

either jointly or severally by the Central Government, State Governments or any person for manufacture of goods or rendering services or for both or as a Free Trade and Warehousing Zone. Proposals for setting up of SEZs are considered by the Board of Approval only after written consent of the concerned State Govt. Further, SEZs being set up under the Act are primarily private investment driven.

Keeping in view, the twin objectives of dispersal of SEZs to a larger area of the country and the generation of employment in non-metropolitan areas, Rule 5(b) of the SEZ Rules has been amended to relax the condition regarding minimum built-up area requirement. While in respect of A1 and A cities, there is no change in the requirement of minimum built up area, in respect of SEZs located in B1 category cities, the minimum built up area has been reduced to 50% of the requirement prescribed in the SEZ Rules and in respect of SEZs located in B2 category cities, it has been reduced to 25% of the area prescribed.

#### **Unfair trade practices in cement industry**

2580. SHRI K.N. BALAGOPAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Government has noticed any unfair trade practices in cement industry like cartelization etc;
- (b) whether cement prices in different States are abnormally differential without proper reasons;
- (c) the details of the average selling price of cement per bag in different States; and
- (d) what steps Government proposes to take to control abnormal pricing of cement by companies?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) The details of cases pending with the Competition Appellate Tribunal, Ministry of Corporate Affairs are given in the Statement-I (*See below*). The erstwhile Monopolies and Restrictive Traded Practices Commission (MRTPC) has transferred one case (No.RTPE-52/2006) alleging cartelization in the cement industry to the Competition Commission of India (CCI). The matter is presently under investigation by the Director General, CCI. In addition, Builders Association of India has also filed a complaint with CCI against the Cement Manufacturers Association (Case No.29/2010) alleging cartelization in the cement industry. The Commission is examining the matter.

(b) The cement is a decontrolled commodity since 1st March, 1989 and subsequently its prices are governed by the market forces depending upon factors like demand and supply, cost of production, distance from manufacturing units, local taxes imposed by the State Governments etc.

(c) The details of the average selling price of cement per bag in different states during July, 2009 to July, 2010 are given in the statement-II (see below).

(d) Does not arise in view of the replies to questions (b) and (c) above.

**Statement-I**

*Competition Appellate Tribunal. Ministry of Corporate Affairs  
cases pertaining to Cement Industry*

S.No.	Case No.	Details
1	2	3
1.	RTPE 83/2000	<p>DG (I &amp; R) &amp; M/s. Gayatri Agencies Kanchipuram Vs. Cement Manufacturers' Association, Chennai.</p> <p>This complaint is filed by the DG (I &amp; R) on the basis of a complaint filed by M/s. Gayatri Agency against Cement Manufacturers' Association (CMA), Chennai alleging that the CMA did not give free hand to the informant in the matter of prices, sale and distribution of cement by imposing various restrictions. <b>The matter is now listed on 04.11.2010 for cross examination.</b></p>
2.	RTPE 32/2006	<p>DG, MRTPC <i>Versus</i> Gujarat Ambuja Cement Ltd. &amp; Two Others</p> <p>The DG, MRTPC filed an application against Gujarat Ambuja Cement Ltd, ACC Ltd and Grasim India Ltd in July, 2006 alleging that the said companies have acted in concert and created artificial scarcity of supplies and increased the prices in the market. It was alleged that it amounts to manipulation of supplies of cement in the market leading to rise in prices. <b>The matter is listed on 07.10.2010 for further consideration.</b></p>
3.	RTPE 1/2007	<p>DG, MRTPC Vs. Associated Cement Companies Ltd.</p> <p>Ministry of Company Affairs forwarded a copy of the inspection report under section 209 A of the Companies Act, 1956 of M/s. Associated Cement Companies Limited. It was received by this Commission on 21.12.2006.</p>

1	2	3
		<p>The report stated that the agreement entered into by the ACC Limited and M/s. Bulk Cement Corporation (India) Limited, <i>prima-facie</i> contained certain restrictive trade clauses as defined under section 33 of the MRTP Act. It was also stated that the MRP fixed was very high and it is above the cost of production of cement. Further, the report concluded that higher MRP attracted the provisions of Standards of weight and Measures (Packaged Commodities) Rules and Consumer Protection Act, 1986 and hence the issue of MRP may be referred to the concerned Ministry <i>i.e.</i>, the Ministry of Consumer Affairs. The Ministry also requested to conduct an inquiry under section 31 of the MRTP Act, 1969. The matter was, therefore, referred to the DG (I &amp; R) for investigation. The DG (I &amp; R) has filed the PIR stating that some of clauses of the agreement entered into by Associated Cement Company Ltd with its dealers contains restrictive clauses as defined under clause (a), (c) and (g) of subsection (1) of section 33 of the MRTP Act and recommended issuance of Notice of Enquiry (NOE) against ACC Ltd. On 24th July, 2009 the Commission has issued NOE against the respondents. The matter is now listed on 20.8.2010 for consideration.</p>
4.	<p>RTPE 15/2007 Earlier registered as UTPE 86/2006</p>	<p>Director General (Investigation &amp; Registration) Vs. Binani Industries Ltd and 13 others.</p> <p>The Commission took <i>suo-motu</i> cognizance of media reports regarding increase in prices and directed the DG (I&amp;R) to investigate. The DG filed PIR stating that the increase in prices during 2005-06 is not due to increase in cost of production but due to formal or informal meetings of the representatives the cement manufacturing companies. <b>The matter is listed on 01.10.2010 for further consideration.</b></p>

**Statement-II**

*Average Retail Prices of Cement 50 Kg Per Bag*

Region/Centre	July'09	Aug'09	Sep'09	Oct'09	Nov.09	Dec'09	Jan '10	Feb'10	Mar'10	Apr.'10	May'10	Jun'10	July'10
1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>Northern Region</b>													
Delhi	240	242	242	238	233	226	230	241	250	251	245	248	241
Karnal	244	244	243	242	240	236	237	240	246	246	245	247	
Chandigarh	256	257	257	253	247	245	244	252	261	258	258	256	253
Jaipur	235	238	233	231	228	222	221	226	228	227	225	226	
Rohtak	240	241	237	237	235	233	229	232	238	238	240	240	
Bhatinda	242	242	239	239	237	238	237	242	254	253	249	249	
Ludhiana	260	259	257	259	247	245	245	254	262	260	260	259	256
Jammu	312	313	312	309	297	297	297	304	312	319	319	320	321
Shimla	258	260	259	259	257	257	255	262	269	269	270	270	269
<b>Eastern Region</b>													
Calcutta	262	254	251	247	242	238	241	250	263	266	261	258	253

Patna	256	259	256	253	251	244	243	251	255	258	257	255	252
Bhubaneshwar	263	259	258	258	258	255	255	263	268	283	282	278	275
Guwahati	270	268	259	258	254	258	258	261	265	265	265	265	259
Muzaffarpur	256	258	257	252	251	244	243	251	255	255	255	255	252
Silchar	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Western Region</b>													
Bombay	267	267	267	264	242	244	250	256	265	265	263	258	258
Ahmedabad	230	230	230	226	190	194	204	212	215	221	206	205	196
Nagpur	243	243	243	243	211	208	212	215	220	236	237	230	218
Pune	263	263	263	263	224	224	230	234	242	254	250	235	214
Rajkot	221	221	225	218	188	189	200	208	210	221	202	199	191
Baroda	233	233	233	230	192	195	207	213	217	229	207	206	199
Surat	232	232	232	228	192	196	208	214	219	230	209	206	198
<b>Southern Region</b>													
Chennai	274	269	263	256	228	204	227	228	246	271	254	236	208
Thiruvananthapuram	280	280	280	276	229	215	228	243	261	280	271	259	235

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Bangalore	275	260	258	251	229	210	190	223	221	255	231	207	204
Hyderabad	223	213	195	169	146	139	142	153	166	207	176	145	150
Calicut	280	280	280	276	230	218	233	243	261	280	271	268	242
Visakhapatnam	223	213	195	169	161	145	150	155	181	227	183	163	170
Goa	263	263	263	263	233	220	217	223	240	255	240	231	227
<b>Central Region</b>													
Lucknow	291	281	263	252	228	218	248	288	285	263	260	255	239
Meerut	249	249	243	243	238	226	225	238	249	246	239	243	
Faizabad		NA	NA	NA	NA	228	249	298	308	291	280	263	251
Bareilly	255	255	247	240	230	220	222	229	254	250	247	250	
Bhopal		248	240	233	222	213	220	237	242	234	229	227	224
Average	255	253	249	245	228	222	227	237	246	253	245	240	232