

सत्यमेव जयते

The Tyre Corporation of India Limited (Disinvestment of Ownership) Act, 2007

(ACT NO. 50 OF 2007)

[*As on the* 16*th July*, 2026]

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THE TYRE CORPORATION OF INDIA LIMITED (DISINVESTMENT OF OWNERSHIP) ACT, 2007

ARRANGEMENT OF SECTIONS

SECTIONS

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3. Payment of consideration for disinvestment in the company.
4. Manner of disinvestment.
5. Provision in respect of officers and other employees of the company.
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THE TYRE CORPORATION OF INDIA LIMITED (DISINVESTMENT OF OWNERSHIP) ACT, 2007

ACT NO. 50 OF 2007

[12*th December*, 2007.]

An Act to provide for disinvestment of Government's equity in the Tyre Corporation of India Limited and for matters connected therewith or incidental thereto.

WHEREAS the Inchek Tyres Limited and the National Rubber Manufacturers Limited, engaged in the manufacture, production and distribution of articles mentioned in the First Schedule to the Industries (Development and Regulation) Act, 1951, namely, tyres, tubes and other rubber goods, were nationalised under the Inchek Tyres Limited and National Rubber Manufacturers Limited (Nationalisation) Act, 1984 and transferred to, and vested in, the Tyre Corporation of India Limited, Calcutta from the 5th day of March, 1984;

AND WHEREAS for the purpose of securing optimum utilisation of the available facilities for the manufacture, production and distribution of tyres, tubes and other rubber goods, investment of large amount is necessary;

AND WHEREAS it is expedient to disinvest the Government's equity in the Tyre Corporation of India Limited, Kolkata to enable the private sector to have investment made to ensure that the interest of general public are served by the continuance of the manufacture, production and distribution of the aforesaid articles which are essential to the needs of the economy of the country.

BE it enacted by Parliament in the Fifty-eighth Year of the Republic of India as follows:—

1. Short title.—This Act may be called the Tyre Corporation of India Limited (Disinvestment of Ownership) Act, 2007.

2. Disinvestment in the company.—Where the Central Government, on the recommendations of the Board for Reconstruction of Public Sector Enterprises, is of the opinion that disinvestment is to be made in the Tyre Corporation of India Limited (hereinafter referred to as the company), it may pass an order providing for transfer, exchange or relinquishment of shares in the company to any person on such terms and conditions as may be agreed upon.

3. Payment of consideration for disinvestment in the company.—(*1*) For the transfer to, and vesting in, any person, the shares of the company, there shall be given to the Central Government by such person or in case such person is a company, by such company, such consideration, having regard to the optimum valuation of land, assets and liabilities of the company in accordance with a valuation method as specified by the Central Government.

(*2*) The manner of payment of consideration for transfer of shares of the company to the transferee shall be such as may be agreed upon between the transferor, the company and the transferee, the person or the company, as the case may be.

4. Manner of disinvestment.—The Central Government may, in its order made under section 2, specify that disinvestment of shares shall be effected by one or more of the following methods as may be specified in such order, namely:—

(*a*) by making a public offer or preferential allotment or private placement in accordance with such procedure as applicable in case of any other Government company;

(*b*) by directing the company to make further issue of equity capital to the members of the public or preferential allotment or private placement, as the case may be, in accordance with such procedure as applicable in case of the Government company.

5. Provision in respect of officers and other employees of the company.—(*1*) Every officer or other employee of the company, except the Chairman and Directors, serving in its employment immediately before the disinvestment of the company under this Act, shall continue in office or service after such disinvestment, on same terms and conditions as would have been admissible to him if there had

been no such disinvestment and shall continue to do so until the expiry of the period of three years from the date of disinvestments.

(*2*) Where an officer or other employee of the company opts under sub-section (*1*) not to be in the employment or service of the company, such officer or other employee shall be deemed to have resigned.

6. Act to have overriding effect.—The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in the Inchek Tyres Limited and National Rubber Manufactures Limited (Nationalisation) Act, 1984 (17 of 1984) or any other law for the time being in force.

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STATEMENT OF OBJECTS AND REASONS

The Inchek Tyres Limited and National Rubber Manufacturers Limited (Nationalisation) Act, 1984 was enacted to provide for the acquisition and transfer of the undertakings of the Inchek Tyres Limited and the National Rubber Manufacturers Limited, with a view to securing the proper management of such undertakings so as to subserve the interests of the general public by ensuring the continued manufacture, producion and distribution of tyres, tubes and other rubber goods which are essential to the needs of the economy of the country and for matters connected therewith or incidental thereto. The Central Government had transferred and vested these undertakings in the Tyre Corporation of India Limited, Calcutta on the 5th day of March, 1984.

2. The Tyre Corporation of India Limited, being a public sector enterprise under the administrative control of the Ministry of Heavy Industries and Public Enterprises (Department of Heavy Industry), has become a sick industrial company as defined in the Sick Industrial Companies (Special Provisions) Act, 1985 and a reference in respect of which has been made to the Board for Industrial and Financial Reconstruction (BIFR) in May, 1992. The Tyre Corporation of India Limited closed the unviable Tangra unit in August, 2001 and sold the assets as per the directions of BIFR. The Board for Reconstruction of Public Sector Enterprises has recommended for financial and capital restructuring of the Tyre Corporation of India Limited and for looking for a strategic partner who would bring in new technology and further improve the profitability and market share of the company.

3. Since the approval of Parliament is necessary for changing the public character of the company as it was held by the Supreme Court in the Centre for Public Interest Litigation Vs. Union of India (2003) 7 SCC 532, the Tyre Corporation of India Limited (Disinvestment of Ownership) Bill, 2007 seeks to empower the Central Government to carry out disinvestment.

4. The Bill seeks to achieve the above objectives.

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NEW DELHI;
The 14*th May*, 2007

SONTOSH MOHAN DEV.