

engaged, among other things, in the production of soap, shampoos, tooth paste, tooth powder, tooth brushes, shaving brush, shaving cream cream oil, hair oil, hair cream and powder under trade names, such as "Colgate" "Palmolive" etc. was indulging, among others, in the following monopolistic trade practices as a result of which the cost relating to production, supply and distribution of the said products manufactured by the company had been unreasonably increased :-

(i) earning a very high gross profit rate on sales around 31 per cent and a gross profit rate of 42 per cent to per cent cent on cost of sales as against a reasonable return of 5 per cent on cost of sales;

(ii) earning exorbitant rate of profit at the rate of nearly 118 per cent in 1970 and over 158 per cent in 1971 on capital employed;

(iii) earning unreasonable net profits, after paying taxes, of over 50 per cent in 1970 and 46 per cent in 1971 on the average capital employed by the company to the detriment of the consumer;

(iv) reaping profits without making any large investments in India as fixed block in buildings etc., and in not incurring substantial expenditure on reasearch and development in India with a view to produce consumer items of better quality at cheaper rates for the benefit of the consumers; and

(v) selling not only what the company produces, but also a few products which it gets manufactured in other units and allowing such products to be sold under its own brand name while these products are manufactured for Colgate by outside agencies with indigenous raw material and know-how, the company reaps unreasonable profits to the detriment of consumer and the smaller units who produce such products.

In pursuance of the aforesaid reference, the MRTP Commission initiated an inquiry against the company. The company filed a writ petition in the High Court of Delhi challenging the order of the Central Government making reference to the Commission on the ground, *inter-alia*, that the Central Government was under a legal obligation to give a hearing to the company before making the aforesaid reference to the Commission. The Delhi High Court stayed the inquiry by the Commission on 24-6-1974. The writ petition has since been heard by the Delhi High Court and dismissed with costs by their judgement dated 13-12-1979. The Commission has now resumed the inquiry against the company and has published a notification to this effect in some of the leading newspapers of the country on 10-2-1980 inviting information|comments from all the parties who wished to furnish any information or give their comments regarding the inquiries within 21 days of the publication of the notification.

No inquiry regarding allegation of any restrictive trade practices has been instituted by the Commission against the company.

#### Assets and Turn-Over of 20 Large Industrial Houses

80. SHRI JYOTIRMOY BOSU: Will the MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) total assets and turn-over in rupees of each of the 20 largest business houses in the country as in 1972, 1977 and 1978;

(b) total profits earned by each of the 20 largest houses during 1972, 1977 and 1978;

(c) whether Government have any programme to put curbs on the expansion of large houses;

(d) if so, what are the salient features of that programme; and

(e) when the said programme is expected to be implemented?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI P. SHIVSHANKER): (a) and (b). Information on assets, turnover and profits before tax of the 20 largest industrial houses for the years 1972 and 1977 based on registrations under section 26 of the M.R.I.P. Act, 1969, as upto 30-6-1978 and ranking according to the value of assets in 1977 is furnished in Statement-I annexed. The information for 1978 based on registrations as on 31-12-1978 and ranking by the side

of assets in 1978 is given in Statement-II annexed.

(c) to (e). Chapter III of the M.R.I.P. Act provides the necessary regulatory measures to be followed by the Government in respect of expansion of large industrial houses. The industrial policy statements of the Government from time to time also lay down the guide-lines to be followed in this regard in respect of the large industrial houses.

### Statement I

Assets, Turnover and Profits before tax in the years 1972 and 1977 of 20 largest Industrial houses (as per registration under section 26 of the M.R.T.P. Act as on 30-6-1978) ranked by size of their assets in 1977

Sl. No.	Name of the Industrial House	No. of Bodies Corporate	Value in Rs. Crores					
			Year 1972			Year 1977		
			Assets	Turn-Over	P.B.T.	Assets	Turn-Over	P.B.T.
1	Birla . . . . .	70	589.42	590.00	45.86	1070.20	1276.49	89.89
2	Tata . . . . .	32	641.93	692.84	48.92	1069.28	1272.89	65.26
3	Mafatlal . . . . .	14	183.74	190.86	14.65	285.63	413.22	31.15
4	J.K. Singhania . . . . .	28	121.45	103.65	5.92	267.31	260.49	8.70
5	Thapar . . . . .	35	136.16	154.66	11.04	215.92	330.34	18.66
6	I.C.I. . . . .	7	135.21	149.07	17.47	209.97	295.67	30.91
7	Scindia . . . . .	3	107.73	50.65	5.44	200.04	104.10	2.45
8	Oil India. . . . .	6	104.04	136.08	15.02	199.95	400.72	19.00
9	Bhi andiwala . . . . .	7	45.91	44.92	3.93	189.44	68.72	8.93
10	Bangur . . . . .	44	125.26	142.71	7.52	188.24	279.07	2.55
11	Larsen & Toubro . . . . .	10	79.03	55.70	4.65	185.91	140.83	21.31
12	Shri Ram . . . . .	14	120.77	176.48	10.48	179.77	303.96	5.27
13	A.C.C. . . . .	5	134.36	94.23	4.45	168.86	171.89	13.41
14	Kirloskar . . . . .	15	86.46	71.31	2.03	160.96	146.77	10.24
15	Hindustan Lever . . . . .	8	77.87	187.85	11.48	143.59	320.44	24.01
16	Khatau (Bombay) . . . . .	36	75.44	118.94	6.82	138.82	231.12	15.18
17	Sarabhai . . . . .	11	84.44	96.32	3.63	136.96	218.17	5.47
18	Walchand . . . . .	20	99.47	103.27	1.22	132.81	165.28	3.56
19	Macneill & Magor . . . . .	34	64.80	49.91	2.80	132.55	159.36	19.18
20	Mahindra & Mahindra . . . . .	13	58.49	74.26	3.65	125.49	113.73	1.82

## Statement II

Assets, Turnover and Profits before Tax in 1978, of 20 largest industrial houses (as per registrations under section 26 of the MRTTP Act as on 31-12-78) ranked by size of their assets in 1978

Sl. No.	Name of Industrial House	No. of Bodies Corporate	Value in Rs. Crores		
			Assets	Turnover	P.B.T.
1	Birla . . . . .	69	1171.15	1374.56	98.81
2	Tata . . . . .	34	1102.11	1367.60	51.24
3	Mafatlal . . . . .	24	317.86	475.41	39.07
4	J.K. Singhanian . . . . .	18	299.57	318.52	13.50
5	Thapar . . . . .		244.06	367.19	20.24
6	I.C.I. . . . .		228.73	308.87	26.38
7	Bangul . . . . .	5	220.86	341.13	13.27
8	Shri Ram . . . . .	14	204.79	335.80	8.35
9	Oil India . . . . .		203.24	423.39	15.67
10	Scindia . . . . .		202.81	92.60	(—)7.77
11	Larsen & Toubro . . . . .		194.51	169.09	19.52
12	A.C.C. . . . .		186.62	183.02	15.63
13	Bhiwandiwalla . . . . .		178.38	61.18	(—)8.57
14	Kirloskar . . . . .		176.25	199.10	9.11
15	Hindustan Lever . . . . .		157.15	370.20	28.32
16	Chowgulk . . . . .		149.96	40.23	(—)2.73
17	Khatau (Bombay) . . . . .		143.12	235.02	13.71
18	Kasturbhai Lalbhai . . . . .		140.00	202.98	22.25
19	Mahindra & Mahindra . . . . .		137.18	139.65	5.05
20	Walchand . . . . .		135.70	135.50	(—)1.70

**News regarding Legal Proceedings against Companies of Big Industrial Houses**

81. SHRI JYOTIRMOY BOSU: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether, as reported in *Financial Express*, New Delhi dated February 17, 1980, page 1, his Ministry has started legal proceedings

against about 400 companies controlled by the big industrial houses for their failure to register themselves under the MRTTP Act;

(b) if so, a list of those companies;

(c) a list of big industrial houses which control these Companies; and

(d) what are the specific charges against those Companies?