

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 673
ANSWERED ON TUESDAY THE 13TH DECEMBER, 2022**

CARTELISATION BY TYRE COMPANIES

QUESTION

673. SHRI ELAMARAM KAREEM:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Competition Commission of India (CCI) has found that any tyre companies indulged in cartelisation to increase prices of certain tyre variants recently;
- (b) the tyre companies that indulged in cartelisation and the action taken against them by Government;
- (c) in what way this cartelisation affected the Indian tyre market; and
- (d) whether Government has taken any new initiative to put an end to such tendencies in light of this incident, if so, the details thereof?

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING; AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS.

(RAO INDERJIT SINGH)

(a) to (d): The Competition Commission of India ('Commission'), passed an Order dated 31.08.2018 under section 27 of the Competition Act, 2002 ('Act'), against five Tyre manufacturing companies and their association for indulging in cartelization during the period 2011-2012. The Commission found that the tyre companies and their trade association had indulged in cartelisation by acting in concert to increase the prices of certain types of tyres sold by them in the replacement market and to limit and control production and supply in the said market, thereby contravening the provisions of Section 3(3)(a) and 3(3)(b) read with Section 3(1) of the Act. Apart from issuing a cease and desist order against the tyre companies and their trade association, the Commission imposed penalties of Rs. 425.53 crore on Apollo Tyres Ltd., Rs. 622.09 crore on MRF Ltd., Rs. 252.16 crore on CEAT Ltd., Rs. 309.95 crore on JK Tyre and Industries Ltd., Rs. 178.33 crore on Birla Tyres Ltd. and Rs. 8.41 Lakh on their association i.e. Automotive Tyre Manufacturers Association (ATMA) respectively.

The Commission has been undertaking various initiatives from time to time to ensure effective competition and fair play in the market. These, inter-alia, include conducting market studies on relevant sectors, advocacy outreach initiatives, opening of regional offices, conducting roadshows on competition laws & practices, upgradation of IT infrastructure and increased use of technology in its functioning.
