

Standing Committee Report Summary

Evolving Role of Competition Commission of India

- The Standing Committee on Finance (Chair: Mr. Bhartruhari Mahtab) submitted its report on the ‘Evolving Role of Competition Commission of India in the Economy, particularly the Digital Landscape’ on August 11, 2025. The Competition Commission of India (CCI) was constituted as a regulator to promote and sustain competition in markets, and prevent practices which have adverse effect on competition. Key observations and recommendations of the Committee include:
 - **Regulation of digital competition:** The Committee noted that the digital sector requires a shift from a reactive (ex-post) to a pro-active (ex-ante) regulatory framework. Such a shift is required to address the complexities posed by practices such as self-preferencing and predatory pricing in digital markets. Self-preferencing refers to platforms prioritising their own products or services over competitors’. Predatory pricing is the practice of setting prices very low to drive out competitors. Currently, the Competition Act, 2002 follows an ex-post framework. The Ministry of Corporate Affairs had constituted the Committee on Digital Competition Law (CDCL) in 2023. CDCL proposed a Digital Competition Bill for ex-ante regulation, specifically targeting dominant digital intermediaries. The Committee recommended refining the draft Bill to address certain concerns raised by stakeholders.
 - The draft Bill designates certain enterprises offering digital services as Systematically Significant Digital Enterprises (SSDE). This designation is based on financial turnover and number of users (one crore end-users or 10,000 business users in India). Entities that do not satisfy the quantitative tests may still be classified as SSDEs based on specified criteria for ‘significant presence’. The Bill prohibits SSDEs from engaging in anti-competitive practices such as self-preferencing, placing restrictions on third party apps, or forcing users to use multiple services together unless required (bundling or tying). The Committee recommended refining the thresholds for designating SSDEs to prevent inadvertent capturing of fast-growing domestic firms. It also recommended introducing a mechanism to rebut designation as SSDE in exceptional cases, to ensure fairness and provide regulatory certainty.
- **National Competition Policy (NCP):** The Committee observed that the NCP, drafted in 2011, has not been implemented yet. The Committee recommended implementing the NCP to foster a unified competition culture and harmonise various laws and policies. It emphasised that the NCP be designed to ensure CCI’s autonomy. It also recommended formalising agreements between CCI and sectoral regulators for coordination, and establishing clear protocols for information sharing and joint action.
- **Institutional capacity and funding:** Currently, 42% of CCI’s sanctioned posts (195) are vacant. In 2024, CCI constituted a Digital Markets Division to focus on digital market issues. CCI receives grants from the Ministry of Corporate Affairs. The Committee noted that funds allocated by the Ministry were insufficient to meet CCI’s expenditure, with the shortfall met from CCI’s internal resources (fees from regulatory filings and income from interest). It recommended: (i) expediting cadre restructuring proposal and increasing the sanctioned strength of CCI, particularly in the digital markets division; (ii) strengthening technical expertise of staff in emerging technologies through training programs; and (iii) ensuring adequate budgetary allocation for CCI.
- **Penalties imposed by CCI:** As of April 30, 2025, out of the total imposed penalty of Rs 20,350 crore, Rs 18,512 crore has been stayed or dismissed by the Appellate Courts. CCI has recovered 99% out of the remaining realisable. The Committee recommended exploring measures to reduce litigation delays and ensure effective implementation of CCI orders.
- **MSMEs:** The Committee noted that the deal value threshold of Rs 2,000 crore was introduced under the Competition (Amendment) Act 2023 to capture strategic transactions in the digital sector. The Committee recommended a reassessment of this threshold as it may allow large corporations to acquire MSMEs without regulatory scrutiny. It also recommended ensuring better access to data for MSMEs to enable competition against larger firms.
- **Non-price factors:** The Committee observed that non-price factors such as service quality, privacy, and entry barriers to markets also cause harms in digital markets. It recommended that CCI should also include such non-price parameters in its assessment, and integrate consumer welfare into its enforcement.

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