

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
RAJYA SABHA**

UNSTARRED QUESTION NO. 1652

ANSWERED ON TUESDAY, THE 10TH DECEMBER, 2024 / 19 AGRAHAYANA, 1946 (Saka)

CARTELISATION IN THE TYRE INDUSTRY

QUESTION

1652 Shri A. A. Rahim

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether CCI found MRF, CEAT, JK Tyres, Apollo and Birla Tyres operating as a cartel in its 2014 investigation and the legal grounds thereof;
- (b) whether these companies were found guilty and paid the imposed fines;
- (c) which company was fined the most and why;
- (d) whether Government noted and acted on cartelisation in tyre industry;
- (e) whether Automotive Tyre Manufacturers Association (ATMA) or manufacturers submitted representations on cartelisation or CCI findings and Government's response thereto;
- (f) whether any litigation exists regarding this case, the details thereof; and
- (g) whether the decline in natural rubber prices led to lower tyre prices and if not, reasons therefor and Government's actions thereon?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS AND
MINISTRY OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(SHRI HARSH MALHOTRA)

(a): Competition Commission of India (CCI) in its final order dated 31.08.2018 passed in Reference Case No. 08 of 2013 found MRF, CEAT, JK Tyres, Apollo and Birla Tyres guilty of indulging in cartelisation under the aegis of their association Automotive Tyre Manufacturers Association (ATMA), during 2011-12. The Commission had found that these tyre companies, by acting in concert, increased the prices of certain tyre variants sold by each of them in the replacement market and limited and controlled the production and supply in the said market.

(b) to (d): These companies were found guilty by the Commission of contravention of the provisions of Section 3(3) read with Section 3(1) of the Competition Act, 2002. The penalties

were calculated by the Commission at the rate of 5% of the average turnover of the companies for the last three preceding financial years. Since MRF had the highest average turnover in the past three financial years i.e. 2011-12, 2012-13 and 2013-14, the penalty imposed on it was the highest. The penalty imposed by the Commission was set aside in appeal by National Company Law Appellate Tribunal (NCLAT) vide its order dated 01.12.2022.

(e) & (f): No representation has been received from ATMA in this regard. The details of the litigation regarding this case are as follows:

(i) Reference Case No. 08 of 2013 of CCI: CCI Vs. CEAT Limited, C.A. No. 001559 - 001571 / 2023, pending before the Hon'ble Supreme Court against the final order passed u/s 27 of the Competition Act and judgement dated 01.12.2022 passed by NCLAT thereon.

(ii) Reference Case No. 01 of 2019 of CCI: Writ Appeals 2904 & 2906/2024, CCI v. MRF are pending before the Division Bench of Hon'ble Madras High Court against the investigation and prima facie order passed by the Commission. Earlier, the single Judge of Hon'ble Madras High Court had partly allowed the writ petitions (6502 and 6497/2024) preferred by MRF. Against these orders, the writ appeals were preferred by CCI which are pending before the Division Bench of Hon'ble Madras High Court.

(iii) On similar grounds, WP No. 12443/2024, filed by Apollo Tyres against CCI is also pending before Hon'ble Delhi High Court.

(g): The price of Natural Rubber and Tyre is not regulated by Ministry of Corporate Affairs.
