

EXPLORING THE DECENTRALISATION OF COMPETITION LAW IN INDIA

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ABSTRACT

*This paper explores the potential for state-wise or regional adjudication in competition law enforcement in India, focusing on the legal and practical implications of decentralizing competition regulation. Currently, the Competition Commission of India (“**CCI/Commission**”) handles all competition-related matters, regardless of whether the market in question operates at a national level or within a single state or region. The Competition Act, 2002 (“**the Act**”), was enacted pursuant to Entry 21 of the Concurrent List of the Indian Constitution, which allows for both central and state legislation. Recently, the CCI has been faced with a growing strain on its resources that has impacted timely enforcement, this paper considers a shift towards possible state-level adjudication for cases that do not involve pan-India markets and the possibility of such a shift proving successful. Through an analysis of international jurisdictions the paper evaluates the advantages and challenges of decentralizing competition enforcement in India and its potential for aiding the Commission in adjudicating enforcement issues at a regional level.*

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I. INTRODUCTION

The Competition Act, 2002 was introduced to promote competition, prevent monopolistic practices, and protect consumer welfare in India. The CCI currently serves as the sole authority for enforcing competition law in India, with its responsibilities broadly categorized into merger regulation and enforcement against anti-competitive conduct.

Under its merger control advocacy mandate, the CCI reviews combinations—mergers, acquisitions, and amalgamations—to ensure they do not adversely affect competition within the relevant market. This function is time-sensitive and requires centralized expertise to facilitate seamless transactional activity. In contrast, enforcement involves investigating and adjudicating allegations of anti-competitive agreements, abuse of dominant position, and other practices that harm the function of markets. Unlike merger control, which is arguably national in scope (owing also to the size of the transaction and other jurisdictional thresholds), enforcement often involves regional or local markets i.e., not all markets operate on a pan-India scale, suggesting that a case may be made for decentralization to address jurisdiction-specific nuances effectively and reduce the CCI's caseload burden.

This paper explores whether it is possible to introduce state-wise or regional adjudication for competition law matters, leveraging the flexibility afforded by the Concurrent List under Schedule 7 of the Indian constitution.¹

II. IDENTIFICATION OF THE ISSUE

A. Challenges in Governance

The Raghavan Committee's recommendations suggested for the CCI to operate as an independent and quasi-judicial body, free from political and budgetary controls.² The CCI does have a degree of financial autonomy, though it is not entirely independent from government budgetary controls. The Commission operates with funding from the government, which means that while it has control over its operational spending, its overall financial resources are still subject to approval and oversight from the Ministry of Corporate Affairs.³

¹ The Constitution of India, 1950, Schedule 7, Entry 21.

² Report of the High Level Committee on Competition Policy and Law (Raghavan Committee, 2000).

³ 'Parliamentary panel expresses concern over CCI budget cuts' (The Hindu BusinessLine, 9 October 2024) <<https://www.thehindubusinessline.com/economy/parliamentary-panel-expresses-concern-over-cci-budget-cuts/article68735869.ece>> accessed 2 November 2024.

This independence was considered crucial for the CCI to effectively enforce competition law. However, recently there has been significant concern over the sharp reduction in budgetary allocation for the CCI under the Revised Estimates for 2023-24, which stood at approximately ₹50 crore.⁴ This marks a substantial decrease from the nearly ₹80 crore allocated in 2019-20.⁵ The downward trend in funding does not compliment the evolution of the law, especially since markets have grown more complex and dynamic.

The Commission also faces a human resource crunch due to which enforcement has slowed down. Since the year 2014-15, the Commission has not been at full capacity. Its highest strength was 133 members - or 67 per cent of its sanctioned capacity - in 2016-17 and 2018-19.⁶ Currently its strength is at 123 members. The last notification for the direct recruitment of personnel to the CCI was issued in 2017.⁷ Since then, there have been no major public notifications for recruiting fresh staff, indicating a potential slowdown in the expansion of its workforce.

B. Perceived Slowdown in Enforcement?

On October 25, 2022, the then Chairperson of the CCI Ashok Kumar Gupta retired upon attaining the age of 65 years, leaving the post vacant for almost 7 months.⁸ Towards the end of 2022 and first half of 2023, the CCI was without a quorum, pausing approval of transactions worth approximately USD 1.5 billion dollars.⁹ To address these concerns, the CCI invoked the 'doctrine of necessity' in February 2023 to assess combinations despite not having statutorily required quorum.

Towards the end of May 2023, Ms. Ravneet Kaur was appointed as the Chairperson of the CCI. However, the retirement and superannuation of other two existing Members again left the CCI without a quorum between August to September until the appointment of three new Members namely Mr. Anil Agarwal, Ms. Sweta Kakkad in September 2023, and Mr. Deepak Anurag in

⁴ 'Parliamentary Panel Expresses Concern Over CCI Budget Cuts' (BRICS Competition, 2023) <<https://www.bricscompetition.org/news/parliamentary-panel-expresses-concern-over-cci-budget-cuts>> accessed 18 October 2024.

⁵ *ibid.*

⁶ Varun Singh, 'Competition in peril? Challenges faced by the CCI' (Bar & Bench, 7 September 2024) <<https://www.barandbench.com/columns/competition-in-peril-challenges-faced-by-the-cci>> accessed 1 November 2024.

⁷ Vacancies Archive' (CCI) <<http://164.100.58.95/archives/vacancies?page=1>> accessed 1 November 2024.

⁸ Varun Singh, 'Competition in peril? Challenges faced by the CCI' (Bar & Bench, 7 September 2024) <<https://www.barandbench.com/columns/competition-in-peril-challenges-faced-by-the-cci>> accessed 1 November 2024.

⁹ Chandhiok & Mahajan Advocates and Solicitors, 'Merger Control in India: 2023 in Review' <https://www.lexology.com/library/detail.aspx?g=6e50d9ff-c3de-429b-8ae8-6d31ac624ff5#_ftn4> accessed 18 October 2024.

October 2023.¹⁰ The additional responsibility of handling anti-profiteering complaints under the Goods and Services Tax (“*GST*”) since December 1, 2022 has also increased the workload of the CCI.

The Raghavan Committee had suggested establishing Deputy Director Generals in various cities where CCI benches are located.¹¹ This recommendation emphasizes the importance of regional enforcement capability, allowing for localized investigations that can eventually lead to timely and efficient adjudication. Such a structure would mitigate the burden on the CCI’s central office. Such a structure was done away with at the time of implementation of the Act, however, the recommendation for the CCI to have the flexibility to create additional benches based on workload highlights the need for a dynamic approach to competition enforcement.

III. A CASE FOR STATE-WISE ADJUDICATION

A. Wider Scope of Decentralised Legislation

The implementation of state-wise adjudication could result in local market conditions being better understood and addressed, allowing for tailored regulatory responses that reflect the realities of each region. The need for decentralization of competition law adjudication in India arises from the sheer size of the population, the vast geographical expanse of the country, and the diversity of its regions. With over 1.4 billion people spread across 28 states and 8 union territories, India represents a mosaic of economic activities, market conditions, and consumer behaviours that are often regionally distinct.

A centralized adjudication mechanism, while effective for pan-India or multi-regional cases, may require some aid in addressing localized competition issues in a timely and nuanced manner. Regional markets in India frequently exhibit unique characteristics due to cultural and economic differences. Furthermore, the logistical challenges and costs associated with centralization could deter smaller businesses and regional stakeholders from seeking recourse under competition law. Decentralized adjudication, therefore, offers a practical and equitable solution by bringing the legal process closer to the affected markets, ensuring quicker resolution, and fostering greater accessibility and regional representation in the enforcement of competition law.

¹⁰ Chandhiok & Mahajan Advocates and Solicitors, ‘Merger Control in India: 2023 in Review’ <<https://www.lexology.com/library/detail.aspx?g=6e50d9ff-c3de-429b-8ae8-6d31ac624ff5>> accessed 19 October 2024.

¹¹ Report of the High Level Committee on Competition Policy and Law (Raghavan Committee, 2000).

Implementing regional adjudication could also lead to improved compliance with competition laws. The localized access to authorities can facilitate more effective monitoring and enforcement of competition laws, as regional regulators can engage directly with businesses and stakeholders to promote compliance. Furthermore, regional adjudication can foster a sense of accountability and responsiveness among local businesses.

B. Foundational Basis for Advocating Regional Adjudication

Indian competition law is currently organised as a centralised framework. However, given that the Act is enacted pursuant to Entry 21 of the Concurrent List—which covers “Commercial and industrial monopolies, combines, and trusts”—there is a constitutional basis for decentralizing the adjudication of competition matters to the states.¹² Since the Concurrent List allows both central and state governments to legislate on the same matters, it is possible, to implement state-wise or regional adjudication for competition law issues that are region-specific and do not impact pan-India markets. Such decentralization would not only reduce the heavy burden on the CCI, but it would also allow for quicker decision-making. States might be better positioned to address competition concerns in their own markets, which may have unique economic realities and challenges. Furthermore, state-wise adjudication would ensure that region-specific market dynamics are addressed efficiently without the need for escalation to a national body. This would maintain the CCI’s focus on matters that truly have national or cross-state border implications, while enabling a more efficient, tailored approach to local competition issues.

Going back to the recommendations of the Raghavan Committee Report prior to the establishment of the CCI. The Committee Report advocated for the establishment of permanent benches in metropolitan areas, other than Delhi, suggesting that these regional benches should handle cases that pertain to their jurisdiction.¹³ The committee suggested that permanent benches may be constituted at Delhi, Calcutta, Mumbai and Chennai, and further benches in other metropolitan centres may be decided by the Government from time to time based on the workload and experience.¹⁴ This would allow the CCI to better manage cases that are not uniformly applicable across India. The concept of regional benches is not merely about geographic distribution; it reflects the reality that not all markets operate on a pan-India basis. Localized adjudication would foster a deeper understanding of regional markets and issues. Of course, the

¹² The Constitution of India, 1950, Schedule 7, Entry 21.

¹³ Report of the High Level Committee on Competition Policy and Law (Raghavan Committee, 2000).

¹⁴ *ibid.*

Raghavan Committee made this recommendation as a part of a centralised Commission and it was not intended that the regional benches be set up or funded by state governments.

IV. EMBRACING MARKET NUANCES

In advocating for state-wise or regional adjudication within the Indian competition law framework, it is crucial to highlight instances where the CCI has defined the relevant geographic market in narrower terms than a pan-India scope. Such cases underscore the potential benefits of implementing a decentralized system for handling enforcement matters, particularly those confined to specific regions or states.

The *Chemist and Druggists Association cases* serves as a compelling example. The CCI addressed anti-competitive practices involving local chemist and druggist associations that restricted market entry and imposed unfair conditions on pharmacies.¹⁵ While the CCI's intervention was effective at curbing the associations' practices, a significant portion of the adjudication centred around conduct impacting defined local markets rather than a national scope.

Similarly, the *Builders' Association of India case* highlighted issues of cartelization within the cement industry that affected regional markets. In this case, the CCI defined the relevant geographic market as regional areas, where pricing strategies, supply restrictions, and market influence by builders and cement manufacturers varied considerably.¹⁶ The prices of cement varied considerably based on seasonality and festive seasons in different states.

In a case brought by Meru Travel Solutions Pvt. Ltd. against ANI Technologies Pvt. Ltd. and Uber India Systems Pvt. Ltd., the CCI delineated relevant markets across Hyderabad, Mumbai, Kolkata, and Chennai.¹⁷ This segmentation was not uniform; rather, each city's unique consumer behaviour and competitive dynamics informed distinct market definitions, underscoring regional variations that impact competition law application. In every city other than Kolkata the CCI defined the relevant market as the "market for radio taxi services," focusing exclusively on app-based radio taxi providers such as Ola and Uber. This definition underscores the predominance of app-based taxis, with traditional taxis or alternative public transport modes not viewed as close substitutes. Kolkata emerged as an exception among the cities, with the relevant market defined as the "market for radio taxi and yellow taxi services." The CCI recognized that, in Kolkata, radio taxis and

¹⁵ *Chemists and Druggists Association and Ors v Competition Commission of India* (COMPAT, 30 October 2015) Appeal Nos 21/2014 to 28/2014.

¹⁶ *Builders Association of India v Cement Manufacturers' Association and Others*, Case No. 29 of 2010, 20 June 2012.

¹⁷ *Meru Travel Solutions (P) Ltd. v. ANI Technologies (P) Ltd.*, Case No. 25 of 2017, 20 June 2018.

traditional yellow taxis were perceived as interchangeable by many consumers. This unique delineation reflects local commuting preferences, where both radio taxis and yellow taxis are relied upon regularly and compete directly for ridership. This case exemplifies how regional adjudication could better capture these nuances.

The real estate sector in India is highly fragmented and varies significantly across states due to differences in state-specific regulations, land acquisition policies, and local real estate practices and economies. An illustrative case is the *DLF Limited*, where DLF was found guilty of abusing its dominant position by imposing unfair conditions on apartment buyers in Gurgaon, Haryana.¹⁸ Although the CCI's centralized intervention provided the necessary legal response, in that one matter, a regional competition authority might have been able to aid the investigation with an in-depth understanding of the local market's specificities, regulatory environment, and consumer expectations in the subsequent cases that reached the CCI within the real estate sector.

The constitutional backing for such a framework is evident in the Competition Act, 2002, which was enacted under Entry 21 of the Concurrent List, permitting concurrent regulatory powers by both central and state authorities. Leveraging this constitutional foundation, state-wise or regional adjudication could be implemented without disrupting the overarching objectives of competition policy.

V. ANALYSING THE IMPLEMENTATION OF DECENTRALIZED COMPETITION LAW IN FOREIGN JURISDICTIONS

A. International Jurisdictions

In the European Union (“*EU*”), competition law enforcement transitioned from a highly centralized model to a more decentralized framework under Regulation 1/2003.¹⁹ This shift was driven by the need to address inefficiencies in the central system, which had become overburdened due to the growing number of member states and increasing case complexity. The decentralized model empowered National Competition Authorities (“*NCA*s”) and national courts to handle cases within their jurisdictions, allowing the European Commission to focus on cross-border matters with significant implications. The EU model cannot be directly implemented in India

¹⁸ *Belaire Owners' Association v DLF Limited*, HUDA & Ors. Case No, 19 of 2010, 3 January 2013.

¹⁹ Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty [2003] OJ L 1/1 <<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32003R0001>> accessed 2 November 2024.

because the EU comprises of sovereign nation-states, whereas India operates as a single federal entity, we may still use the model to draw valuable insights from the EU model for certain aspects.

Brazil also initially adopted a decentralized competition law framework, allowing regional authorities to address anti-competitive practices within their jurisdictions.²⁰ Without mechanisms for collaboration or information sharing, regional authorities operated independently, resulting in inefficiencies and enforcement gaps. To address these issues, Brazil centralized enforcement under CADE, ensuring uniformity and legal certainty for businesses operating across jurisdictions. While centralization improved consistency and efficiency, it overlooked the benefits of localized enforcement, such as proximity to regional markets and a better understanding of local dynamics.

The United States' antitrust enforcement framework balances federal oversight with state-level involvement, creating a robust dual system of enforcement. Federal agencies like the Department of Justice (“*DOJ*”) and the Federal Trade Commission (“*FTC*”) lead antitrust enforcement efforts, while state attorneys general play a complementary role. These measures strengthened states' capacity to address region-specific market concerns, allowing for a more comprehensive approach to antitrust enforcement. Cases like the Microsoft antitrust litigation highlighted the value of multistate coordination, where state attorneys general worked alongside the DOJ to address both national and local impacts of anti-competitive behaviour.

B. Applicability of the Models to India

India's federal structure and the nature of its competition law enforcement present unique challenges and opportunities for adapting decentralized models from foreign jurisdictions. While the experiences of the EU, Brazil, and the United States provide valuable lessons, any application of these models in India must account for its distinct legal, economic, and constitutional framework.

The EU model, with its decentralized enforcement framework under Regulation 1/2003 and the ECN, demonstrates how National authorities can effectively address local competition concerns while ensuring consistency through centralized oversight. However, since EU's decentralized approach is rooted in the structure of sovereign nation-states, each with its own legal systems and economic policies, it would not be an appropriate example for implementation in India. India comprises of states that do not have the same degree of autonomy. Indian competition law must

²⁰ B Kira, ‘The Politics and Economics of Brazilian Competition Law’ (2023) (11) Latin American Law Review 21-52 <<https://doi.org/10.29263/lar11.2023.02>> accessed 1 November 2024.

strike a balance between the aim of uniformity, which is critical to maintaining legal consistency, and the flexibility required to address region-specific concerns. While merger control, given its national and cross-border implications, must remain centralized, aspects of enforcement such as addressing regional cartels or vertical restraints could benefit from localized mechanisms. A system where state authorities handle preliminary investigations and refer cases to CCI when broader implications arise could ensure efficiency without compromising uniformity.

Brazil's initial decentralized framework offers a cautionary tale for any suggested remodelling of competition legislation in India. While regional authorities were effective in tailoring enforcement strategies to local market conditions, the absence of a coordination mechanism resulted in inconsistencies and inefficiencies. The subsequent centralization of enforcement under CADE ensured uniformity but sacrificed the advantages of localized enforcement. For India, a hybrid model that incorporates lessons from Brazil could work. States could conduct preliminary investigations into regional anti-competitive practices and share findings with the CCI, which would retain adjudicatory authority for cross-border or multi-state cases. This approach would allow for flexibility in addressing regional dynamics while avoiding the pitfalls of fragmented enforcement.

The United States' dual enforcement model, with both federal agencies like the DOJ and FTC and active participation from state attorney general, highlights the benefits of collaboration between centralized and localized enforcement bodies. Through legislative measures such as the Hart-Scott-Rodino Act, state-level authorities are empowered to participate in antitrust investigations alongside federal agencies, creating an integrated enforcement framework. This collaborative model is particularly relevant to India, as it demonstrates how localized authorities can contribute valuable insights into regional market dynamics while working in tandem with a central authority. India could also establish a coordination mechanism akin to the National Association of Attorneys General ("NAAG"), enabling state and central authorities to share resources and collaborate effectively.

For India, the key lies in implementing a structure that leverages the strengths of both centralized and localized enforcement. While merger control should remain centralized due to its inherent complexity and need for uniform standards, localized enforcement could address region-specific competition concerns more efficiently. For example, state authorities could investigate regional cartels or vertical restraints, and where these practices extend beyond state boundaries, cases could be escalated to the CCI, with the initial investigation report. Such a mechanism would not only reduce the CCI's investigatory burden but also foster quicker, more focused resolutions.

Additionally, enabling states to collaborate with the CCI could enhance enforcement capabilities. States could act as a first line of defence, identifying and investigating regional anti-competitive practices and presenting their findings to the CCI for further action. This approach would align with India's constitutional framework, which allows for concurrent legislative powers under the State List and Concurrent List. Such a system would also reassure businesses that their concerns are being addressed efficiently, as local authorities could provide quicker resolutions without prolonged delays at the central level. The reduced central funding for the CCI is another reason why states may have to step in to fund competition authorities where competition enforcement is considered a priority.

Ultimately, India's adoption of decentralized elements must focus on assisting the CCI rather than replacing its authority. By implementing a hybrid approach that integrates regional insights with centralized oversight, India could achieve a balance between uniformity and flexibility, ensuring that its competition law enforcement framework remains robust, efficient, and responsive to the diverse economic realities of its people.

VI. PRACTICAL IMPLICATIONS FOR BUSINESS OWNERS

The implementation of a decentralized or hybrid competition law enforcement framework in India could bring transformative benefits to businesses. While the primary objective of competition law is to maintain market fairness and protect consumer welfare, a well-functioning and responsive enforcement mechanism significantly enhances the operational landscape for businesses. Timely and efficient resolution of competition-related issues enables businesses to operate with greater confidence, reduces regulatory uncertainties, and fosters an environment conducive to innovation and growth.

Under a centralized system, businesses often face prolonged delays in the resolution of cases due to the limited resources and growing caseloads of the CCI and the appellate authorities. These delays can disrupt business operations, particularly for smaller enterprises with fewer resources to navigate complex legal processes. A decentralized or hybrid model, leveraging the capabilities of regional authorities, can reduce procedural bottlenecks. Localized investigations and adjudication could expedite case resolution, ensuring businesses can quickly address disputes and refocus on their core activities.

For example, region-specific issues such as localized cartels or anti-competitive practices often require detailed knowledge of local market conditions. A regional authority equipped with

expertise in local economic dynamics could efficiently resolve such cases without the need for escalation to a central body. This not only reduces the burden on the CCI but also creates a more predictable regulatory framework, allowing businesses to plan and allocate resources with greater certainty.

The prolonged duration of centralized investigations often results in substantial legal and compliance costs for businesses. These costs are exacerbated when investigations extend over multiple years, causing reputational damage, operational disruptions, and financial strain. A decentralized system that resolves regional cases locally could significantly reduce these expenses. Businesses would benefit from reduced travel and litigation costs, as cases would be handled closer to their operational bases.

Moreover, regional adjudication could create opportunities for businesses to engage directly with local authorities, facilitating quicker resolutions through better communication and understanding of local market dynamics. The resulting cost savings could be redirected toward innovation, capacity building, and market expansion.

A decentralized enforcement framework would also strengthen trust between businesses and consumers by demonstrating swift action against anti-competitive practices at the local level. Localized enforcement ensures that consumer grievances and market distortions are addressed promptly, fostering a healthier and more competitive market environment. In turn, businesses benefit from enhanced consumer trust and loyalty, critical for long-term sustainability.

Regional authorities could address consumer complaints against local monopolies or unfair trade practices more effectively than a centralized body, given their proximity to the issues. By creating a more consumer-responsive enforcement system, businesses can position themselves as reliable and consumer-centric entities.

Small and Medium Enterprises (“*SMEs*”) are particularly vulnerable to anti-competitive practices such as abuse of dominance and cartelization. These enterprises often lack the resources to engage with a centralized regulatory body located far from their operational bases. A decentralized framework could provide SMEs with easier access to justice, ensuring their concerns are heard and resolved efficiently.

SMEs operating in regional or niche markets may face barriers such as predatory pricing or exclusionary tactics by larger competitors. A localized enforcement mechanism could address such

challenges more effectively, empowering SMEs to compete on a level playing field. This would encourage entrepreneurship and contribute to the overall dynamism of the Indian economy.

A decentralized framework could enhance compliance with competition laws by creating a stronger deterrent effect. Businesses are more likely to adhere to fair competition practices if they perceive enforcement as swift and omnipresent. The presence of regional authorities with investigatory powers ensures that anti-competitive behaviours are more likely to be detected and addressed promptly, reducing the scope for prolonged violations.

Additionally, localized investigations can uncover region-specific practices that may otherwise go unnoticed in a centralized system. This creates a more robust enforcement regime.

Efficient enforcement of competition laws plays a critical role in fostering economic growth. By addressing anti-competitive practices and market distortions, a decentralized framework creates a fair and competitive environment that promotes innovation and investment. Businesses, freed from the burden of prolonged disputes and anti-competitive barriers, can allocate resources to expansion and job creation.

Moreover, regional enforcement authorities themselves could contribute to local economic development by creating employment opportunities in regulatory, legal, and administrative roles. These authorities would require skilled personnel to manage investigations and adjudications, contributing to the professional ecosystem in the regions.

VII. EMPOWERING REGIONAL OFFICES AND STATE COUNCILS

When the CCI was established, the centralized model was seen as a way to ensure consistent enforcement of competition law, as fragmentation was thought to lead to varying interpretations and applications of competition norms by different states, potentially undermining the law's efficacy.²¹

With a view to expand its nexus and enhancing its regional presence, the CCI set up Regional Offices to engage with key stakeholders such as state governments, PSUs, and industry bodies. These offices help in filing cases, facilitating investigations, and coordinating with the Delhi office for follow-up and court cases.²² While the establishment of regional offices is a positive

²¹ V Pingali and others, 'Competition Law in India: Perspectives' (2016) 41(2) *Vikalpa: The Journal for Decision Makers* 168 <<https://doi.org/10.1177/0256090916647222>> accessed on accessed 18 October 2024.

²² *ibid.*

development, it falls short of state or regional adjudication since these offices do not possess adjudicatory powers, and the responsibility for adjudication continues to rest solely with the CCI. Decentralization or localized investigation mechanisms could significantly aid the CCI in addressing regional market complexities and expedite the resolution of cases. To expand their utility, regional offices could be endowed with investigatory capabilities, enabling them to manage initial complaints, conduct preliminary assessments, and gather evidence in coordination with local stakeholders.

This approach to decentralization must operate within the bounds of the centralized framework to avoid jurisdictional overlap and ensure consistency in enforcement. Regional offices, under the direct oversight of the CCI, could function as investigative arms with enhanced operational autonomy. By focusing on region-specific concerns, these offices would provide localized expertise and efficiency while preserving the unified application of competition law. For instance, they could manage preliminary investigations into localized anti-competitive agreements, market-distorting practices, or abuse of dominance cases that lack national implications. Once investigations are complete, these findings could be referred to the central authority for adjudication, ensuring that decisions adhere to a standardized interpretation of the law while expediting the resolution process for regional cases.

To bolster the capacity and effectiveness of these regional offices, an additional mechanism could involve the establishment of state advisory councils. These councils would consist of representatives from state governments, industry associations, local businesses, consumer advocacy groups, and legal experts. The inclusion of diverse stakeholders would ensure a multidimensional approach to competition law enforcement. Their primary functions would include identifying emerging market trends and concerns, gathering complaints from regional stakeholders, and making preliminary assessments to aid investigative efforts. By serving as advisory bodies to regional offices, these councils would act as the first line of defence against localized anti-competitive practices while providing critical insights into the nuances of regional market dynamics.

This model would enable states to actively contribute to competition law enforcement without necessitating a drastic overhaul of the existing framework. State advisory councils could also function as intermediaries, fostering a cooperative dialogue between the CCI and state-level stakeholders. This interaction would ensure that region-specific issues are effectively integrated into the national competition framework, thereby achieving a balance between localized responsiveness and centralized consistency. For instance, regional offices and advisory councils

could collaborate to assess the competitive impact of state-level industrial policies, local procurement practices, or specific market disruptions caused by regional players. Such mechanisms could enhance the granularity of enforcement actions while reducing the CCP's overall caseload.

By structuring advisory councils as collaborative entities rather than independent adjudicatory bodies, the integrity of the centralized competition enforcement framework would remain intact. This safeguards the benefits of centralization, such as uniform application of laws and predictability for businesses operating across jurisdictions. Over time, as the councils and regional offices gain experience and demonstrate their capabilities, their scope and responsibilities could be gradually expanded in a phased and measured approach. This iterative model would provide a practical pathway to decentralization, allowing for adjustments based on the performance and efficacy of these regional mechanisms.

VIII. CONCLUSION

This paper explores the possibility of decentralizing competition law enforcement in India, presenting it as a line of inquiry worthy of further examination. While the study does not advocate for or propose decentralization as the only solution, it identifies the constitutional, practical, and economic factors that make it a topic of significance within India's federal structure.

By examining international experiences, the paper situates this exploration within a broader comparative context, highlighting both the potential benefits and challenges of introducing localized adjudication mechanisms.

This line of inquiry underscores the importance of balancing centralized oversight with regional responsiveness, particularly in a country as diverse as India. However, it remains an open question whether such decentralization is necessary, feasible, desirable, or even possible in the Indian context. The considerations presented here aim to contribute to ongoing discussions in this area, inviting further research and debate rather than prescribing a definitive course of action.