

Then, as far as the steel trough is concerned, it is Rs. 204 and as far as the wooden one is concerned, it is Rs. 233/-. Therefore, concrete sleepers are more costly, because they cost Rs. 270 per sleeper. But that is only a short-range aspect. Like electrification, the long-range aspect is very important and we find that, in the long run, once we introduce concrete sleepers, though at the initial stage we will have to spend more, the advantage will be that while the wooden sleeper's life is 20 years, the concrete sleeper's life is 50 years. So, as far as maintenance is concerned, we will be spending, in the long run, 40 per cent to 50 per cent less on maintenance of tracks. Therefore, from the long-range point of view, it is more economical to have concrete sleepers.

#### Expansion of Monopoly Houses

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\*576. SHRI N. SREEKANTAN  
NAIR:  
SHRI VAYALAR RAVI:

Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the monopoly houses expanded and floated new companies and subsidiaries of these companies since 1975; and

(b) if so, what extent and which are the houses that had this advantage?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI SHANTI BHUSHAN): (a) and (b). The necessary details will be ascertained from the Registrars of Companies to the extent information is available in the statutory records and will be laid on the Table of the House.

SHRI N. SREEKANTAN NAIR: Everybody is aware of the fact that

the monopoly houses have increased their capital 500 to 1000 times. There are even certain monopoly houses which started with Rs. 20,000/-. May I know whether the Government intend to adopt any methods by which the strength of these monopolists does not increase any further?

SHRI SHANTI BHUSHAN: There are some provisions in the Monopolies and Restrictive Trade Practices Act, the object of which is to put a restriction on the unlimited growth of these large industrial houses. They require, therefore, that for a certain expansion which goes beyond 25 per cent (I am speaking in a rough way) the approval of Government is required. So far as this is concerned, there is the principle that concentration of economic power to the detriment of the people should not be accepted and such applications have to be considered on that touch-stone and disposed of in that way. So far as any new steps which are not within the existing frame work of the Monopolies and Restrictive Trade Practices Act are concerned, I have already stated before this House that Justice Rajinder Sachar Committee is going into this question of revision of Monopolies and Restrictive Trade Practices Act as well as the Companies Act and perhaps this matter will be gone into. As and when the report of the Committee is received, it will be considered by the Government.

SHRI N. SREEKANTAN NAIR: The monopoly houses expand their capital by issue of bonus shares and other tricks. Will the Government see to it that at least in future, the equity share alone get the dividend and not the bonus shares and other shares?

SHRI SHANTI BHUSHAN: I am sorry, I have not been able to quite understand the question with regard to the bonus shares. If the question is that only the original equity shares

should get dividend and the bonus shares which are given to the original shareholders should not get dividend, I do not think, this would be feasible because the very purpose of giving additional shares would be that they would become shares just like the original shares. I do not know whether I have been able to understand the question.

**SHRI N. SREEKANTAN NAIR:** If the bonus shares get the equal dividend, naturally the capital increases. On the other hand, if it is denied, they would be forced to put it into the Government securities and other things. Does the Government contemplate any such action?

**MR. SPEAKER:** He has already said that.

**SHRI SHYAMNANDAN MISHRA:** The suspicion implied in the question is that the provisions of the Act are not being enforced, so the House was interested in knowing from the hon. Minister, whether the provisions of the Act in this regard are being strictly enforced since 1975. The hon. Minister said that the Government is collecting information, but at least, he could have given this broad information whether the provisions of this Act in regard to this matter are being strictly enforced and whether this practice is continuing even now after the Janata Government came to power, and that these monopoly houses are permitted to expand themselves in the form of their subsidiaries and so on. If that is so, the Government will have to come before the House with full facts about this. After all, the notice of the question was given long time back and the hon. Minister should have been in a position to tell us about this. The main tenet of our faith is that there would be no concentration of economic power and the expansion of the monopoly houses.

**SHRI SHANTI BHUSHAN:** So far as floating of new companies is concerned, by itself there is no restriction imposed by the Monopolies and Restrictive Trade Practices Act against floating of new companies. If the new companies happen to be investment companies, then the floating of new companies does not require any approval of the Government. It is only when new undertakings are established, namely, which are engaged in the production, supply and distribution of goods or services, then only there is a restriction that a new undertaking cannot be established without the approval of the Government. Those provisions are being complied with. Whenever any undertaking has to be established, an application for approval is made to the Government and it is considered in the light of the guidelines which are laid down in the Act itself and then the application is disposed of. Many applications are rejected, some applications are granted. The Act does not require that every application for establishment of new undertaking or for expansion of the existing undertaking must be rejected in all cases. There are certain guidelines which are built in the Act; on the touchstone of those guidelines each application is considered.

**SHRI BEDABRATA BARUA:** The hon. Minister knows that the Monopolies Act in our country is different from other Monopolies Acts in the sense that it has a bias against the size itself. I would like to know from the Minister, what is the policy as to this ever-increasing growth of the big business-houses? Does the Government have a policy in regard to checking the growth of the size as such and also what is the position in regard to the 20 crore limit. There were rumours at one time that this limit would be raised to Rs. 50 crores and at another stage, this was discussed also. I would like to know,

whether there is any proposal from the Government to raise this limit of Rs. 20 crores to Rs. 50 crores.

**SHRI SHANTI BHUSHAN:** So far as the general policy is concerned, I am happy to say that the Janata Party subscribes to the Directive Principle of the State Policy contained in the Constitution that concentration of economic power to the common detriment must not be permitted and, therefore, any steps which are necessary to implement that Directive Policy should be taken. So far the point made about Rs. 20 crores limit being increased or decreased is concerned, no decision has been taken in that regard.

**SHRI P. VENKATASUBBIAH:** The hon. Minister said that the Rajendra Sachar Committee is inquiring into all these matters.

I want to put a specific question. May I know whether the provisions of the Monopolies and Restrictive Trade Practices Act have been circumvented successfully with the help of the bureaucracy and whether any such cases were brought to the notice of the Government and whether this Rajendra Sachar Committee is going to inquire into those matters?

**SHRI SHANTI BHUSHAN:** The purpose of the Rajendra Sachar Committee is to go into the matter and make recommendations in regard to the revision of the Companies Act as well as the Monopolies and Restrictive Trade Practices Act.

So far as the question of violation of the Act in any matter is concerned, that is not the purpose of the Rajendra Sachar Committee. Now, if the hon. Member, invites my attention to any specific case which he has in mind, then I shall look into that matter.

**SHRI KRISHAN KANT:** The hon. Minister, while replying to my friend, Shri Shyamanandanji, said that the

provisions of the Act are complied with.

I want to know whether he is aware of the fact that there is a provision in the Monopolies and Restrictive Trade Practices Act for taking steps to break up the monopoly houses and the previous regime took no steps towards that end and also no report of the Monopolies Commission says so.

May I know whether the present Government will ask the Monopolies Commission to see that the present monopoly houses are broken up and the provisions of the Act implemented?

**SHRI SHANTI BHUSHAN:** So far as the large industrial houses are concerned, large industrial houses do not constitute only one company. In fact all inter-connected companies are treated as part of the same large industrial house. Merely because one company is broken up, those two companies, even though broken up, would still be a part of the large industrial house, so that so far as the concept of reducing the size, so far as the larger industrial houses, is concerned, I do not think that breaking up one company into two companies can achieve that result.

**MR. SPEAKER:** Question No. 577—  
Mr. Mavalankar.

**SHRI KRISHAN KANT:** He has not fully replied.

**MR. SPEAKER:** He said breaking up does not help.

**SHRI KRISHAN KANT:** It means that the law is superfluous.

**MR. SPEAKER:** These are matters for debate.

**SHRI KRISHAN KANT:** I think he has given a statement which shows that the law is superfluous.

MR. SPEAKER: The Ministry's Demands will come up and you can then discuss it.

AN HON. MEMBER: This Ministry will not come up.

### Capital Requirements of State Road Transport Corporations

\*577. PROF. P. G. MAVALANKAR: Will the Minister of RAILWAYS be pleased to state:

(a) whether Government pay the matching capital contribution, in the agreed ratio of 2 : 1 respectively by the State Government concerned and the Central Government to the State Governments towards the capital requirements of the State Road Transport Corporations concerned;

(b) if so, whether the said Central contributions to State Government of Gujarat were regular till 1971-72 and thereafter the annual arrears have piled up;

(c) if so, full details thereof, giving reasons for not paying the State Governments their legitimate share;

(d) the total arrears to date payable to the State Government of Gujarat in this regard; and

(e) whether Government would release the said arrears amount to Gujarat State Government as early as possible?

THE MINISTER OF RAILWAYS (PROF. MADHU DANAVATE): (a) to (e). A statement is laid on the Table of the House.

### Statement

(a) Central Government through the Railways provide matching capital contribution to 14 State Road Transport Corporations to the extent of 50 per cent of the capital provided by the State Government concerned.

(b) Yes.

(c) and (d). A statement showing the capital outlay approved by the Planning Commission, actual amount released by the State Government and the amount contribution by the Central Government (Railways) is attached as Annexure 'I'.

There was no shortfall in the Central Government's contribution upto 1971-72.

Funds for capital contributions to the State Road Transport Corporations are provided by the Planning Commission. In certain years, as would be seen from Annexure 'I', the Gujarat State Government invested more capital in their State Road Transport Corporation than that approved by the Planning Commission leading to corresponding short-fall in the Central Government's contribution. In 1973-74, the last year of the 4th Plan, no funds were provided by the Planning Commission. This has led to a cumulative short-fall of Rs. 332.80 lakhs in the Central Government's contribution as on 31st March 1978.

(e) The arrears would be cleared as and when adequate funds are made available by the Planning Commission.