

Cartel Regulation in India: Enforcement Mechanisms in The Era of Digital Platform Markets

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Abstract

Cartelization has established a practice which companies use to form secret deals that enable them to control prices, limit production and manipulate bidding processes thus creating unfair market conditions which effects market competition as well as the interest of consumers. Digital platform markets have developed through recent years to create new ways for cartels to operate which have made it harder for authorities to detect and prosecute these illegal activities. The authorities who enforce global competition laws face difficulties because of algorithmic pricing, large data sharing, network effects and multi-sided market structures. The paper investigates how India controls cartel activity through its digital platform market enforcement system. The research examines the statutory framework relating to market competition in India along with the CCI and DG investigative and adjudicatory powers and the developing legal principles for cartel detection and prosecution. The research investigates the effectiveness of traditional enforcement methods which include circumstantial evidence, dawn raids and the leniency program within digital and platform-based markets.

Keywords: Cartel Regulation, Digital Platforms, Competition Law, Enforcement Mechanisms, CCI, India.

Introduction

Cartelization stands as one of the most severe forms of anti-competitive behavior within contemporary market systems. A cartel operates through an agreement which competing enterprise use to organize their activities for controlling pricing, limit production, market division and bidding practices while they restrict market competition. The implementation of such practices creates a situation where free competition and fair competition face distortion which leads to negative effects on consumer welfare, market operational efficiency, innovative progress and economic development.

The historical development of cartel regulations began when modern antitrust laws first emerged during the late nineteenth century. The Sherman Act established the first legal framework which permitted United States to prosecute both monopolies and cartel activities. The Act prohibited agreements that restricted trade while giving authorities power to prosecute businesses that engaged in anti-competitive activities. The European Union established a complete competition law system which operates under Article 101 of the TFEU to ban cartels and joint activities that limit market competition. International organizations such as the OECD have established themselves as vital institutions which advance anti-cartel principles while guiding member nations in building strong enforcement systems against cartels.

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The Indian cartel regulation received its first major development through the Competition Act of 2002. The Competition Act seeks to prevent practices which create significant harm to competition as it strives to safeguard consumer interests while enhancing market operational efficiency. The Competition Act 2002 under Sec. 3 prohibits anti-competitive agreements while Sec. 3(3) specifies horizontal agreements which include practices such as price-fixing, bid-rigging market allocation and output restriction. The Competition Commission of India (CCI) and the Director General (DG) assume primary responsibility for enforcing these provisions as they possess both investigative and adjudicatory powers which enable them to find and penalize cartel operations.

The digital economy and platform-based markets have experienced rapid growth which has brought about major changes to how competition law enforcement operates. Major platforms like Google, Amazon, Meta, Uber, etc. establish their digital platforms through multi-sided market structures which enable users from different groups to connect with each other through digital interfaces. The markets exhibit strong network effects which cause the platform value to rise when more users join the system. The digital platforms gain extensive gatekeeper authority as they expand their operations which allows them to manage access to markets and control pricing strategies and set the market conditions that businesses must follow on their platforms.

Another concern is the data monopolization which create a major problem for digital marketplaces. Digital platforms collect and process massive volumes of consumer and business data. The concentration of data in the hands of a few large enterprises increases anti-competitive practices and reduce market transparency. Digital markets have gained new collusion opportunities through the development of algorithmic coordination systems and artificial intelligence-based pricing systems. Algorithmic collusion enables cartels to operate without direct communication between their members, which creates challenges for detecting and prosecuting them. Competitors use automated pricing software, shared algorithms, or digital platforms to coordinate prices and market behavior in ways that are difficult for regulatory authorities to identify using conventional evidentiary standards.

The CCI protects consumer rights while ensuring fair competition across traditional and online markets. The CCI and the DG possess powers which enable them to conduct investigations and gather evidence through search and seizure operations while they have authority to impose penalties on companies that participate in cartel activities. Digital platform markets now require fresh enforcement solutions because they involve difficulties with electronic evidence, algorithmic pricing, cross-border data transfer and there is no means to prove collusion directly. Traditional enforcement methods which include dawn raids, direct evidence and leniency mechanisms need to undergo changes so that they can effectively manage anti-competitive practices which occur in the digital economy.³

The present research aims to investigate cartel laws in India by studying traditional enforcement practices together with current digital platform market enforcement methods. The study investigates the legal framework which governs cartels under the Competition Act 2002 and the investigation authorities of the CCI and DG. The research investigates the difficulties which arise during the process of detecting and prosecuting cartel activities within digital markets which involve algorithm-based coordination and platform supremacy and data-driven business operations.

³ Anik Bhaduri, 'Tackling Collusion in the Digital Marketplace: Is the Competition Act Enough?' NALSAR University of Law Research Paper, (2021).

Cartel Laws in India

Cartel in India

Cartels represent a major danger which disrupts the essential operations of a competitive market system. A cartel generally refers to an agreement, arrangement, or understanding among enterprises engaged in similar trade or business activities with the objective of limiting market competition. The parties involved in such agreements which enable them to control prices and production levels and distribution areas and bid processes and technological progress. The anti-competitive agreements lead to market distortions which create negative effects on consumer welfare through price increases, product quality declines, reduced consumer options and decreased product development. The Competition Act 2002 is a primary legal framework for cartel control in India as the law aims to prevent the practices which harm competition and to maintain market competition while protecting consumer rights and enabling unrestricted trade throughout Indian markets. The Act establishes a new competition law system which replaces the old system for controlling restrictive trade practices through provisions that follow worldwide antitrust standards. The Competition Act defines cartels as a major type of anti-competitive behavior which results in the law enforcement of severe penalties against all parties who participate in these activities.⁴

The CCI serves as the main authority which enforces competition law throughout India. The CCI possesses extensive powers which enable it to investigate cartel cases, pass orders, and impose penalties on the offenders. The DG of the Commission works as its investigative branch to support the CCI through his work on investigations, evidence collection, witness examination, and execution of search and seizure operations for suspected cartel activities. The CCI and the DG work together to safeguard market competition by preventing anti-competitive practices.

Cartels conduct their operations through hidden activities because their member companies want to stay undetected by law enforcement agencies. The enforcement process requires direct evidence which includes emails, meetings, messages, internal communications and agreements together with circumstantial evidence like parallel conduct, market behavior, pricing patterns and economic analysis. The introduction of digital technologies and algorithmic pricing systems in Indian markets makes it more challenging to detect and prosecute cartels because companies now coordinate their market activities through these systems without direct communication.

Digital platform markets in India continue to expand, which changes how cartels operate in the country. Digital platforms today operate through business models that use data and their pricing systems work through algorithms to create marketplaces for multiple user groups. Network effects combined with their ability to control extensive consumer data make these companies in e-commerce, digital advertising, online transportation, food delivery and online marketplaces powerful market entities. Algorithms, automated pricing software, shared data systems and platform-based operational systems enable anti-competitive

⁴ Tripti Gaur, 'Invisible Cartels in Digital Markets: Algorithmic Pricing and the Limits of Competition Law' (CBTL, 20 March 2025).

platforms to work together in digital environments which creates greater challenges for discovering cartels.⁵

The study focuses on the major cartel cases which have established key judicial decisions that show how they shape Indian laws. The research examines the enforcement challenges which India faces because of its low enforcement ability and its lack of public knowledge about cartels and the slow pace of judicial proceedings. The Competition Act 2002 defines cartels as market-based agreements which merchants use to restrict market access through their control over product delivery and price determination. The existing practices will damage consumer choice through their impact on pricing and product innovation and standardization and market service attributes.⁶

Cartel from MRTP to Competition Act, 2002

In India before 1991, in the pre-liberalization era period the socialist economy in government control considered the monopolies then the cartel specifically. The MRTP Act, 1969 introduced to help monopolistic and restrictive matters. It is the first Act to deal with the restrictive trade practices and regulate monopolies in India. The features of MRTP Act which focused on Monopoly control, and it is prohibiting restrictive trade policies. The legislations for the cartels were not clearly defined and there is a lack in imposing the criminal penalties for the cartel by establishing MRTP Commission.⁷ In the post-liberalization era in 1991 to 2002 the market driven economy increased in competition and effective cartel regulation. There is a lack in mentioning the competition issues by the MRTP Act. The Raghavan Committee in 1999 recommended a modern competition law deal with the anti-competitive practices which focuses on the cartel.⁸

Under Sec. 23 of Indian Contract Act it is about whether the agreement is illegal and when the court thinks it is not legal in nature with respect to the public interest. To replace MRTP Act, Competition Act, 2002, was enacted defining the prohibition of cartels under Sec. 3(3). The punishment for the cartel activities which gives heavy penalties like 10% of the company's turnover is to be paid as fine. The CCI was established in deal with the cartel enforcement and leniency legislations for the purpose to report the illegal cartel agreements in India⁹.

Legal Framework of Cartel Laws in India

Legal Provision and Authorities

Under Sec. 2(c) of the act says that the cartel includes the association of producers, the sellers, the distributors, the traders' involvement in the act of control with respect to the production. Sec. 3 of the Competition Act, 2002 covers the cartel activities where the companies entering into agreement regarding production of the goods to cause appreciable adverse effect in the market. Under Sec. 3 of the competition Act, 2002 which describes the

⁵ Tripti Gaur, 'Invisible Cartels in Digital Markets: Algorithmic Pricing and the Limits of Competition Law' (CBTL, 20 March 2025).

⁶ Anushka Iyer, Competition Law & India, an analysis of the test of illegality, LEXFORTI, <https://lexforti.com/legal-news/wp-content/uploads/2020/07/Competition-law-final.pdf>.

⁷ S.M. Dugar, *Commentary on MRTP Law, Competition Law and Consumer Protection Law* (4th edn, LexisNexis 2016).

⁸ Sumit Jain and Vikrant Singh, 'Competition in Digital Markets: An Indian Perspective' (2024) SSRN Electronic Journal.

⁹ Pritanshu Shrivastava and Anurag Gupta, legal and economic review of cartels in airline industry, a critical analysis, CUTS International, www.nlujodhpur.ac.in/downloads/clawcerque1.pdf

anti-competitive agreement and under Sec. 3(3) of the Competition Act, 2002 is about the horizontal agreement dealing with the same goods and services entered among between the parties in respect to duties of the same.

Under Sec. 2(h) of the Competition Act, 2002 which defines the enterprise which includes the engagement in the activities which includes production, supply and distribution of the goods and the services. Sec. 3(1) of the Competition Act, 2002 defines that no enterprise should enter into agreement regarding production, supply, distribution of goods and services. If found guilty of making cartels then according to Sec. 3(1) and Sec. 3(3) of the Competition Act, 2002 be violated and the punishment will be imposed for such violations. The jurisdiction of dealing with these cartel activities are with CCI and NCLAT. The Sec. 3(3) of the Competition Act, 2002 defines the agreement to determine the sale price, control in the production, collective bidding.

Cartelization and Judicial Interpretation

Cartel is an agreement entered by business and to cause appreciable adverse effect in the market. The cartel aims to create a monopoly because it raises prices beyond competitive market rates which harms consumer interests. The Competition Act 2002 establishes cartelization as a civil offence which serves as the legal prohibition against cartels. The Act mandates that both individuals and companies face punitive measures for their involvement in cartelization activities.

Sec. 27 of the Competition Act, the commission has authority to pass order against the business entities who are involved in cartel activity which is mentioned in Sec. 3 of the Act¹⁰. The penalty for such conduct the business entity needs to pay a fine amount which is 3 times of the gained profit or 10% of the total turnover of the business. The people who carried out the anti-competitive behavior will face punishment according to Sec. 48 of the Act and all people who participated in the business operations will also face legal consequences. The penalty for participating in cartel activities amounts to a maximum of three years of imprisonment.

The Hon'ble Supreme Court in the case of "*Excel Crop Ltd v Competition Commission of India*" after establishing essential elements which must be examined when assessing cartel cases. The length of time that cartel operations continued together with the methods which cartels created damages and the advantages which leniency programs offered to cartels. The Competition Act 2002 provides essential elements that need evaluation before authorities' issue penalties against organizations that engage in cartel activities. The assessment for cartel activities requires two elements which include the total damage that occurred and the business earnings from the cartel operations. The Commission received an order from the Act which dealt with Sec. 27 because it concerned the misuse of authority and power. The Supreme Court determined that Excel Crop Care Limited and other companies participated in anti-competitive practices through their execution of cartel activities. The court decision required that judges must evaluate both the duration of a cartel and its actual effects when they decide which penalties to impose against the cartel participants.¹¹

In "*Rajasthan Cylinders and Containers Ltd. vs. Union of India & Anr.*", decided on October 1, 2018, the court observed that there is no participation of any illegal bidding. Hon'ble

¹⁰ Mausam. (2016). Deterring Cartel in India: A Half (UN) Done Job? *Indian Journal of Law and Justice*, 7(1), 167–179. <https://ir.nbu.ac.in/handle/123456789/3031>

¹¹ *Excel crop ltd vs. Competition Commission of India* (2017) 8 SCC 47.

Supreme Court addressed allegations of cartelization among LPG cylinder manufacturers. The CCI had found that the manufacturers involved in bid-rigging violated Sec. 3(3)(d) of the Competition Act, 2002, which is relating to collusive bidding. The Court held that further information is needed to prove such violations¹².

In Case of “Madhya Pradesh Chemists and Distributors Federation (MPCDF) vs. Madhya Pradesh Chemists and Druggist Association (MPCDA) & Others” the court held that there is an adverse effect in respect to the competition and in accordance with Sec. 3 of the Act. The conduct was to limit and control the supply of drugs in the market under Sec. 3(3)(b) and Sec. 3(1) of the Competition Act. As a result of these cartel activities, the CCI imposed punishment on the involved associations and directed them to end such practices. This decision leads to CCI's commitment to establish unbiased competition in the pharmaceutical sector by punishing cartel practices that interference with market access and control supply¹³.

Enforcement Mechanism of Cartel in India

Enforcement Mechanism

The evidence in cartel cases is direct and circumstantial evidence, the concept of direct evidence which includes messages, email by the cartel participants, the circumstantial evidence which includes the way of communication, the conduct of the information. To establish the cartel case the CCI need to provide the details of the agreements made by the competitors in the market. The CCI and DG have the most power and duties when relating to the collection of the information and the evidence. The other duties of these officers in the cartel cases where they will search and seize the documents when relating to the cartel by way of collection of evidence in the raids to know about the anti-competitive conduct in the market. The important aspects of anti-competitive act in the cartel cases, the CCI will pass the administrative order under Sec. 26(1) of the Competition Act¹⁴. The CCI has power to pass the interim order under Sec. 33 of the Competition Act.

The CCI is empowered to give punishment for violation of any rules and regulations by the DG of CCI. The CCI will send the DG's report to the involved parties in the cartel case after the hearing process shows complete progress. After the hearing process ends the DG can record the statement by submitting a written application for witness examination and cross examination stages. The competition Commission should consider certain factors for example the application of disclosure, information provided to the government, the quality of the details provided by the applicant and circumstances of the cases. The CCI has the right to pass the final order in the cartel case; the order can be passed by the nature of violation of the competition laws.

The CCI can close the cartel case with respect to Sec 26(2) of the Competition Act by issuing the order when there is no evidence in such cases¹⁵. The investigation powers in India in relation to the cartel, as per Sec. 41 of the Competition Act, say that the investigation process should be carried out by the DG, under the direction given by the CCI. This would be in line

¹² Rajasthan Cylinders and Containers Ltd. v. Union of India & Anr., Civil Appeal No. 3546 of 2014.

¹³ Madhya Pradesh Chemists and Distributors Federation (MPCDF) vs. Madhya Pradesh Chemists and Druggist Association (MPCDA) & Others, 64 of 2014.

¹⁴ Sec. 26(1) of the Competition Act, 2002.

¹⁵ Sec. 26(2) of the Competition Act, 2002.

with regulation 20 of the CCI General Regulations, though it is not like a straight simple routine, it is kind of bounded by those directions¹⁶. Under Sec. 41(2) of the Competition Act, the power of DG is to enforce and summon a person, to carry out the examination, to discover and produce the document based on the information received¹⁷. Under Sec. 41(3) of the Competition Act, the power of DG is to start raids after the proceeding and getting the orders from Chief Metropolitan Magistrate. The raids should be taken only after the order given by CMM¹⁸. The CCI General Regulation especially focusing on the DG should submit the report and not more than 60 days from the direction of the CCI. In the application when there are 'sufficient reasons' mentioned then the reasonable period provided from the CCI for submitting such a report. If the report contains 'confidential information', then the DG is responsible to submit the report into parts¹⁹.

CCI General Regulation

The information needs to be shared before the stage of investigation by DG, and it is being initiated under Sec. 26. The important ingredients under Sec. 46 of the Competition Act dealing with the disclosure of the evidence by the applicants in relation to the cartel activities participated by them need to be provided to the commission which violate Sec. 3(3) of the Competition Act. The DG possesses authority under Regulation 35 of CCI General Regulations to grant document confidentiality protection when parties submit requests. The information needs to be shared with the public because it needs to be provided to employees and suppliers.²⁰.

The Regulation 41 of the CCI General Regulations give about the procedure for evidence by DG and cross-examination by the parties²¹. Regulation 43 of the CCI General Regulations is about the additional information during the investigation process. The power of the DG in the investigation of cartel cases, according to Sec. 36²². According to Sec. 53B of the Competition Act, the final order given by CCI can be appealed before NCLAT²³. The case before NCLAT can be referred before the Supreme Court of India within the period of 60 days mentioned under Sec. 53T of the Competition Act²⁴.

Cartel Enforcement in Digital Platform Markets

Nature of Cartels in Platform Markets

Digital platform markets operate differently from traditional market systems. The markets function as multi-sided platforms which depend on extensive data and use algorithms for both price determination and supply-demand matching. The markets allow cartelization through three main methods which include algorithmic coordination and digital interface

¹⁶ Sec. 41 of the Competition Act, 2002.

¹⁷ Sec. 41(2) of the Competition Act, 2002.

¹⁸ Sec. 41(3) of the Competition Act, 2002.

¹⁹ Mausam. (2016). Deterring Cartel in India: A Half (UN) Done Job? *Indian Journal of Law and Justice*, 7(1), 167–179. <https://ir.nbu.ac.in/handle/123456789/3031>.

²⁰ Reg. 35 of the CCI General Regulations.

²¹ Reg. 41 of the CCI General Regulations.

²² Reg. 43 of the CCI General Regulations.

²³ Sec. 53B of the Competition Act.

²⁴ Sakshi Gupta, Cartel Leniency in India: An Analysis, 5 (6) *IJLMH* Page 775 - 785 (2022), DOI: <https://doi.org/10.1000/IJLMH.113850>.

information sharing and common pricing software usage. Platform-based collusion functions differently from traditional cartels because it enables competitors to work together without creating formal contracts or direct contact with one another which makes detection methods more difficult. The use of circumstantial evidence and economic analysis therefore assumes greater importance in digital cartel cases.

Evidence and Investigation

Indian competition authorities use both direct evidence and circumstantial evidence to prove that cartels operate. The digital markets use electronic communications and data logs and pricing algorithms and platform policies as their primary evidence sources. Dawn raids and digital forensics serve as essential methods to detect concealed coordination activities. The CCI's growing focus on circumstantial evidence and parallel conduct and market analysis methods assists platform markets which lack conventional proof methods.

Leniency Programme

CCI's Leniency Programme

Cartels create market unfairness because their activities lead to significant negative consequences. The programs such as CCI's leniency program serves to encourage cartel members who provide evidence of their violations which include the Competition Act and their cartel activities to receive less severe penalties under CCI regulations from 2009. The Act permits all people and organizations to submit a leniency request to CCI which will decrease their penalties in return for complete disclosure of cartel members and their activities. Under Sec. 46 of the Competition Act, 2002 deals with lesser penalty to the producer, seller, distributor, trader or service provider. The CCI has the authority to prescribe penalties which range from 100 percent to 50 percent for the first leniency applicant and to 30 percent for all subsequent applicants who provide unknown information to the CCI during their application process. The cartel violation cases will grant leniency program benefits to all individuals who have engaged in illegal activities.²⁵

Lesser Penalty Regime under Competition Law

The individuals have the right to appeal power, and which will be approached before the NCLAT which is the appellent authority in enforcing competition law. Such rights are essentially dealt under Sec. 53B read with Sec. 53A. The penalty which is up to 10% of the turnover in the three preceding financial years is imposed by CCI. In some cases, in addition to that three times the profit or 10% of the turnover in each year in continuation with the cartel²⁶.

The documents required to apply lesser penalty the documents and information which is essential mentioned under schedule I. For the lesser penalty plus regime, the information is mentioned under schedule II. All such changes for to promote transparency in the cartel case, and to regulate efficiently²⁷. In the case of “Re: Cartelization in respect of tenders floated by

²⁵ Cartel crackdown India's leniency program odyssey, INDIACORPLAW, <https://indiacorplaw.in/2024/05/cartel-crackdown-indias-leniency-program-odyssey.html>.

²⁶ Ayush Pandey and Shivendra Nath Mishra, Leniency Regime in India: Recent Developments, 5 (4) IJLMH Page 984 - 994 (2022), DOI: <https://doj.org/10.1000/IJLMH.113446>.

²⁷ Seamà, Danilo, Competition law, cartel enforcement and leniency program, LUISS “Guido Carli” University, Rome, Italy, pp. 1-12, Available at SSRN: <https://ssrn.com/abstract=1360470> or <http://dx.doi.org/10.2139/ssrn.1360470>” (2008).

Indian Railways for supply of Brushless DC Fans and other electrical items”, the CCI authority has issued the order in the leniency regime for the first time and the case will be dealing with the supply of fans to the Indian railways and committed the act of bid-rigging. There is reduction in the punishment imposed by CCI and which is up to 75% given by CCI to the leniency applicant. The leniency plus facility will be given to only for the person who has applied first and called as first applicant. The applicant can withdraw the applications before the investigation report submitted to CCI by DG.

The effective investigation in the cartel case dealt with a leniency program under Sec. 46 of the Competition Act which is disclosing the information in exchange of the reduction in the penalty. The remedies for anti-competitive agreement which includes the cartel should not impose more than 10% from the turnover of the company. The solution to the Indian problem examines three specific challenges, which include insufficient enforcement resources, public unawareness of the issue, and delays that occur in judicial proceedings for cartel investigations.

The Indian system for cartel regulation encounters challenges because companies need to demonstrate collusion through evidence that is hard to obtain. The current penalties for cartel activities fail to provide sufficient deterrence against such illegal practices. Regulatory agencies face resource constraints which restrict their ability to implement effective enforcement operations.²⁸ The Competition Act of 2002 and its enforcement through the Competition Commission of India and the Supreme Court and National Company Law Appellate Tribunal (NCLAT) establish the framework for cartel regulation in India. The three entities function as fundamental components for explaining the regulatory obstacles that exist in cartel proceedings.

In *Re Cartelization by shipping lines 2014*, the CCI has collected the evidence which is the act of the by the four business enterprises. The suo moto case was filed in the year 2014 against the enterprises and they found that anti-competitive practice occurred which was relating to the maritime motor vehicle transportations and automobile original equipment manufacturing related matters. The act violated the provision of Sec. 3(1) and Sec. 3(3) of the Competition Act. After the stage of investigations conducted by the DG and to refer to the evidence gathered later the CCI will conclude that those involved in violations and the cartel activities took place in the company and enterprises. There was the evidence which was relating to the by way of the meetings, emails and some other contracts between the parties which are the evidence in this case. As the result of such act, it is held that the parties were discontinued the business conduct and the penalty was imposed to the parties²⁹.

In *Re: Anti-Competitive Conduct in the Paper Manufacturing Industry 2016*, the suo moto case was initiated against the paper manufacturing industry. The parties were involved in cartel activities relating to the price fixing of the printing and the writing of papers. There were common meetings and discussions were held in the trade associations which were related to fixing prices. Hence, in this case it was held that it violated the provision of Sec. 3(1) and Sec. 3(3) of the Competition Act³⁰. In *Re: Suo-Motu Case Against LPG Cylinder Manufacturers, Suo-Motu Case No. 03/2011, February 24, 2012*, in this case, the Competition Commission of India (CCI) has held that there were 44 LPG cylinder

²⁸ Vinod Dhall, *Competition Law In India*, (2nd ed. 2019.).

²⁹ In *Re Cartelization by shipping lines in the matter of legislation of maritime motor vehicle transport services to the original equipment manufacturers under Suo Motu Case No. 10 of 2014*.

³⁰ In *Re: Anti-Competitive Conduct in the Paper Manufacturing Industry, Suo Motu Case No. 05 of 2016 (CCI 2021)*.

manufacturers involved in the act of bid-rigging. It is found that the company was involved in bid rigging under Sec. 3(3)(d) of the Competition Act, 2002, which prohibits such bidding activities. In this case it is significantly pointed out about the investigations made by the CCI in the cartel. As a result of this, without any clear evidence the allegation is difficult to determine³¹. In Re alleged anti-competitive conduct in the beer market in India under Suo Motu Case No. 06/2017, this case is regarding guilty of cartelization where the CCI has passed the decision against five parties.

In 2021, it is dealing with four beer manufacturers which are called all India brewer's association. The beer manufacturer committed an act of cartelization in the beer manufacturing industry which is related to the price of fixing the beer. The DG in such cases ordered to conduct the investigations and after the report then the process of the oral agreements and then submission. The CCI held up penalties were imposed on them³².

Indian courts and tribunals have consistently recognised Cartelization as a serious civil offence under competition law. Decisions such as *Excel Crop Care Ltd. v. CCI* have laid down principles for penalty determination, emphasising proportionality and deterrence. Although most Indian cartel cases to date involve traditional industries, the jurisprudence developed by the CCI and courts provides a foundation for addressing Cartelization in digital platform markets, subject to contextual adaptation.

Penalties For Cartel Under Competition Act

Sec. 27 of the Competition Act about the penalties for the cartel cases the CCI as the power to impose the punishment which is up to 10 percentage of the turnover of the enterprises or the businesses in the three financial year and also up to three times higher of the profits by the individual or 10% of the turnover of the year will be continued with respect to cartel³³. Under Sec. 43A of Competition Act, deals with failure to give notice for combination, the factors or CCI having the power to impose penalty on persons or enterprises who are filing to give notice of combination under Sec. 6(2) and Sec. 6(4) of Competition Act³⁴. It is submission of information relating to enquiry under Sec. 20(1) of Competition Act³⁵. The factors to be considered by CCI with respect to Sec. 43A of Competition Act to be filled notice voluntarily with CCI, the conduct of the parties in response to the information in the enquiry. The factors to be considered for imposing the penalties on the individual committed cartel, the CCI can take into consideration by a company who is involved in such cartel activities will be responsible under Sec. 48 of Competition Act³⁶.

³¹ In Re: Suo-Motu Case Against LPG Cylinder Manufacturers, Suo-Motu Case No. 03/2011, February 24, 2012.

³² In Re alleged anti-competitive conduct in the beer market in India under Suo Motu Case No. 06/2017.

³³ Sec.27 of Competition Act, 2002.

³⁴ Sec. 43A of Competition Act, 2002.

³⁵ Sec. 20(1) of Competition Act, 2002.

³⁶ Sec. 48 of Competition Act.

Conclusion

Cartel regulation functions as the fundamental component which establishes enforcement methods for competition law throughout India. The Competition Act, 2002 establishes complete procedures which enable authorities to discover, study, and punish cartel activities. The digital platform market expansion requires a complete assessment of existing enforcement methods. Current methods which include circumstantial evidence and dawn raids and the leniency regime must change to meet the requirements of contemporary data-driven markets which use algorithms for their operations. India needs to strengthen its institutional capacity while developing better enforcement methods to achieve effective cartel control in its digital economy. The success of digital platforms depends on strong cartel enforcement because it maintains market integrity while fostering innovation and safeguarding consumer welfare.