



**COMPETITION COMMISSION OF INDIA**

**Ref. Case No. 01 of 2015**

**In Re:**

**Department of Sports  
Ministry of Youth Affairs & Sports  
Government of India  
Shastri Bhawan, New Delhi**

**Informant**

**And**

**Athletics Federation of India  
WZ-72, Todapur Man Road  
Dev Prakash Shastri Marg, New Delhi**

**Opposite Party**

**CORAM**

**Mr. Sudhir Mital  
Member**

**Mr. Augustine Peter  
Member**

**Mr. U. C. Nahta  
Member**

**Mr. M. S. Sahoo  
Member**

**Mr. G. P. Mittal  
Member**

**Appearances:**

***For the Informant:***

**Dr. Sagar Preet Hooda, Director of Informant**

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Shri A. K. Patro, Under Secretary of Informant

**For Opposite Party:**

Shri Hemant Raj Phalpher, Advocate

Shri Parth Goswami, Advocate

**Order under Section 26(1) of the Competition Act, 2002**

1. The Commission has considered the present matter based on a reference/ information filed by the Department of Sports, Ministry of Youth Affairs & Sports, Government of India ('**Informant**') under Section 19(1)(b) of the Competition Act, 2002 (the '**Act**'). The reference/ information was filed against Athletics Federation of India ('**OP**'/ '**AFI**') for its alleged anti-competitive conduct.
2. It is stated in the reference that the primary objective of OP is to promote the sport of athletics in India for which the Government of India has given recognition to it and also provides financial assistance from time to time for its functioning. Besides financial support from the Government of India, OP is also generating a large sum of money through sponsorship, royalty *etc.* while organising various national and international athletic events.
3. Informant is stated to be aggrieved by the decision taken by AFI in its Annual General Meeting (AGM) held on 11-12 April, 2015 to take action against the state units/ officials/ athletes who encourage unauthorised marathons without taking permission of AFI. The relevant excerpt from the minutes of the said meeting of OP is produced below:

*“The House unanimously approved to take action against the state units/ officials/ athletes and individuals who encourage the unauthorised marathons and become part of such marathons where AFI permission was not taken and it was made mandatory to seek*



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*permission of AFI before organizing any road race/ marathon on national and international level.”*

4. Informant has alleged that the above decision of OP is anti-competitive and is not conducive for development of the sport of athletics at the grass-root level. It is averred that such a decision of AFI will have an adverse impact on promotion of sports and protection of the interest of sports persons and will prohibit healthy competition. Accordingly, Informant has requested the Commission to initiate action against AFI under various Sections of the Act.
5. The Commission has perused the available material on record and heard Informant and OP through their representatives.
6. To examine the allegations of Informant in terms of Section 4 of the Act, first it is to be determined whether OP is an enterprise or not within the meaning of Section 2(h) of the Act. The assessment of whether an entity is an ‘enterprise’ or not is to be done based on the activities of the entity under consideration. It is observed that in the instant case, the entity in question *i.e.* AFI has been engaged in organising various national and international athletic events and generating revenue out of such activities through various means such as royalty, sponsorship, *etc.* The said activities of AFI can be aptly termed as economic activities and hence, AFI stands covered within the meaning of ‘enterprise’ in terms of the provisions of Section 2(h) of the Act.
7. Next, Section 2 (r) of the Act defines the relevant market as *“the market which may be determined by the Commission with reference to the relevant product market or the relevant geographic market or with reference to both the markets”*. Since the allegations of Informant pertain to the conduct of OP in providing services relating to organisation of athletic events, the relevant product market in the instant case would be the market for *‘provision of services relating to organisation of athletics/ athletic activities’*. It is observed that provision of services relating to organisation of athletic events is



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distinct and cannot be substituted with any other related products/ services. The relevant geographical market in this case may be taken as 'India' because OP organises various national and international athletic events throughout India. Accordingly, the relevant market in the instant case is the market for *'provision of services relating to organisation of athletics/ athletic activities in India'*.

8. In regards to dominance, it is observed that OP has been recognised by the Government of India for promotion of athletics in the country. It is stated on the website of OP that *"it is the apex body for running and managing athletics in India and affiliated to the International Association of Athletics Federation (IAAF), Asian Athletics Association (AAA) and Indian Olympic Association. The AFI has as many as 32 affiliated state units and institutional units. The AFI came into existence in 1946 and the federation organises the National Championships, trains the Indian Athletics National Campers, selects the Indian Athletics Teams for various international competitions, including the Olympics, Asian Games, CWG, IAAF World Championships, Asian Championships and other international meets, conducts the National Championships for various age categories. Besides, the AFI conducts international and national championships and various meets to promote the sport and popularize it amongst the masses and make athletics commercially attractive for the further growth of the athlete and the sport. The federation also supervises and assists its state units in their activities, plans and sets up special coaching camps, coaches training and takes initiatives for development programme and grass root promotion of athletics in India."*
9. The Commission observes that OP being the apex body for managing athletics in India and by virtue of its association with IAAF, AAA and Indian Olympic Association, it is controlling athletic activities in the entire country. Further, OP also conducts national, international athletic meets in the country. Also, it has thirty two affiliated state units and institutional units and it conducts national championships and selects Indian Athletics Teams for various



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international competitions. Thus, in relation to organisation of athletic activities in India, OP is the supreme authority having control over all such events and activities. Therefore, the Commission is of the view that OP is dominant in the relevant market of ‘provision of services relating to organization of athletics/ athletic activities in India’.

10. In regards to the allegation of abuse of dominance under Section 4 of the Act, it is observed that para 13 of the minutes of AGM dated 11-12 April, 2015 of OP appears to be unfair which states that *“the House unanimously approved to take action against the state units/ officials/ athletes and individuals who encourage the unauthorised marathons and become part of such marathons where AFI permission was not taken and it was made mandatory to seek permission of AFI before organising any road race/ marathon on national and international level.”* It appears that by virtue of its dominance in the relevant market, OP is trying to impose discriminatory conditions like mandatory permission for conducting national and international marathon meets and it is thereby restricting the entry of new entrants into the relevant market. The said conduct of OP *prima facie* appears to be abuse of dominant position by OP in terms of the provisions of Section 4 of the Act.
11. With regard to contravention of the provisions of Section 3 of the Act in the matter, the Commission observes that the information does not disclose any kind of agreement which can be termed as anti-competitive in terms of any of the provisions of Section 3 of the Act.
12. Based on the above, the Commission is of the view that there exists a *prima facie* case of contravention of provisions of Section 4 of the Act by OP, and that it is a fit case for investigation by the Director General (the ‘DG’). Accordingly, under the provisions of Section 26(1) of the Act, the Commission directs the DG to cause an investigation into the matter and to complete the investigation within a period of 60 days from the receipt of this order.



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13. In case the DG finds that OP has acted in contravention of the provisions of the Act, he shall also investigate the role of the officials/ persons who at the time of such contravention were in-charge of and responsible for the conduct of the business of OP. The Commission makes it clear that nothing stated in this order shall tantamount to a final expression of opinion on the merits of the case and the DG shall conduct the investigation without being swayed in any manner whatsoever by the observations made in this order.
14. The Secretary is directed to send a copy of this order along with the information and the documents filed therewith to the Office of the DG forthwith.

**Sd/-**  
**(Sudhir Mital)**  
**Member**

**Sd/-**  
**(Augustine Peter)**  
**Member**

**Sd/-**  
**(U. C. Nahta)**  
**Member**

**Sd/-**  
**(M. S. Sahoo)**  
**Member**

**Sd/-**  
**(Justice G. P. Mittal)**  
**Member**

**New Delhi**  
**Dated: 16.03.2016**