

The Minister of Industrial Development and Company Affairs (Shri F. A. Ahmed): (a) According to the Industrial Policy Resolution the manufacture of Arms and Ammunition is the monopoly of the Central Government, but, for the present manufacture of Air Rifles/Air Guns is excluded from the purview of restrictions on the manufacture of Arms and Ammunition by private firms. The manufacture of such Air Rifles/Air Guns which do not require possession licence under the Arms Act and rules is allowed in the private sector.

(b) One firm from Gujarat has been granted a licence, under the Arms Act and Rules, for the manufacture of such Air Rifles and Air Guns which do not require possession licence under the said Act and rules. Seven other applications, as per list attached at Annexure I, have been received and are pending consideration. [Placed in Library See No LT-178/67].

(c) The scheme of the firm from Gujarat, referred to at (b) above for collaboration with a foreign firm has also been approved towards the end of 1966, for taking up the manufacture of Air Rifles.

Lakshmi Rattan Cotton Mills, Kanpur

267. Shri S. M. Banerjee: Will the Minister of Commerce be pleased to state:

(a) whether it is a fact that the Lakshmi Rattan Cotton Mills, Kanpur have not yet been taken over by Government despite the unanimous recommendation of the Committee appointed for this purpose;

(b) if so, the reasons therefor; and

(c) the steps taken by Government in this regard?

The Deputy Minister in the Ministry of Commerce (Shri Shaif Qureshi): (a) to (c). The report of the Investigation Committee is still under consideration of the Government, and a decision is expected shortly.

Car Prices

268. Shri S. M. Banerjee:
Shri Ramachandra Ujain:
Shri Dhuleshwar Meena:

Will the Minister of Industrial Development and Company Affairs be pleased to state:

(a) the steps taken to reduce the prices of cars in India;

(b) whether cars are being sold at a much greater price than the cost price; and

(c) if so, the reason for not taking any effective steps in this regard?

The Minister of Industrial Development and Company Affairs (Shri F. A. Ahmed): (a) to (c). The selling prices of motor cars manufactured in the country are comparatively high on account of the relatively low volume of production, higher cost of imported and indigenous components and raw materials and higher incidence of taxation. There is little possibility of the selling prices of motor cars being reduced so long as these conditions prevail. On the contrary, prices have had to be increased in the recent past, particularly after devaluation, on account of the factors mentioned.

The dealers charge from the customers only the ex-factory retail selling price as approved by Government. However, to this they add actual cost on account of the following factors:

- (i) Excise duty and the surcharge thereon levied by Government.
- (ii) Central Sales Tax.
- (iii) States Sales Tax.
- (iv) Transportation.
- (v) Registration and Road Tax.
- (vi) Insurance.

Because of these factors that ultimate price charged to the consumer is higher than the ex-factory selling price.