

**GOVERNMENT OF INDIA  
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:423

ANSWERED ON:02.12.2004

NEW CAR MANUFACTURING AND DIESEL ENGINE MAKING VENTURE BY SUZUKI

Thummar Shri Virjibhai

**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

(a) whether the Government's Japanese Joint Venture partner in Maruti Udyog-Suzuki has recently make an announcement regarding setting up of new car manufacturing and diesel engine making venture in India in breach of understanding of their joint venture agreement and without seeking the consent of the Government of India;

(b) if so, whether the Government has received any clarification in this regard from Suzuki; and

(c) if so, the details thereof?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
(SHRI SONTOSH MOHAN DEV)

(a) to (c): Upon learning of an announcement by the Suzuki Motor Corporation (SMC) in Japan and Government asking for clarification in this regard, a delegation of SMC discussed the matter with Government of India (GOI) on 22.9.2004. Thereafter, it was decided that a new automobile assembly plant under a Joint Venture of Maruti Udyog Ltd. (MUL) and SMC for manufacture of high end automobiles will be set up and the new entity will share common vendors, marketing and servicing network and R&D infrastructure of MUL thus enhancing the value of MUL. Further, SMC will set up a new manufacturing facility for diesel engines in equity participation with MUL.