

15.15½ hrs. 349

COMMITTEE ON GOVERNMENT ASSURANCES

Sixth Report — 22.11.88

[Translation]

PROF. VIJAY KUMAR MALHOTRA (Delhi Sadar): I beg to present the Sixth Report (Hindi and English Versions) of the Committee on Government Assurances.

15.16 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

Reported disappearance of seventy Maruti Vehicles during transit

[Translation]

PROF. VIJAY KUMAR MALHOTRA (Delhi Sadar): I call the attention of the Minister of Industry to the following matter of urgent public importance and request him to make a statement thereon:—

“Situation arising out of the reported disappearance of seventy Maruti Vehicles during transit from the factory to showroom and action taken by the Government in regard thereto.”

[English]

SHRI SONTOSH MOHAN DEV (Tripura West): You can drive your Maruti in the House. (Interruptions).

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH): The system of sale being followed by Maruti Udyog Ltd. (MUL) is that the dealers buy vehicles against ‘C’ form. The vehicles are the property of the Dealer when they leave the factory. MUL, however, covers the transit risk and on the basis of a fee levied per car, undertakes to pay the cost of repair/replacement of vehicles damaged in transit. A good proportion of Gypsies are, however, directly invoiced

in the name of the purchasing customer and in such cases, the transit risk is covered by the customer by insurance. When vehicles are damaged during transit, and it is assessed that such vehicles cannot be repaired satisfactorily to make them saleable, these are returned to the factory. In such cases, MUL writes off the cost of these vehicles from fee collected to cover transit damage and new vehicles are supplied to the Dealer in lieu of the returned vehicles. Where possible, the vehicles are repaired and used as company vehicles. In cases where repair is not possible, the vehicles are dismantled and the good components including the engine, are reused.

During 1988-89, it was found that the documentation relating to the returned vehicles and the reuse of components for the period 1986-88 had not been kept upto date. The exercise to complete this work was accordingly taken up. It was found that the records of 70 vehicles were to be completed, in view of such vehicles having been damaged beyond repair, dismantled and their components reused. Out of these 70 vehicles, the engines of 53 original vehicles had been salvaged and reused in new vehicles and these vehicles were sent out to different dealers again. The engines of the remaining 17 original vehicles had not been reused and had been dismantled.

It was found that during the period 1986-88, when the 70 vehicles had been originally produced and the replaced vehicles sent out to the Dealers, excise duty had not been paid on the vehicles which had been damaged and dismantled. It was under a mistaken notion that the excise duty was not to be paid on the vehicles which were not sold to customers. To correct this position, hand-written gate passes were made and the excise duty deposited on all these vehicles produced, as per law, irrespective of the fact whether they were damaged or not damaged. The gate passes were prepared for these non-existing