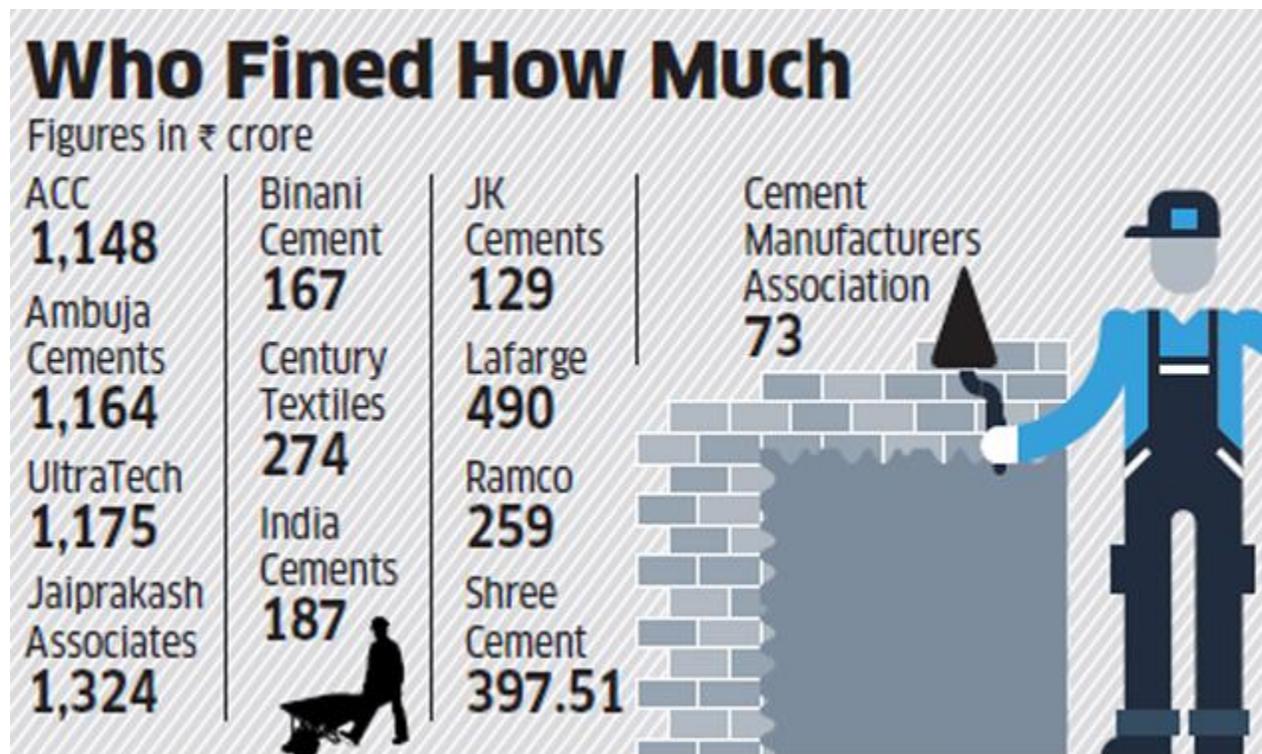


11 cement companies, including ACC, Ultratech & Lafarge, fined Rs 6,700 crore for cartelization: The Economic Times

The Competition Commission of India asked 11 cement companies and their lobby group Cement Manufacturers Association (CMA) to pay a fine of Rs 6,714 crore (see graphic) for alleged cartelisation, standing by its previous orders that the antitrust watchdog was asked to reconsider. It also held the lobby group of these manufacturers guilty of facilitating price collusion.

The CCI reconsidered the matter after the Competition Appellate Tribunal last December set aside its orders and asked the watchdog to take up the case afresh.

In 2012, it had ordered 10 companies to pay Rs 6,317 crore after the Builders Association of India accused them of fixing prices. Separately, it had imposed a Rs 397 crore fine on Shree Cement.



Cement companies are likely to appeal the order in the appellate tribunal. A final decision could take years to come as any decision will be subject to further appeals.

The CCI noted that the cement companies used the CMA platform and shared details relating to prices, capacity utilisation, production and dispatch, which allowed them to

restrict supplies in the market, the government said in a statement on the commission's order.

"CCI also found the cement companies to be acting in concert in fixing prices of cement," it said.

On Wednesday, the CCI directed the association to disengage and disassociate itself from collecting wholesale and retail prices through member cement companies or otherwise.

"The action of the cement companies and CMA is not only detrimental to the interests of consumers but also as detrimental to the whole economy, as cement is a critical input in construction and infrastructure industry - and thus vital for the economic development of the country," the CCI said in its order.