

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 2417
ANSWERED ON MONDAY, THE 13TH DECEMBER, 2021
[AGRAHAYANA 22, 1943 (SAKA)]
CARTELISATION BY PAPER MANUFACTURERS**

QUESTION

2417. SHRI RAVNEET SINGH BITTU:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether it is a fact that certain paper manufacturers have been found to be indulging in cartelisation in fixing the prices of writing and printing paper and if so, the details thereof;**
- (b) whether it is a fact that the Competition Commission of India has imposed penalty on such paper manufacturers for indulging in cartelisation and if so, the details thereof;**
- (c) whether the Government proposes to take some measures and enforce strong regulation to prevent such practices by some paper manufacturers in the future; and**
- (d) if so, the details thereof and if not, the reasons therefor?**

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING; AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS.

(RAO INDERJIT SINGH)

(a) & (b): In a case initiated suo motu by Competition Commission of India ('Commission') (Case NO. 5 of 2016), ten (10) paper manufacturing firms and one association, were found to have contravened the provisions of Section 3 of the Competition Act, 2002 ('Act'), which prohibits anti-competitive agreements, including cartels. The Commission passed a final order on 17.11.2021 and imposed a penalty of Rs. 5 Lakhs upon the aforesaid ten (10) contravening manufacturing firms and a penalty of Rs. 2.5 Lakh on the Association of Paper Manufacturers, for providing its platform for such anti-competitive activities. Further, one paper manufacturer, however, was granted benefit of 100% reduction in penalty imposed as it approached the Commission under the provisions of Section 46 of the Competition Act, 2002 by filing a lesser penalty/leniency application.

(c) & (d): Section 3 of the Act prohibits certain agreements including cartels which are anti-competitive in nature. Whereas Section 19 of the Act provides for inquiry into certain anti-competitive agreements including cartels, Section 26 of the Act provides for the procedure of such inquiries. Further, under Section 27 of the Act, the Commission may pass an order including imposition of penalty against the parties involved in such anti-competitive agreements including cartels.

In addition to above, the Commission also undertakes various proactive measures from time to time to ensure effective competition and fair play in the market. These, inter-alia, include conducting market studies on relevant sectors, undertaking competition assessment of Model Concession Agreements in the public service delivery sectors, extensive and intensive advocacy outreach initiatives such as conducting workshops/conferences/webinars/ roadshows on competition laws & practices etc. These measures result in greater sensitization and understanding of different stakeholders including Industries, Academia, Public Sector Undertakings (PSUs), Trade Associations etc.
