

LOK SABHA DEBATES

LOK SABHA

Tuesday March 4, 1975/Phalguna 13,
1896 (Saka)

The Lok Sabha met at Eleven of the
Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Criteria for referring cases under MRTP Act

*203. SHRI B. V. NAIK: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) what is the criteria laid down for referring cases under the MRTP Act, 1969 to the Monopolies and Restrictive Trade Practices Commission;

(b) whether it has been defined in any document of Government in the form of a policy decision or resolution; and

(c) if not, the reasons for keeping the matter obscure?

THE DEPUTY MINISTER IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI BEDABRATA BARUA): (a) and (b). The Legislation does not envisage the laying down of any criteria for referring cases under Chapter III of the MRTP Act to the Commission, but Section 28 of the said Act clearly lays down the various considerations which should be borne in mind both by the Central Government and the Commission, as the case may be, when they deal with applications under Chapter III.

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Before the Central Government takes a decision as to whether an application under Chapter III should or should not be referred to the Commission, it takes into account all the criteria laid down in Section 28 and the 14 points cited in Chapter 1 sub-para (b)(ii) (pages 1—4) of the First Report on the Working and Administration of the MRTP Act, 1969 laid on the Table of the House on the 28th November, 1972 and reiterated in pages 25-26 of the Third Annual Report laid on the Table of the House on the 18th December, 1974. Cases in respect of which the Central Government is of the opinion that no order can be passed on an application under Chapter III on the basis of the material/data available with it, without eliciting further information by a public enquiry, are referred to the Commission for a further enquiry and report.

(c) Does not arise.

SHRI B. V. NAIK: Hon'ble Speaker, Sir, it was a simple question and we had wished that the Ministry would be more honest than clever. The sum and substance of the matter is, while the reply says no criteria can be laid down under the legislation the wording that is used in the administrative report for 1973 says:

"In essence the Government policy continues to be to consider each application under Chapter III on its own merit having regard to the criteria laid down in Section 38."

So, there is a contradiction. In your answer you have said that if the Government is of the opinion that no order can be passed on an application under Chapter III on the basis of material/data available with it, without eliciting further information by a public enquiry, it is referred to the Commission for a further enquiry and report.

I would like to know what are those cases in which you feel it is necessary to elicit further information and hold a public enquiry?

SHRI BEDABRATA BARUA: Only big houses are involved in the applications that come under MRTP Act. When an application comes under MRTP Act, all the administrative Ministries concerned sit together in a joint committee to process those licences and all the available facts regarding the demand projections supplied by different Ministries are gone into and on that basis if it is found that the application has to be rejected it is rejected. If it is a clear case for acceptance its approval is granted straightway. But if it is found that the matter requires further enquiry by the Commission on the basis of some of the criteria which we have laid down, namely, if there is an objection from the small scale sector or from other non-monopoly enterprise and if it is found to have some validity the matter is referred to the Commission.

SHRI B. V. NAIK: One of the criterion which the hon. Minister has been kind enough to accept is the principle of objection by people at large. There is a feeling that it is likely to lead to a considerable amount of mis-understanding if the Government sits on judgement on each case. Would it not be in the fitness of things if some guidelines are laid down regarding the type of cases which will be referred to the Monopolies Commission?

SHRI BEDABRATA BARUA: The Monopolies Commission has said that there should be some guidelines. In fact, the difficulty with Government is when an application is considered it has got to be gone into from a number of aspects. The peculiarity of the application becomes a subject of details but if the generality of the application is such that this type of application has been gone into by the Commission already and the Commission has also gone into all the demand projections,

then, in fact, no reference is made because the Monopolies Commission has already cleared similar application. For example, in several cases, it is said that the demand is such that it would be almost astronomical and it is not necessary to hold the application. In that case, in a subsequent application where also the same item is going to be produced, our view is that if the demand is going to be very high and if it is not possible to produce that commodity in that quantity in the country, the second application is also cleared on the basis of the earlier recommendation of the Monopolies Commission, without the same application being referred to the Monopolies Commission. Therefore, I would like to state that it is not because of certain general guidelines, but because of the peculiarity of this particular case that it is not referred to the Monopolies Commission and it is provided in the Act itself.

MR. SPEAKER: The answers and questions should be brief.

SHRI MOHANRAJ KALINGARAYAR: Sir, I would like to know whether the Government have come to know the views of the Chairman of the MRTP Commission in regard to the helplessness of the Commission, which he has been saying in public and if so, whether he has been consulted in the matter of amending the MRTP Act?

SHRI BEDABRATA BARUA: Yes. He has been consulted and he has made certain recommendations regarding certain amendments which would facilitate the working and the administration of the MRTP Act. They are under consideration.

SHRI RAGHUNANDAN LAL BHATIA: Sir, may I know from the hon. Minister, how many cases have been referred to the Monopolies Commission and what action has been taken thereof and whether any big monopoly houses have been punished so far under this Act?

SHRI BEDABRATA BARUA: So far as this Chapter III is concerned, it is a question of licensing and the question of punishment does not arise. Either the licence is rejected or accepted. I do not have the figures with me. Fifty cases have been referred to the Monopolies Commission and generally speaking, 10 per cent of the cases have been rejected by the Monopolies Commission and that is the number of cases also which has been rejected. In the case of other provisions also, what usually happens is that, when processing the applications, short of rejecting the application, certain conditions are laid down like dilution of dominant shareholding and other obligations. It is not that punishment is awarded, as far as licensing is concerned. There are other sections where the question of punishment arises, like Chapters IV and VI, where it is a question of restrictive monopoly practices.

SHRI JAGANNATH RAO: Sir, as it is, the Monopolies Commission has become from its inception a very effeminate body. It has no powers. It cannot take cognisance of any complaint either in regard to the restrictive trade practices or in regard to the monopoly malpractices. Is there any thinking in the Government to amend the Act, to give jurisdiction to the Commission to go into the matter suo moto and not at the request or under the direction of the Ministry? This point was raised by me last year also, during the course of discussion in respect of the Demands for Grants relating to the Ministry of Law, Justice and Company Affairs.

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. GOKHALE): Sir, the hon. Member's premises are not quite correct. With reference to the cases which are referred for clearance of proposals under Sections 21 or 22 or 23, the Monopolies Commission functions as an advisory body and there is no question of Monopolies Commission by itself entertaining any complaint. But, it is not true that in respect of restrictive trade practices there is no jurisdiction or power for the Monopolies

Commission to entertain complaints. In fact, it is that body alone which looks into complaints lodged by the Registrar or other persons. To that extent, complaints are being looked into by the Monopolies Commission in regard to those matters.

SHRI NOORUL HUDA: Sir, when the Government has come out with a policy decision to control and curb monopoly houses, is it in conformity with the Government's decision that recently the Chief Minister of West Bengal has said that monopoly houses cannot be controlled and if they are controlled in West Bengal, the industrial development of that State would be hampered? I would like to know, is it in tune with the Government's basic policy?

SHRI H. R. GOKHALE: Sir, I am not aware of this statement of the Chief Minister of West Bengal. But, I would like to state that so far as the Government of India is concerned, it does not intend to deviate from the well-recognised and accepted policies and will implement the provisions of the Act fully.

SHRI NOORUL HUDA: It came out in all the newspapers.

SHRI P. R. SHENOY: I would like to know whether it is not a fact that many monopolies have withdrawn their applications for licences after the same were referred to the Monopolies Commission and applied again to Government for licences and have managed to obtain licences? If so, what is the criterion for granting them licences?

SHRI BEDABRATA BARUA: Companies are free to withdraw their applications. In that case, we have made it clear that in such cases they will have to come for monopoly clearance in any case; otherwise, the licence will not be approved. This matter was explained in regard to a particular company a few months back.

SHRI P. M. MEHTA: Is it or is it not a fact that in spite of the MRTF

Act being in force and the claim of Government to curb monopoly, monopoly has increased at the rate of 10 per cent or more in the recent past during a period of three years?

SHRI BEDABRATA BARUA: There has been some growth of all houses including monopoly houses. But the Monopoly Act is not intended to stop production or expansion of monopoly houses. For that we have got other aspects of company law if we want to take over companies which are established companies. But so far as promotional activity is concerned, it is treated with great caution; when it is necessary in the interest of production even monopoly houses are allowed to expand.

Mobilisation of Technical Skill to Discover New Oil Fields

*204. **SHRI ANADI CHARAN DAS:** Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) whether Government have mobilised all scientific and technological skill to discover new oil fields in the country during the last quarter; and

(b) if so, whether there has been any success in this regard?

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI K. D. MALAVIYA): (a) and (b). Yes, Sir. All required scientific and technical skill within the country and wherever necessary from abroad, has been mobilised in search of hydrocarbons. As a result, of their exploration efforts, ONGC and OIL have discovered over 182 million tonnes of oil reserves and over 80,000 million cubic mts. of gas. Production of oil during 1974-75 is estimated to be about 7.5 million tonnes and is estimated to be stepped up to about 12 million tonnes by 1978-79.

श्री अनदि चरण दास : जवाब से मालूम होता है कि आयल इंडिया लिमिटेड और आयल एंड नैचरल गैस कमीशन के वैज्ञानिकों ने करीब 18.2 मिलियन टन तेल का पता लगाया है। इस समय हमारे देश में लगभग 22 मिलियन टन तेल की जरूरत है। इस साल 7.5 मिलियन टन तेल के उत्पादन का एस्टीमेट किया गया है। अपनी प्रावश्यकता को पूरा करने के लिए हमें बाहर से तेल आयात करने में आयल प्रोड्यूसिंग कन्ट्रोल को कई हजार करोड़ रुपये देने पड़ते हैं। मैं यह जानना चाहता हूँ कि हम अपना तेल का उत्पादन बढ़ाने के लिए कोशिश क्यों नहीं करते हैं, ताकि हमारी जरूरत पूरी हो सके।

श्री के० डी० मालवीय : माननीय सदस्य जी जो चिन्ता है, हम भी उस में शामिल हैं। हमारी बड़ी इच्छा है कि हम जल्द से जल्द अपना तेल का उत्पादन बढ़ाये। कुछ बढ़ रहा है, और आशा है कि वह बहुत जल्दी और बढ़ेगा।

श्री अनदि चरण दास : उस के लिए सरकार ने क्या प्रबन्ध किया है और कितना पैसा रखा है? इस साल हमारा तेल का उत्पादन 7.5 मिलियन टन है और जवाब में कहा गया है कि 1978-79 तक उस को 12 मिलियन टन तक बढ़ाने का इरादा है। मैं यह जानना चाहता हूँ कि सरकार ने इस बारे में क्या कदम उठाये हैं।

श्री के० डी० मालवीय : इस सम्बन्ध में रोज रोज कोशिश की जा रही है। इस साल 1976-76 योजना के अनुसार ओ०एन० जी०सी० लगभग 265 करोड़ रुपया खर्च करने का प्रयत्न कर रही है, जिस की हमें सन्जूरी भी मिल गई है। एक साल में 266 करोड़ रुपया बहुत बड़ी रकम होती है। मुझे आशा है कि साल के अन्त तक बहुत संतोषजनक परिणाम सामने आयेगा।