14 of 2019) | <p>Imposition of price and room parity obligations</p> <p>Exclusivity conditions: Restriction on hotel partners to list on other platforms.</p> <p>Denial of market access (delisting): Commercial arrangement between OYO vide which Fabhotels, Treebo were delisted from MMT.</p>                                                                  | CCI imposed monetary penalty of Rs 223.48 crores; directed MMT-Go to cease and desist from anti-competitive activities and directed MMT-Go to carry out certain remedial measures.               |

1.97 The CCI in their written replies has *inter-alia* stated that Google Search Bias Case and Google Play Store Matter are sub-judice before the Hon'ble NCLAT; and Google Android Case is being considered by the Hon'ble Supreme Court.

1.98 To a specific query about the non- enforcement of CCI's order for the last two years to levy a fine on Google to the tune of Rs. 980 crore or Rs. 1,000 crore, steps being taken to ensure that Global giants like google, Amazon, Facebook do not abuse their market position to stifle local competition, especially MSMEs and startups; the effectiveness of penalties in curbing future market abuse by them; and any study has been done or being contemplated to be done on this issue, Secretary, Ministry of Corporate Affairs has informed the Committee during the oral evidence on 28 April, 2025 as follows:-

*“There is one important point which everybody has raised regarding the penalty..... the penalty imposed so far has been around to the tune of Rs. 20,134 crore. About Rs. 3,745 crore has been set aside or remanded back by the appellate courts. About Rs. 14,770 crore has been stayed by the appellate courts, and the remaining amount is about Rs. 1,616 crore, out of which they have realized a penalty of Rs. 1,605 crore. That is a penalty which they have realized. Yes, litigation is an issue, but I think in a complex and commercial subject like competition, we cannot do away with the litigation at the superior court because a lot of times, a lot of jurisprudence comes out of that, which then further informs our strategy in terms of the amendments in the Act and the rules. So, that is something which we will have to be looking at. Yes, a proper defence in the courts I think CCI is doing. If anything further needs to be done in that regard, we will be working with them. I know recently, as of now, there was a current judgment which actually according to us and them, misread or misinterpreted the provisions of merger and acquisition in a provision. Investigation is not necessary, so they have gone for an SLP in that, and we have obviously supported them in that particular aspect. So, that is something which will go on.*

*In terms of specific cases which CCI has done in the digital market space, I think that information was provided. In case it has not reached the Committee, I will make sure that it gets to them. The information which I have in terms of the penalties which have been levied on Google and Meta in which I think in one of the cases of Google, they have realized the penalty of Rs. 1337 crore, and in Meta, 50 per cent of the penalty of Rs. 213 crore, out of which 25 per cent has been paid and 25 per cent more is due to be paid. These are the two big ones which we were discussing, but I will request them to give other details to us and then we will pass it on to the Committee”*

1.99 The representative of the CCI has further added as follows:-

*“... some of the recent interventions of CCI where orders have been passed and we have shared with the hon. Committee. If required, we can provide greater details. Apart from penalty, a lot of remedies and directions have been given. Those remedies have entirely been there keeping in mind that*

*they allow other competitors to come in and big entities against which these orders have been passed, they do not foreclose competition for others. They allow a fair opportunity for others to compete. The consumers in the process get a choice. In fact, that is essentially the thrust of our interventions...”*

1.100 The CCI has further add the following in their written replies:-

*“Since its inception, CCI has been enforcing the Act and promoting fair competition in the markets. CCI plays a pivotal role in ensuring fair competition and preventing anti-competitive practices in the markets. It has issued orders against various entities including those in emerging digital markets including big-tech companies that are found to have violated the provisions of the Act, imposing monetary penalties upon them besides issuing other remedies, to address market distortions. CCI continues to refine its regulatory framework to foster competitive neutrality after considering the inputs from stakeholders. Further, CCI, through its enforcement and advocacy mandate, seeks to promote and sustain competition in the markets, besides carrying out market corrections to eliminate distortions. CCI also conducts in-depth market studies in different sectors including emerging digital sectors to understand their dynamics, potential competition issues, and evolving business practices.*

*The Market Study on E-commerce (2020) examined platforms like Amazon, Flipkart, Zomato, etc., identifying concerns around platform neutrality, search ranking, deep discounting, and exclusive tie-ups. Tying and bundling arrangements, exclusive dealing agreements and exclusive distribution agreements fall under the purview of Section 3(4) of the Competition Act, 2002 (Act), which deals with anti-competitive vertical agreements. On the other hand, unfair pricing including predatory pricing by dominant enterprises are examined under Section 4(2)(a) of the Act. CCI actively investigates and penalizes abuse of dominance and anti-competitive agreements in digital markets including by any big-tech companies.”*

#### **M. CROSS JURISDICTION, GLOBAL COLLABORATION AND COORDINATION WITH OTHER REGULATORS**

1.101 On being asked the views of the Ministry on addressing and tackling cross jurisdictional competition issues in digital markets given the global nature of many digital platforms and the localized effects of their practice, the Ministry/ CCI submitted their written replies as under:-

*“Under Section 32 of the Competition Act, CCI has the power to inquire into acts taking place outside India but having an appreciable adverse effect on competition in India.*

*Given the cross-border nature of Big Tech operations, competition authorities (including CCI) are increasingly engaging in the exchange of knowledge and experience to create more coherent regulatory approaches that can ensure digital markets remain contestable and competitive, while minimizing the risk of regulatory arbitrage.*

*The legislative frameworks and institutional structures vary across jurisdictions. Having due regard to the variances and jurisdictional specificities, competition authorities, through effective cooperation and dialogue, are striving for greater alignment in regulatory practices at an international level to address the shared concerns arising from anti-competitive conduct of Big Tech.”*

1.102 One of the key issues that the Ministry highlighted is jurisdictional overlaps between CCI and other sector regulators. On being asked about the coordination between CCI and other regulatory bodies, the Secretary, MCA responded as follows during oral evidence of the Committee on 28 April, 2025:-

*“As regards the concern of the Committee regarding the jurisdictional overlap and the kind of coordination mechanism which is available between the various regulatory agencies, I would request her to give an input. If you want further details from our side, we will definitely go back and look at it and see if that can be smoothened. I definitely know as a fact for MCA, the data which we collect through regulatory filings, that we share on a regular basis with all the regulators, including all the enforcement agencies. We are sharing the data on a regular basis. with the Income Tax Department, with the SFIO, with SEBI. We have an MOU with them, so we share that data with them, so that everybody works in a cohesive fashion...”*

1.103 The representative of CCI has further added as follows:-

*“As regards the inter-regulatory coordination, as Madam has pointed out, our focus is definitely on the competition issues that are emanating from a matter. Our law provides for a very comprehensive regulatory mechanism under Section 21, which are twin sections which allow us to make a reference to other authorities. They can also make reference likewise to us if there are issues which are overlapping in nature. Through the use of these mechanisms, we try to ensure that there is harmony in action and we do not transgress into each other’s jurisdiction...”*

1.104 In this regard, the Ministry in their post-evidence written reply stated as follows:-

*“The anti-trust law framework is an important regulatory tool to address the exploitative and exclusionary behavior arising out of data accumulation and degradation of privacy standards by the entities commanding market power. CCI as such does not look into data protection per se. CCI’s role comes into play when usage of data as a non-price parameter leads to anti-competitive practices.*

*The Competition Act provides for a robust architecture for inter-regulatory consultation and coordination through the twin mirror reflection provisions provided in Sections 21 and 21A of the Competition Act.*

*Further, as per proviso to Section 18 of the Act introduced through Competition Amendment Act, 2023, the Commission may, for the purpose of discharging its duties or performing its functions under the Act, enter into any memorandum or arrangement with any statutory authority or department of Government.*

*Thus, the legislature has provided for robust and harmonious working of CCI vis-à-vis other regulators. This facilitates comity amongst the regulators which is so imperative for efficient working of markets and obviates regulatory arbitrage.”*

The Ministry has also submitted that:-

*“Inter-regulatory coordination between CCI and sectoral regulators is vital. CCI actively consults and collaborates with other regulators like TRAI, SEBI while examining sector-specific competition issues. The aim is to maintain open channels of communication to address competition concerns effectively while respecting other regulatory mandates.”*

1.105 Further asked about the global best practices in overcoming the jurisdictional overlaps; and how does the Ministry propose to protect both competition and sectoral objectives without creating regulatory chaos, the Ministry in their post-evidence replies stated as under:-

*“The Competition Act provides for a robust architecture for inter-regulatory consultation and coordination through the twin mirror reflection provisions provided in Sections 21 and 21A of the Competition Act.*

*Further, as per proviso to Section 18 of the Act, the Commission may, for the purpose of discharging its duties or performing its functions under the Act, enter into any memorandum or arrangement with any statutory authority or department of Government.*

*Thus, the legislature has provided for robust and harmonious working of CCI vis-à-vis other regulators. This facilitates comity amongst the regulators which is so imperative for efficient working of markets and obviates regulatory arbitrage.*

*The position in India as per the Competition Act, 2002 and global best practices/position for co-operation and coordination between competition agencies and sectoral regulators is annexed as Annexure-III.”*

1.106 On being asked about the mechanism and process by which the CCI coordinate with international regulators on cross-border competition issues; and how can they be strengthened further and made more robust, the CCI in their written replies has stated the following:-

*“The Competition Act, 2002, empowers CCI to enter into memoranda or arrangements with foreign antitrust agencies, facilitating cooperation in competition law and policy. Pursuant to this mandate, CCI has established bilateral and multilateral Memoranda of Understanding (MoUs) with major competition authorities, including those of the United States, the European Union, Australia, Canada, Brazil, Russia, Japan, Mauritius, Egypt, and the BRICS nations.*

*The MoUs envisage to set up an institutional partnership between CCI and other competition authorities through a framework of bilateral/ multilateral cooperation in the field of competition law and policy. Under the aegis of the MoUs, CCI engages in discussions with foreign competition authorities to exchange knowledge, experiences, and best practices. CCI also focuses on continuous building of its institutional capacity by organizing training programs and workshops for its staff in collaboration with foreign competition authorities.*

*Further, CCI actively engages with the global antitrust community through multilateral forums like the International Competition Network (ICN), United Nations Conference on Trade and Development (UNCTAD) and the Organisation for Economic Co-operation and Development (OECD) to keep abreast of the international best practices on cross-border competition issues.*

*In view of the growing cross-border competition issues, CCI has prioritized its global engagement and will continue to focus on forging effective international collaborations through dialogue, knowledge sharing and technical cooperation.”*

1.107 The Ministry in their post-evidence replies has further added as follows:-

*“.....List of Bilateral/Multilateral Memoranda of Understanding (MoU) signed by Competition Commission of India (CCI)*

| <i>Sl no.</i> | <i>Description</i>                                                                                                                                                                                   | <i>Signing Date</i> |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 1             | <i>MoU between CCI and Competition Commission of Egyptian Competition Authority (ECA)</i>                                                                                                            | <i>25/06/2023</i>   |
| 2             | <i>MoU between CCI and Competition Commission of Mauritius (CCM)</i>                                                                                                                                 | <i>23/02/2022</i>   |
| 3             | <i>Memorandum on Cooperation (MoC) between CCI and Japan Fair Trade Commission (JFTC)</i>                                                                                                            | <i>06/08/2021</i>   |
| 4             | <i>MoU between CCI and the Administrative Council for Economic Defense of Brazil (CADE)</i>                                                                                                          | <i>18/06/2021</i>   |
| 5             | <i>MoU between the competition authorities of the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People’s Republic of China and the Republic of South Africa.</i> | <i>19/05/2016</i>   |
| 6             | <i>MoU between CCI and Competition Bureau Canada (CB)</i>                                                                                                                                            | <i>01/12/2014</i>   |
| 7             | <i>MoU between CCI and the Directorate General for Competition of the European Commission (DG, Competition)</i>                                                                                      | <i>21/11/2013</i>   |
| 8             | <i>MoU between CCI and Australian Competition and Consumer Commission (ACCC)</i>                                                                                                                     | <i>03/06/2013</i>   |
| 9             | <i>MoU between CCI and United States Department of Justice (DOJ) and Federal Trade Commission (FTC)</i>                                                                                              | <i>27/09/2012</i>   |
| 10            | <i>MoU between CCI and Federal Antimonopoly Service (Russia)</i>                                                                                                                                     | <i>16/12/2011</i>   |

## **PART – II**

### **OBSERVATIONS / RECOMMENDATIONS**

The Competition Act, 2002, as amended by the Competition (Amendment) Act, 2007, follows the philosophy of modern competition laws. The Act prohibits anti-competitive agreements, abuse of dominant position by enterprises and regulates combinations (acquisition, acquiring of control and M&A), which causes or likely to cause an appreciable adverse effect on competition within India. The objectives of the Act are sought to be achieved through the Competition Commission of India, which was established by the Central Government with effect from 14th October 2003. The Commission has been established to eliminate practices having adverse effect on competition, promote and sustain competition, protect the interests of consumers and ensure freedom of trade in the markets of India

#### **1. DIGITAL COMPETITION REGULATION**

The Committee note that since the early 1990s, India's economic liberalization has been driven by market-based mechanisms. The rapid adoption of digital technologies, however, has introduced a new phase that presents both immense opportunities and significant challenges for competition regulation. The Committee also note that the unique characteristics of digital markets, such as network effects and data advantage, have led to a concentration of economic power in a few large technology platforms that act as "gatekeepers." This necessitates a nuanced regulatory approach to balance innovation incentives

with the imperative of maintaining fair competition. The Committee further note that while a National Competition Policy (NCP) was drafted in 2011 to enhance market efficiency, it is yet to be implemented. The Committee observe that the Competition Act, 2002, with its traditional ex-post enforcement, is less effective in the fast-paced digital economy. The Committee also specifically observe the exclusion of Virtual Assistants from the Draft Digital Competition Bill, noting the need for their inclusion in line with global practices. Therefore, a fundamental shift from a reactive to a proactive, ex-ante regulatory framework is required to address the complexities posed by practices like self-preferencing, predatory pricing, and tying and bundling. The Committee, therefore, recommend that a nuanced approach is adopted in the Digital Competition Bill (DCB), avoiding blanket prohibitions and allowing for context-specific assessments. Furthermore, the Committee emphasize that ongoing market studies on AI and other sectors should serve as foundational evidence for refining the DCB. The Committee stress the urgency for the CCI to remain agile and continuously adapt its tools and strategies to keep pace with rapid technological advancements and ensure effective competition law enforcement in the evolving digital landscape. The Committee believe that NCP may act as a cross-sectoral framework to foster a unified competition culture and harmonize various laws and policies across Central and State governments. The NCP should also be designed to empower the CCI, ensuring its autonomy and encouraging a cooperative relationship with other sectoral regulators to enhance coordination and ensure consistent enforcement.

## **2. EVOLUTION OF THE REGULATORY FRAMEWORK: EX-POST AND EX-ANTE**

The Committee note that the Competition Act, 2002, with its ex-post framework, is ill-equipped to handle the rapid concentration of power in digital markets. Recognizing this limitation, the Committee on Digital Competition Law (CDCL) proposed a separate ex-ante regulatory mechanism through a Draft Bill on Digital Competition Law (DCB). This framework aims to prevent anti-competitive conduct before it harms consumer interests, specifically targeting Systemically Significant Digital Enterprises (SSDEs) based on quantitative and qualitative criteria. The DCB, which is currently under public consultation, identifies nine Core Digital Services and imposes obligations on SSDEs to prevent anti-competitive practices. This move aligns with global trends, as seen in the EU's Digital Markets Act (DMA) and the UK's Digital Markets, Competition and Consumers (DMCC) Act 2024. However, stakeholders have raised concerns about the DCB's proposed thresholds potentially capturing Indian companies prematurely, the absence of a rebuttal mechanism for SSDE designation, and potential overlaps with existing laws like the DPDP Act.

The Committee observe that while the DCB and the EU's DMA share the objective of regulating large digital enterprises, their approaches differ significantly. The DCB covers 9 Core Digital Services (CDS), one less than the DMA, and uses more inclusive definitions. A key difference is the absence of a rebuttal mechanism in the DCB, which is a feature of the DMA. Furthermore, the DCB's thresholds for SSDE designation are based on a "spread test" using either end-user or business-user thresholds, unlike the DMA which requires both. The

**DCB also grants the CCI flexibility to specify distinct conduct obligations for each CDS through subordinate legislation, a difference from the DMA's direct statutory obligations. To address stakeholder concerns, the Committee recommend that the Ministry refine the DCB's thresholds and designation mechanisms to prevent inadvertent capturing of fast-growing domestic firms. The Committee also recommend the introduction of a rebuttal mechanism in exceptional cases, for SSDE designation, similar to the EU's DMA, to ensure fairness and provide regulatory certainty.**

### **3. INSTITUTIONAL CAPACITY AND RESOURCE GAPS**

The Committee note that the digital economy presents significant challenges for regulators, demanding continuous adaptation and agility. The complexity and scale of digital market cases strain the CCI's resources, demanding specialized skills beyond traditional economic and legal analysis. This includes the ability to analyze big data, understand algorithmic design, and expertise in Artificial Intelligence (AI) and machine learning to assess their impact on competition and consumer welfare. The move towards ex-ante regulation, when fully implemented, will further necessitate an increase in specifically specialized personnel such as data scientists, technologists, and market analysts, to complement the CCI's existing legal and economic expertise.

The Committee observe that the CCI's ability to effectively regulate India's dynamic markets, particularly the complex digital economy, is significantly influenced by its institutional capacity, especially in terms of human resources and specialized technical expertise. As of March 31, 2024, only 113 out of 195 sanctioned posts in the CCI were filled, indicating a significant vacancy rate. The Ministry acknowledges this "huge gap between the sanctioned strength and the actual people who are in place." In the Director General Office, out of 41 sanctioned posts, only 17 were filled in 2020-21, increasing to 23 in 2022-23, but dropping to 16 in 2023-24, and further to 13 in 2024-25.

**A strategic response to these challenges has been the establishment and operationalization of the Digital Markets Division (DMD) within the CCI in September 2024. The DMD is a dedicated unit focused on digital market issues, currently staffed with a core team of seven persons. The Ministry has noted the need to strengthen the DMD with technical experts and has a cadre restructuring proposal under consideration for the creation of 55 additional posts to enhance the CCI's resource capacity.**

**Financial resources are also critical for the effective functioning of any regulatory authority. While the CCI receives Grants-in-Aid (GIA) from the MCA and generates internal funds, the allocated funds have consistently been insufficient to meet the total expenditure, with shortfalls covered by internal resources. For instance, in FY 2021-22, the total expenditure was Rs. 55.24 crore, with a GIA of Rs. 46.00 crore, and Rs. 9.24 crore met from internal resources. In FY 2022-23, total expenditure rose to Rs. 71.29 crore, with GIA at Rs. 47.02 crore and Rs. 24.27 crore from internal resources. For FY 2023-24, total expenditure was Rs. 69.62 crore, while GIA was Rs. 49.98 crore, with Rs. 19.64 crore met from internal resources. For FY 2024-25, the Ministry allocated Rs. 51.00 crore under Budget Estimates, while the CCI had proposed Revised Estimates to the tune of Rs. 78.21 crore.**

**The Committee, therefore, recommend the following: -**

**(i) Address Human Resource Gaps:** The MCA, in collaboration with the CCI, must expedite the cadre restructuring proposal and increase the sanctioned strength of the CCI, particularly for specialized roles in the Digital Markets Division (DMD). Efforts should be made to attract and retain top talent, including data scientists, technologists, and market analysts, by exploring flexible engagement models (e.g., short-term contracts for experts).

**(ii) Ensure Adequate Budgetary Allocations:** The MCA should ensure that the Grants-in-Aid (GIA) allocated to the CCI are sufficient to meet its actual budgetary demands, rather than relying heavily on internal resources to cover shortfalls. Increased funding is critical for the CCI to effectively regulate the complex and rapidly evolving digital economy, invest in advanced analytical tools, and conduct comprehensive market studies.

**(iii) Strengthen Technical Expertise:** Continuous investment in training programs and workshops for CCI staff on emerging technologies like AI, machine learning, and algorithmic modeling is essential. Collaboration with academic institutions and international counterparts should be expanded to facilitate knowledge sharing and capacity building in these specialized areas.

#### **4. ENFORCEMENT EFFECTIVENESS AND LITIGATION CHALLENGES**

The Committee note that the CCI employs a dual approach of enforcement and advocacy to regulate businesses. While extensive advocacy efforts—385 events in 2022-23 and 365 in 2023-24—foster awareness, enforcement faces significant challenges, particularly in digital markets, where investigations are often stalled or orders are stayed by courts. Since its inception until January 10, 2025, the CCI has received 1,303 antitrust cases and 1,229 merger control notices, disposing of 1,168 and 1,109 respectively. The average number of days to dispose of a combination notice was 17 in 2021-22, 21 in 2022-23, and 16 in 2023-24, highlighting the CCI's efficiency in merger control.

The Committee observe that the CCI has taken significant enforcement actions against major digital players, imposing substantial penalties, such as Rs. 135.86 crore in the Google search bias case and a provisional penalty of Rs. 1337.76 crore in the Google Android matter. However, a detailed analysis of penalty realization reveals a significant challenge. While the CCI imposed Rs. 1,335.77 crore in penalties in FY 2021-22 (realizing Rs. 177.23 crore) and Rs. 2,672.48 crore in FY 2022-23 (realizing Rs. 1,340.41 crore), a substantial portion of total imposed penalties has been effectively stalled by litigation. As of April 30, 2025, out of a total imposed penalty of Rs. 20,350.46 crore, a massive amount of Rs. 18,512.28 crore has been either stayed or dismissed by appellate courts. This makes the remaining amount of Rs. 1,838.19 crore "realizable," of which the CCI has realized Rs. 1,823.57 crore, a high realization rate of 99.20%. This data

indicates that while the CCI is effective at collecting penalties that are not under litigation, its overall enforcement is significantly undermined by legal challenges. The new provision mandating a 25% pre-deposit for appeals is a measure intended to address this problem.

The Committee, therefore, recommend the CCI, in coordination with the Ministry of Corporate Affairs (MCA), should explore measures to reduce litigation delays and ensure the effective enforcement of its orders, particularly in complex digital market cases. This includes adopting robust legal defense strategies and continuously assessing the effectiveness of new provisions like the 25% pre-deposit for appeals. Addressing these legal challenges is critical in ensuring that the CCI's enforcement actions translate into tangible deterrence and accountability.

## **5. PROTECTION OF MSMEs AND SMALL BUSINESSES**

The Committee note that the digital revolution, while offering immense opportunities, also brings significant risks for Micro, Small, and Medium Enterprises (MSMEs). A key concern is the concentration of economic power in a few large technology platforms that act as intermediaries, which can stifle the growth and market access of smaller players. Practices like predatory pricing and deep discounting by major online platforms pose a direct threat to small retailers. The Committee observes that the Deal Value Threshold (DVT) of Rs. 2000 crore, introduced to capture strategic digital transactions, has raised concerns that it may allow large corporations to acquire MSMEs without regulatory scrutiny. The Ministry of Corporate Affairs (MCA) acknowledged these challenges and clarified that the CCI's enforcement actions are designed to protect MSMEs from anti-competitive practices. The CCI also conducts advocacy programs to help MSMEs understand their rights under the Competition Act and the concerns persisting regarding predatory pricing and deep discounting by e-commerce platforms can be investigated under Section 3 or Section 4 of the Competition Act. The Ministry has emphasized that the ongoing market study will provide evidence-based solutions for balancing competition and innovation, especially for MSMEs and startups.

The Committee, however, recommend that the Deal Value Threshold (DVT) of Rs. 2000 crore should be reviewed by the MCA and CCI. This reassessment is crucial to ensure the threshold does not inadvertently facilitate the acquisition of MSMEs by larger corporations without regulatory scrutiny, thereby preventing the

creation of monopolies or duopolies that harm fair competition. A lower threshold for acquisitions involving MSMEs could be considered if market studies indicate so. Secondly, the CCI should continue its proactive investigations into predatory pricing and deep discounting by dominant online platforms to prevent these practices from harming small retailers. Specific guidelines could be developed to clarify when such practices become anti-competitive. Finally, mechanisms should be put in place to ensure data access for smaller businesses, enabling them to compete effectively against large digital enterprises that control vast amounts of data.

## **6. CROSS-JURISDICTIONAL AND INTER-REGULATORY COORDINATION**

The Committee note that digital markets transcend national borders, requiring the CCI to collaborate with international competition authorities to address anti-competitive practices that originate abroad but have local effects. Furthermore, the digital landscape involves overlapping issues, such as privacy and data protection, which fall under the purview of various sectoral regulators. Effective coordination between the CCI and these other regulatory bodies is crucial to ensure a comprehensive and coherent approach, avoiding regulatory chaos and meeting both competition and sectoral objectives.

The Committee observe that the Competition Act, 2002, empowers the CCI to inquire into acts outside India that have an appreciable adverse effect on competition within the country (Section 32). The CCI has actively strengthened its international ties by signing 10 bilateral/multilateral Memoranda of Understanding (MoUs) with competition authorities from countries like Egypt, Mauritius, Japan, and Brazil, as well as with BRICS nations, the EU, and the US. The CCI also participates in multilateral forums like the ICN and OECD, becoming an ICN Steering Group member in October 2023. Domestically, the Act provides a framework for inter-regulatory consultation through Sections 21 and 21A, and a proviso to Section 18, introduced in 2023, explicitly allows for MoUs with other statutory authorities. The CCI actively consults with regulators like TRAI and SEBI. Global best practices, such as the UK's Digital Regulation Cooperation Forum, also emphasize the importance of cooperation mechanisms to overcome jurisdictional overlaps.

**In view of the above, the Committee would like to recommend that, firstly, the CCI and the MCA should prioritize enhancing inter-regulatory harmony. This involves proactively collaborating with other sectoral regulators, such as the Data Protection Authority and MeitY, to identify and address jurisdictional overlaps. To achieve this, they may formalize Memoranda of Understanding (MoUs) and establish clear protocols for information sharing and joint action. Secondly, to strengthen its international cooperation, the CCI should continue to deepen its engagement with global competition authorities through bilateral MoUs and multilateral forums. Such collaboration is vital for sharing enforcement experiences, aligning regulatory strategies, and effectively tackling the global anti-competitive practices of digital platforms. Foreign Jurisdictions are attempting to undercut regulatory oversight and remits by unilaterally trying to coerce regulations in other countries not to discharge their statutory responsibility. The CCI must be vigilant and mindful of such efforts.**

## **7. PROACTIVE MARKET MONITORING AND CONSUMER WELFARE**

The Committee note the critical need for the Competition Commission of India (CCI) is to transition from a reactive "post-mortem" approach to a proactive strategy to effectively regulate the rapidly evolving digital economy. A fundamental objective of the Competition Act, 2002, is to protect consumer interests, and in digital markets, this harm extends beyond price to encompass reduced service quality, diminished privacy, and entry barriers created by dominant firms' data accumulation. The Committee observe that the CCI has already demonstrated a proactive shift by using market studies, such as the e-commerce study in January 2020 and the taxi and cab aggregator study in September 2022, which led to important advisories. Notably, no new information alleging anti-competitive practices has been received since the latter study's advisory. The CCI's forward-looking approach is further evidenced by its ongoing Market Study on AI and Competition, initiated in 2024, with a report anticipated by the end of June 2025. This study is crucial for developing an evidence-based foundation for ex-ante regulation. The CCI has a commendable record, having examined over 1,180 antitrust cases and disposed of 1,215 M&A cases, with remedies in 31 instances, while assessing dominance based on comprehensive factors from Section 19(4) of the Act. In light of these observations, the Committee impress upon the CCI to expand its sector-specific market studies into emerging areas where new business models are disrupting traditional competition dynamics. The findings from these studies should directly inform policy interventions.

**Furthermore, the CCI should holistically integrate consumer welfare into its enforcement, focusing on non-price parameters like data privacy and quality of service, and should collaborate with the Data Protection Authority to address the interconnected implications of data usage on both competition and consumer protection.**

## **8. CONCLUSION**

The Competition Commission of India (CCI) has been effective in promoting fair competition, even in the complex digital sector. The CCI has adopted new tools such as the Deal Value Threshold (DVT) and Settlement and Commitment Mechanisms to address emerging challenges. However, the CCI continues to face issues like technological complexity, cross-jurisdictional matters, and a lack of resources, including staffing and funding. To combat these, the CCI has initiated measures like the Digital Markets Division (DMD) and is proposing cadre restructuring.

The Committee are of the strong view that while the inclusion of new provisions in the Digital Competition Bill (DCB) is vital for fostering fair competition and aligning with global standards, its implementation must be carefully managed. The approach should be nuanced, phased, and evidence-based, taking into account the CCI's current capacity constraints. It is also crucial to address concerns from stakeholders regarding the potential impact on innovation and the compliance burden for emerging Indian tech companies and MSMEs. By proactively addressing the challenges like structural dominance of super-apps, need for interoperability, regulating AI-based user interfaces etc by regular dialogue with the stakeholders and conducting studies of emerging issues the CCI can establish itself as an agile and effective regulator, capable of promoting a competitive, innovative, and inclusive digital landscape that benefits all stakeholders in India.

NEW DELHI;  
06 August, 2025  
15 Sravana, 1947 (Saka)

BHARTRUHARI MAHTAB  
Chairperson,  
Standing Committee on Finance

## ANNEXURE-I

### Details of sanctioned strength, actual strength and vacancies at various levels/posts in CCI during the last five years

|     |                                | 2020-2021        |           |           | 2021-2022        |           |           | 2022-2023        |           |           | 2023-2024        |           |           | 2024-2025        |           |           |
|-----|--------------------------------|------------------|-----------|-----------|------------------|-----------|-----------|------------------|-----------|-----------|------------------|-----------|-----------|------------------|-----------|-----------|
| Sl. | Designation                    | Sanctioned Posts | Filled up | Vacant    | Sanctioned Posts | Filled up | Vacant    | Sanctioned Posts | Filled up | Vacant    | Sanctioned Posts | Filled up | Vacant    | Sanctioned Posts | Filled up | Vacant    |
| 1   | Director General               | 1                | 1         | -         | 1                | 1         | -         | 1                | 1         | -         | 1                | 1         | -         | 01               | 01        | -         |
| 2   | Additional Director General    | 4                | 3         | 1         | 4                | 3         | 1         | 4                | 2         | 2         | 4                | 2         | 2         | 04               | 01        | 03        |
| 3   | Joint Director General         | 8                | 5         | 3         | 8                | 3         | 5         | 8                | 2         | 6         | 8                | 1         | 7         | 08               | 01        | 07        |
| 4   | Deputy Director General        | 21               | 4         | 17        | 21               | 6         | 15        | 21               | 12        | 9         | 21               | 8         | 13        | 21               | 09        | 12        |
| 5   | Assistant Director General(CS) | 3                | 2         | 1         | 3                | 2         | 1         | 3                | 2         | 1         | 3                | 1         | 2         | 03               | 01        | 02        |
| 6   | Office Manager (CS)            | 4                | 2         | 2         | 4                | 4         | -         | 4                | 4         | -         | 4                | 3         | 1         | 04               | -         | 04        |
|     | <b>Total</b>                   | <b>41</b>        | <b>17</b> | <b>24</b> | <b>41</b>        | <b>19</b> | <b>22</b> | <b>41</b>        | <b>23</b> | <b>18</b> | <b>41</b>        | <b>16</b> | <b>25</b> | <b>41</b>        | <b>13</b> | <b>28</b> |

## ANNEXURE-II

**Data for the past 10 financial years regarding the amount sought for allocation by CCI vis-à-vis the actual amount sanctioned to CCI by the Ministry in the Budget**

| (Rs in crore) |              |               |                          |              |               |                          |               |               |                          |               |               |                          |              |              |                          |
|---------------|--------------|---------------|--------------------------|--------------|---------------|--------------------------|---------------|---------------|--------------------------|---------------|---------------|--------------------------|--------------|--------------|--------------------------|
| Particulars   | 2015-16      |               |                          | 2016-17      |               |                          | 2017-18       |               |                          | 2018-19       |               |                          | 2019-20      |              |                          |
|               | BE Proposed  | RE Proposed   | GIA Released by Ministry | BE Proposed  | RE Proposed   | GIA Released by Ministry | BE Proposed   | RE Proposed   | GIA Released by Ministry | BE Proposed   | RE Proposed   | GIA Released by Ministry | BE Proposed  | RE Proposed  | GIA Released by Ministry |
| <b>Total</b>  | <b>55.00</b> | <b>211.25</b> | <b>180.24</b>            | <b>84.00</b> | <b>132.00</b> | <b>92.10</b>             | <b>165.00</b> | <b>126.95</b> | <b>119.27</b>            | <b>216.99</b> | <b>245.86</b> | <b>151.56</b>            | <b>79.60</b> | <b>97.15</b> | <b>55.49</b>             |

| (Rs in crore)        |              |              |                          |              |              |                          |              |              |                          |              |              |                          |               |              |                          |
|----------------------|--------------|--------------|--------------------------|--------------|--------------|--------------------------|--------------|--------------|--------------------------|--------------|--------------|--------------------------|---------------|--------------|--------------------------|
| Particulars          | 2020-21      |              |                          | 2021-22      |              |                          | 2022-23      |              |                          | 2023-24      |              |                          | 2024-25       |              |                          |
|                      | BE Proposed  | RE Proposed  | GIA Released by Ministry | BE Proposed  | RE Proposed  | GIA Released by Ministry | BE Proposed  | RE Proposed  | GIA Released by Ministry | BE Proposed  | RE Proposed  | GIA Released by Ministry | BE Proposed   | RE Proposed  | GIA Released by Ministry |
| <b>Grants in Aid</b> |              |              |                          |              |              |                          |              |              |                          |              |              |                          |               |              |                          |
| <b>Total</b>         | <b>71.90</b> | <b>69.32</b> | <b>46.15</b>             | <b>61.22</b> | <b>59.82</b> | <b>46.00</b>             | <b>81.58</b> | <b>73.00</b> | <b>47.02</b>             | <b>81.40</b> | <b>85.33</b> | <b>49.98</b>             | <b>100.70</b> | <b>78.21</b> | <b>51.00</b>             |

### Coordination Mechanisms between Competition Agencies and Sectoral Regulators

The position in India as per the Competition Act, 2002 and global best practices/position for co-operation and coordination between competition agencies and sectoral regulators, as illustrated in the OECD Competition Policy Roundtable Background Note on ‘Interactions between Competition Authorities and Sector Regulators’, are given in the chart below:

| Jurisdiction | Notable Features                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| India        | <p>The Competition Act provides for a robust architecture for inter-regulatory consultation and coordination through the twin mirror reflection provisions provided in Sections 21 and 21A of the Competition Act.</p> <p>Further, as per proviso to Section 18 of the Act introduced through Competition Amendment Act, 2023, the Commission may, for the purpose of discharging its duties or performing its functions under the Act, enter into any memorandum or arrangement with any statutory authority or department of Government.</p> |
| UK           | <p>In July 2020, the Competition and Markets Authority (CMA), the Information Commissioner’s Office (ICO) and the Office of Communications (Ofcom) established the Digital Regulation Cooperation Forum (DRCF). Its goal is to foster greater co-operation between the three authorities with respect to regulation of digital markets. The Financial Conduct Authority (FCA) joined as a full member of the DRCF in April 2021.</p>                                                                                                           |
| Australia    | <p>Australian Competition and Consumer Commission (ACCC), the Australian Communications and Media Authority (ACMA), the Office of the Australian Information Commissioner (OAIC) and the Office of the eSafety Commissioner (eSafety) created the Digital Platform Regulators Forum (DP-REG) aiming to increase co-operation and information sharing between digital platform regulators.</p>                                                                                                                                                  |

|              |                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Norway       | In Norway, the competition authority has signed written co-operation agreements with the telecommunications regulator (Nkom) and the financial regulator (FSA). The agreement with Nkom states that collaboration shall strive for expedient, efficient, and satisfactory handling of cases where the two agencies have overlapping authority and responsibility.                                                   |
| Malaysia     | In Malaysia the competition authority chairs the Special Committee on Competition, which includes nine regulators such as the communications regulator, the energy regulator and the central bank, and has met once a year in recent years (Malaysia Competition Commission, 2020).                                                                                                                                 |
| South Africa | The Competition Commission of South Africa (CCSA) has entered into MoUs with 14 independent sector regulators. MoUs usually have a duration of five years and aim at strengthening enforcement through the exchange of information and the sharing of resources.<br>Further there is a Joint Working Committee between the Competition Commission of South Africa and the Ports Regulator.                          |
| Belgium      | In Belgium, the competition authority (Belgian Competition Authority) has formal co-operation agreements (Royal decrees) with the energy sector regulator (CREG) and the telecom and postal sector regulator (IBPT). They cover information sharing between the authorities, including confidential information (except information obtained from European Competition Network authorities or leniency applicants). |
| Indonesia    | In Indonesia, the MoU between the competition authority and the Financial Services Authority covers the exchange of data and information                                                                                                                                                                                                                                                                            |
| Peru         | In Peru, INDECOPI and all the regulatory agencies (e.g., water and sewage – SUNASS; energy and mining – OSINERGMIN; transport infrastructure – OSITRAN) have agreements to facilitate the exchange of information (Peru, 2019).                                                                                                                                                                                     |
| Chile        | In Chile, the competition authority (FNE) entered into MoUs with certain sector regulators, which include the exchange of public information.                                                                                                                                                                                                                                                                       |

**Minutes of the Tenth sitting of the Standing Committee on Finance (2024-25). The Committee sat on Monday, the 20 January, 2025 from 1100 hrs to 1315 hrs in Committee Room 'D', Parliament House Annexe (PHA), New Delhi.**

**PRESENT**

**Shri Bhartruhari Mahtab – Chairperson**

**LOK SABHA**

2. Shri Arun Bharti
3. Shri Lavu Sri Krishna Devarayalu
4. Shri Gaurav Gogoi
5. Shri Suresh Kumar Kashyap
6. Shri Kishori Lal
7. Shri Harendra Singh Malik
8. Thiru Arun Nehru
9. Smt. Sandhya Ray
10. Prof. Sougata Ray
11. Dr. Jayanta Kumar Roy
12. Shri Manish Tewari
13. Shri Prabhakar Reddy Vemireddy

**RAJYA SABHA**

14. Shri Milind Murli Deora
15. Shri Sanjay Seth
16. Smt. Darshana Singh
17. Shri Pramod Tiwari

**SECRETARIAT**

- |    |                         |                    |
|----|-------------------------|--------------------|
| 1. | Shri Kuldeep Singh Rana | - Deputy Secretary |
| 2. | Shri T. Mathivanan      | - Deputy Secretary |

## **LIST OF WITNESSES**

### **Competition Commission of India (CCI)**

1. Smt. Ravneet Kaur, Chairperson, CCI
2. Shri Inder Pal Singh Bindra, Secretary
3. Shri Ved Prakash Mishra, Adviser
4. Dr. Bidyadhar Majhi, Adviser
5. Smt. Jyoti Jindgar Bhanot, Adviser
6. Dr. Sanjay Kumar Pandey, Adviser
7. Smt. Sayanti Chakrabarti, Director

2. At the outset, the Chairperson welcomed the Members and the witnesses to the sitting of the Committee. Thereafter, a power-point presentation was made by the representatives of Competition Commission of India (CCI) on the subject which, inter-alia, covered overview about CCI, Competition (Amendment) Act, 2023, digitalization of markets, enforcement experience in digital markets, global collaborations, ex-ante framework for digital markets, future challenges, way forward etc.

3. The Committee, inter-alia, deliberated upon the following points with representatives of CCI:

- Role of CCI in creating a culture of competition and need for progressive, proactive and forward-thinking regulatory response due to the rapid transformation of digital markets;
- Status update on the draft bill on Digital Competition;
- Collaboration with international counterparts to ensure consistency in regulatory actions and India's approach to competition law and enforcement compared to global standards or frameworks;
- Definition of the term 'dominant position' in the Competition Commission Act and distinguishing features between a firm's dominance due to innovation and a firm's dominance resulting from anti-competitive conduct;
- Outcome of the market study on artificial intelligence and competition launched by CCI in 2024 and trigger for that study;
- Resource and capacity gaps of CCI, expediting stalled investigations and impact of reduction in budget of CCI in the recent financial years;

- Creation of safeguards to protect Micro, Small and Medium Enterprises (MSMEs) and status of Open Network For Digital Commerce (ONDC);
- Details about the functioning, nature of work, staffing, recruitment and training of employees deployed in Digital Markets Division (DMD) and mechanism by which it collaborates with other regulatory bodies or Divisions within CCI;
- Self-regulation advisories issued by CCI for e-commerce sector and cab aggregator industry and its effectiveness;
- Prevention of anti-competitive or monopolistic behaviour by giant tech companies and supporting healthy competition without any misdeeds.

4. Hon'ble Members also sought clarifications on various other issues relating to the subject and the witnesses responded to the queries raised by the Members. The Chairperson then directed the representatives to furnish written replies to the points raised by the Members, which could not be readily replied by them during the discussion to the Secretariat.

(The witnesses then withdrew)

The Committee then adjourned.

A verbatim record of the proceedings has been kept.

**Minutes of the Twenty-first Sitting of the Standing  
Committee on Finance (2024-25)**

The Committee sat on Monday, the 28<sup>th</sup> April, 2025 from 1100 hrs. to 1245 hrs in Committee Room 'C', Parliament House Annexe (PHA), New Delhi.

**PRESENT**

**Shri Bhartruhari Mahtab - Chairperson**

**LOK SABHA**

2. Shri P. P. Chaudhary
3. Shri Lavu Sri Krishna Devarayalu
4. Shri Suresh Kumar Kashyap
5. Shri Harendra Singh Malik
6. Thiru Arun Nehru
7. Smt. Sandhya Ray
8. Shri P. V. Midhun Reddy
9. Dr. Jayanta Kumar Roy
10. Dr. K. Sudhakar
11. Shri Balashowry Vallabhaneni

**RAJYA SABHA**

12. Dr. Ashok Kumar Mittal
13. Shri Yerram Venkata Subba Reddy
14. Shri Sanjay Seth
15. Smt. Darshana Singh
16. Dr. M. Thambidurai
17. Shri Pramod Tiwari

**SECRETARIAT**

- |    |                          |   |                  |
|----|--------------------------|---|------------------|
| 1. | Shri Vinay Pradeep Barwa | - | Director         |
| 2. | Shri Kuldeep Singh Rana  | - | Deputy Secretary |
| 3. | Shri T. Mathivanan       | - | Deputy Secretary |

## **WITNESSES**

### **Ministry of Corporate Affairs**

1. Ms. Deepti Gaur Mukerjee, Secretary
2. Shri Balamurugan Devraj, Joint Secretary
3. Ms. Jyoti Jindgar, Adviser

2. At the outset, the Chairperson welcomed the Members and the witnesses to the sitting of the Committee. Thereafter, a power-point presentation was made by the representatives of Ministry of Corporate Affairs (MCA) on the subject which, *inter-alia*, covered overview about Competition Act, 2002; functions of Competition Commission of India (CCI); role of the Ministry; salient features of Competition (Amendment) Act, 2023; unique challenges of Digital markets; Committee on Digital Competition Law; status of the Digital Competition Bill, 2024; key issues requiring further analysis, way forward etc.

3. The Committee, *inter-alia*, deliberated upon the following points with representatives of Ministry of Corporate Affairs:

- Optimal budgetary allocation of funds to CCI for ensuring culture of competition and progressive; proactive and forward-thinking regulatory response due to the rapid transformation of digital markets;
- Status update on the draft bill on Digital Competition;
- Creation of posts and timely filling of vacancies in CCI to assist and adequately equip CCI in terms of both judicial expertise and technical expertise in light of the changing digital landscape;
- Measures being undertaken to protect Micro, Small and Medium Enterprises (MSMEs) and prevention of anti-competitive or monopolistic behaviour by giant tech companies and supporting healthy competition without any misdeeds;
- Resource and capacity gaps of CCI; expediting stalled investigations and status and effectiveness of penalty imposition and collection by CCI;
- Mechanism to monitor predatory pricing and control and use of data by large digital platforms among other challenges of digital market;

- Major outcomes of the market study on artificial intelligence and competition launched by CCI in 2024;
- Need for co-ordination with various sectoral regulators given that digital markets often involve overlapping issues such as competition, data protection and cybersecurity;
- Collaboration with international counterparts to ensure consistency in regulatory actions, tackling cross-jurisdictional anti-competitive behavior and India's approach to competition law and enforcement compared to global standards;
- Assessment of adequacy of new rule for competition settlement; possible litigation delays and need for further regulatory/ legislative changes to further empower CCI in effectively overseeing competition in digital space.

4. Hon'ble Members also sought clarifications on various other issues relating to the subject and the witnesses responded to the queries raised by the Members. The Chairperson then directed the representatives to furnish written replies to the points raised by the Members, which could not be readily replied by them during the discussion to the Secretariat within 10 working days.

The witnesses then withdrew.

The Committee then adjourned.

A verbatim record of the proceedings has been kept.

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**Minutes of the Thirty First sitting of the Standing Committee on Finance (2024-25). The Committee sat on Wednesday, the 06 August, 2025 from 1500 hrs to 1700 hrs in Committee Room 'C', Parliament House Annexe (PHA), New Delhi.**

**PRESENT**

**Shri Bhartruhari Mahtab – Chairperson**

**LOK SABHA**

2. Shri Arun Bharti
3. Shri P. P. Chaudhary
4. Shri Lavu Sri Krishna Devarayalu
5. Shri K. Gopinath
6. Shri Suresh Kumar Kashyap
7. Shri Kishori Lal
8. Shri Chudasama Rajeshbhai Naranbhai
9. Thiru Arun Nehru
10. Shri N. K. Premachandran
11. Dr. C. M. Ramesh
12. Smt. Sandhya Ray
13. Dr. Jayanta Kumar Roy
14. Dr. K. Sudhakar
15. Shri Manish Tewari
16. Shri Balashowry Vallabhaneni
17. Shri Prabhakar Reddy Vemireddy

## **RAJYA SABHA**

18. Dr. Ashok Kumar Mittal
19. Shri Yerram Venkata Subba Reddy
20. Shri S. Selvaganabath
21. Shri Sanjay Seth
22. Dr. Dinesh Sharma
23. Smt. Darshana Singh
24. Dr. M. Thambidurai
25. Shri Pramod Tiwari

## **SECRETARIAT**

- |    |                            |   |                  |
|----|----------------------------|---|------------------|
| 1. | Smt. Bharti Sanjeev Tuteja | - | Director         |
| 2. | Shri Kuldeep Singh Rana    | - | Deputy Secretary |
| 3. | Shri T. Mathivanan         | - | Deputy Secretary |

## **PART I**

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. Thereafter, the Committee took up the draft Report on the subject 'Evolving Role of Competition Commission of India in the Economy, particularly the Digital Landscape' for consideration and adoption.

3. After some deliberations, the Committee adopted the above draft Report with minor modifications and authorised the Chairperson to finalise and present the Report to the Parliament.

## **PART II**

- |    |    |    |    |    |    |     |
|----|----|----|----|----|----|-----|
| 4. | XX | XX | XX | XX | XX | XX  |
|    | XX | XX | XX | XX | XX | XX. |

**PART III**

5.       XX           XX           XX           XX           XX           XX

          XX           XX           XX           XX           XX           XX.

(The witnesses then withdrew)

The Committee then adjourned.

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*X - matter not related to this Report.*