

III MODULE

9. Competition Act - 2002

Q.1 Define the Concept of Industrialisation. How Industrial Production is measured?

A] Industrialisation :- "Industrialisation is the Process where activities of agriculture are shifted to Industry."

"Industrialisation is a Process where social and Economic development are closely related with technological Innovation."

B] Factors of Industrialisation :-

1. Availability of Financial Capital.
2. Favourable Political and Legal Environment.
3. Availability of Basic Natural Resources.
4. Availability of Skilled labour force at Low cost etc.

After 1950, better Industrial Policy is adopted to grow various types of Industries. Our Govt. gave more importance to basic and heavy industries.

C] Index of Industrial Production (IIP) :-

IIP measures the general level of industrial activity in economy. Central Statistical Organisation measures and Publish monthly the Industrial growth. IIP has been revised from time to time. Recently 2011-12 is considered as IIP base.

Q:2 Explain Features of Competition Act 2002.

(A) Competition Act 2002 :- After 1991, economy was opening up to world economies. Now the MRTP Act had become impractical.

The Government appointed an expert Committee headed by S.V.S. Raghavan to study the problem. The Committee submitted its report on 22 May, 2000. As per the recommendations of Committee, MRTP Act was abolished and Competition Bill was passed in Parliament in December-2002. This Act was amended in 2007.

(B) Objectives of Competition Act 2002 :-

- ① Prohibition of Anti-Competitive Agreements
- ② Prohibition of Abuse of Dominant Position
- ③ Regulation of Combination.
- ④ Competition Advocacy (Healthy Competition)

(C) Features of Competition Act :-

① Competition Commission of India :- (CCI)

The Competition Act provided for setting up of CCI. The CCI was set up to remove harmful practices from market. CCI is helpful to promote better competitions in Indian markets. It also eliminated - Licensing Requirement & Entry barriers from market.

2) Prohibition OF Anti-Competitive Agreements:-

As Per Competition Act, no Person or enterprises shall enter into any agreement of Production, supply, distribution, storage or control of goods and services which is harmful for competition.

3) Prohibition OF Abuse OF Dominant Position :- As Per competition Act, no person or enterprises shall try to take Undue advantage of Dominant position in the market. The misuse of dominant (Powerful) position is prohibited in market.

4) Regulation of Combinations :- According to Competition Act, acquisition of one or more enterprises by one or more persons or merger or amalgamation of companies is called combinations.

As Per Section 5 OF Act —

- i) Acquisition by group
- ii) Acquisition by large enterprises
- iii) Acquisition of enterprises having similar goods & services.
- iv) Merger of enterprises

According to Section-6 of the Act, IF any combination which is harmful to welfare of people will not be allowed.

5) Competition Advocacy:- It means to create Healthy competition in the market. For this CCI has been empowered to create a ~~etd~~ culture of competition in market. It will also helps in reviewing Laws for betterment of competition.

4.

6) Penalty Under Competition Act 2002.

- i) IF any Person fails to comply with orders of Commission shall be Punishable with the fine may extend to ₹ 1 lakh for each day.
- ii.) IF any Person fails to comply with orders issued or fails to pay fine imposed, shall be Punishable with -
- imprisonment for a term extend to 3 years. OR
- With fine which may extend to ₹ 25 Crores or both.
- iii) According to section 44 of Act
IF any Person, being a Party of Combination, makes a statement which is false in any materials or omits to state deliberately, such Person shall be liable to pay not less than 50 lakhs which may extend to ₹ 1 Crore.

— X —