

M.R.T.P. Enquiry on pricing of Tyres

4411. **SHRI DHULESHWAR MEENA:** Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) the outcome of the enquiry by the M.R.T.P. into the alleged cartel formation by the tyre manufacturers in the Industry;

(b) whether the Report "Study of tyre industry with special reference to changes in tyre cost and prices" prepared by a Calcutta based Consultant commissioned by the Director General (Investigation and Registration) has suggested a closer scrutiny and monitoring of tyre prices by an appropriate Government agency if the adverse effect of concerted pricing by tyre companies and over-pricing of tyres at short intervals on transport sector is to be avoided; and

(c) if so, Government's reaction thereto?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI VIJAYA BHASKARA REDDY): (a) to (c) The details of the enquiries instituted by the M.R.T.P. Commission and the decisions taken/present position in respect of alleged cartel formation by the tyre manufacturers are given in the Statement attached [See below].

The Director General Investigation & Registration (DGIR) who is an authority empowered to investigate into various trade practices as defined in the M.R.T.P. Act, 1969 has informed that the study in question was commissioned to help their investigation and it *inter-alia* contains a suggestion regarding the need for monitoring of tyre prices. The office of DGIR has also stated that further investigation will be carried out on the basis of the report to see whether there are any violations of the provisions of the M.R.T.P. Act, 1969 pertaining to production, sale and distribution of tyres and tyre products by their manufacturer.

Statement

Sl. No.	RTPE No.	Name of the Respondents	Allegations in brief	Decision
1.	1/71	Incheck Tyres Ltd. and 7 Ors.	Acting in concert in fixing the prices of tyres and tubes.	Cease and Desist Order passed on 19.4.76.
2.	26/74	Goodyear India Ltd. and Ors.	Charging same price for all different brands of tyres of the same size and ply ratings; appointing one party or person as their dealer in a particular area; common system of accepting claims for defective workmanship etc.	Enquiry disposed of by passing an appropriate order under Section 37 of the M.R.T.P. Act, 1969 on 8.12.1978.
3.	13/78	Firestone Tyre and Rubber Co. Pvt. Ltd. (now changed to Bombay Tyre International Ltd., Bombay) and 9 Ors.	Acting in concert in fixing the prices of tyres and tubes.	Order under Section 37(2) passed on 24.3.83 accepting the undertaking given by the Respondents.
4.	78/84	Premier Tyres Ltd., New Delhi and 9 Ors.	Formed cartel for (a) quoting the same rate; (b) fixing the prices; and (c) regulating the supplies.	Passed interim injunction on 12.12.85. Enquiry is pending.