

LOK SABHA DEBATES

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LOK SABHA

Wednesday, 26th March, 1958.

The Lok Sabha met at Eleven of the
Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Tatas Automobile Project

*1215. **Shri Gajendra Prasad Sinha:** Will the Minister of Commerce and Industry be pleased to state:

(a) what is the progress made so far with regard to progressive manufacture of trucks, buses and cars in the Automobile Division of the Tatas; and

(b) whether any external financial assistance is being made available to Tatas by Government for the specific purpose of the Automobile project?

The Minister of Industry (Shri Manubhai Shah): (a) M.S. Tata Locomotive & Engineering Co. Ltd., Jamshedpur, are licensed for the manufacture of truck and bus chassis only. Axles, chassis members, propeller shaft and Universal Joints, radiator, leaf springs and brake drums are the main components being made by them now, some from imported raw materials and others from imported unmachined pieces. The indigenous content of the vehicle forms about 47% of the C.I.F. value of a complete unit.

(b) This undertaking may get the benefit, if they so desire, along with other automobile manufacturers of the financial credit assistance extended recently by the U.S. Government to India.

Shri Gajendra Prasad Sinha: May I know whether they have submitted their expansion programme and whether they have also indicated that there may be reduction in the future cost of the project?

Shri Manubhai Shah: They have submitted their increased production programme for 12,000 trucks per year and naturally when the production goes up, the prices are likely to go down.

Shri V. P. Nayar: In 1956, in answer to a question, it was revealed that the cost per route mile of a truck of Tatas Mercedes-Benz was very much higher than that of Leyland. I want to know whether subsequently any steps have been taken to reduce the cost per route mile of Tatas Mercedes-Benz?

Shri Manubhai Shah: I am not aware of the question the hon. Member refers to, but these are two different types of trucks. One is a heavy truck—Ashok-Leyland—whereas Tatas Mercedes-Benz is a medium type of truck. When we compare the performance, we will have to go by the ton mileage of each truck and its capacity.

Shri Ramanathan Chettiar: What is the financial interest the Central Government has in TELCOs?

Shri Manubhai Shah: As far as this particular aspect is concerned, we have no direct financial interest and the majority capital is Indian. Only

Rs. 80 lakhs are from the foreign collaborators.

Shri P. B. Patel: May I know what is the target and what is the production?

Shri Manubhai Shah: Their target was 6,000 and their production is 7,417.

Shri Joachim Alva: We are not able to have one single model in the matter of small cars. Are we able to stick at least to only two models for a poor country like India for trucks?

Shri Manubhai Shah: This has been explained several times. As a matter of fact, at the moment this is the only diesel medium truck. Another truck is being licensed to the Hindustan Motors. As far as the other trucks are concerned, they are principally petrol trucks, though convertible to diesel engines.

Shri Heda: May I know according to the programme of Tatas, by what time we will have all the parts manufactured in our country?

Shri Manubhai Shah: Our expectation is that before the end of the second Five Year Plan, more than 75 to 80 per cent will be indigenous components. That is what any factory can do maximum as far as automobiles are concerned.

Shri Ramanathan Chettiar: May I know whether any loan has been given by the Central Government to TELCOs?

Shri Manubhai Shah: As far as the locomotive programme is concerned, perhaps a loan has been given, but not for the automobile portion of it, to which the question refers. He may address the question to the Railways about locomotives.

Shri Tyagi: Is it a fact that the Hindustan Motors have applied for permission to manufacture an engine which can run both on diesel oil and petrol? What has happened to that?

Shri Manubhai Shah: No, Sir. A part of the question is correct, namely, that they have applied for diesel engine. There is no engine which can run both on diesel oil and petrol simultaneously. But regarding that, as an hon. Member previously pointed out, we are not licensing too many engines, too many models and too many trucks in order to make it as economic as possible in the country.

Quasi Matin: What is the company's progress according to the programme submitted to the Government (a) in respect of the rate of out-put, (b) in respect of indigenous content and (c) in respect of quality?

Shri Manubhai Shah: I have already indicated that they have exceeded their target by almost 20 per cent. Against a target of 6,000, they have produced 7,417. The performance is excellent. As far as the indigenous content is concerned, with our very rigid definition of what is called indigenous, they have reached 47 per cent and they will very soon reach even more than what can be desired or expected by us.

Shri Gajendra Prasad Sinha: May I know why there has been increase in the price of components in spite of the fact that there has been reduction in the import duty of the components?

Shri Manubhai Shah: As I have indicated several times, in matters of automobile policy, when the deletion percentage increases because the volume to be imported from the counterpart collaborator decreases, always the price of components slightly goes up, irrespective of the import duty. That is the only reason. As the indigenous component increases and the volume of production goes up, the prices are likely to come down.

Some Hon. Members rose—

Mr. Speaker: I have allowed six minutes for this one single question. Next question.