

# LOK SABHA DEBATES

LOK SABHA

Wednesday, October 6, 1982/Asvina 14,  
1904 (Saka)

The Lok Sabha met at Eleven of the clock

[MR. SPEAKER in the Chair]

MEMBER SWORN

SHRI S. T. K. Jakkayan (Periyakulam).

ORAL ANSWERS TO QUESTIONS

Production and price of Maruti cars

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\*41. SHRI AMAR ROYPRADHAN:

SHRI CHINTAMANI JENA:

Will the Minister of INDUSTRY be pleased to state:

(a) whether production plan of Maruti Udyog has been finalised;

(b) if so, the details thereof; and

(c) what would be the cost of production and the selling price of Maruti car?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI VIRBHADRA SINGH): (a) and (b). Yes, Sir, Maruti Udyog Limited expects to commence production by the end of 1983 and to take up commercial production in the beginning of the financial year 1984-85. It proposes to manufacture a small passenger car, a micro bus and van. The envisaged volume of production will be about 20,000 vehicles in 1984-85 and this

would be increased by 20,000 nos. a year so as to reach a production of about 1,00,000 vehicles in the year 1988-89.

(c) The cost of production and the final selling price of the car would depend on the level of the custom and excise duties apart from other factors like the investment on the project and the cost of raw materials and other inputs and other fiscal levies from time to time. Sales Tax rates will also determine the selling price in different States.

SHRI AMAR ROYPRADHAN: Mr. Speaker, Sir, it is a news that after a long expectation, the advertisement came that the people's car—cheap car—Maruti Car booking will start from December, 1982.

Sir, Maruti has a long history—Maruti started Maruti closed and Maruti nationalised in 1980. And after that, Rs. 4.34 crores were paid as compensation. Now Maruti is going to be named as Maruti Suzuki Motor Co. (M.S.M.C.) in collaboration with a Japanese multi-national firm Suzuki.

MR. SPEAKER: What is the question?

SHRI AMAR ROYPRADHAN: Sir, the Minister did not reply my question properly. His answer is of an evasive nature because he did not mention what is the exact price of the car. But, Suzuki cars have got a global market. They are selling in the global market at the rate of Rs. 16,000 (Indian rupee value). So, I would like to know from the hon. Minister whether the cars which will be produced from the Maruti Udyog Limited ultimately will be less than Rs. 15,000 or more than Rs. 15,000? Why has this collaboration with a multi-national firm has been done? What is the reason behind it and what are the terms and conditions between the Maruti Udyog Limited and Suzuki?

THE MINISTER OF INDUSTRY (SHRI NARAYAN DATT TIWARI):

First of all, I am thankful to the hon. Member for his good wishes and I value them very much in the context of the production of this vehicle. I would like to assure the hon. Member that we would never like to be evasive as far as any question is concerned. There was no periodicity mentioned in the question. It is difficult for us to answer exactly what would be the countrywide price in the first year and the successive year because there are so many factors. We have mentioned all those factors which go to determine the price of the car in any particular year or years or particular period of time.

As far as the global prices of Suzuki are concerned, I do not have that figure which the hon. Member has in his possession, that is, Rs. 16,000 or so because you know the value of currency fluctuates; the volatility of exchange rates are very well-known. We cannot say what the value of a Suzuki car would be in Phillipines or, for that matter, whether it would be the same as is available or sold in Burma or in Pakistan or in East Africa or whatever country that might be. Price differ from country to country after the tariff rates—customs duties—and all those factors which I have mentioned are added up. But, as I said, as far as the terms and conditions of the Maruti Suzuki collaboration are concerned, the company will be a Government company. Suzuki will invest 26 per cent as its equity with an option to subscribe upto 40 per cent may be through its associates. Government shall hold not less than 51 percent of the equity. Participation in the equity of the company will be limited to Suzuki and its Associates, Government and Indian financing institutions. The company will be managed as a commercial enterprise with the objective of earning reasonable profits and declaring reasonable dividends. Sir, the Agreement is well-known, and details have been published prominently in the Press and I need not take the time of the House in reading all the points which are mentioned in the Agreement but I will say that our interests are sought to be fully secured.

**SHRI AMAR ROYPRADHAN:** Mr. Speaker, Sir, long before in 1966 when it

was decided that small car would be produced in India then the global tenders were invited. At that time the first offer came from a French company named RENAULT. The second offer came from Japan's MAZDA and the third and the lowest offer came from late Shri Sanjay Gandhi—the Maruti Ltd. It was declared in 1970 that Maruti's production car with two stroke air cool engine of 24 h.p. two-cylinder rear mounted which would require 20 per cent foreign content would cost Rs. 6,000 only as ex-factory rate. So, I would like to know clearly from the hon. Minister in the context of what was assured in 1970 what will be the exact price of the Maruti car in terms of today's rupee value?

Secondly, Sir, yesterday there was a meeting between the Chairman of Suzuki Co. and the Prime Minister, Shrimati Indira Gandhi and it was assured to Suzuki that the present 20 per cent equity will be raised to 40 per cent within a short time. So, I would like to know whether it is not a clear-cut instance that India's public sector is working as an infrastructure of the multi-nationals such as Suzuki & Co?

**SHRI NARAIN DATT TIWARI:** Sir, first of all the hon. Member with all his knowledge of economics and finance will agree that it is very difficult—rather impossible—to compare prices available in 1966 and 1970 to prices existing nationally and internationally at the current rates. As far as part (b) of his question is concerned, Sir, it was not decided upon yesterday when the Chairman, Suzuki Co. made a courtesy call. It was there is the Agreement itself that the equity participation of Suzuki and Associates can go upto 40 per cent.

Sir, I would request the hon. Member not to bring in question of multi-nationals and all that because this collaboration we have had in the context of induction of new fuel efficient small vehicle technology. It is a collaboration which is fully in keeping with our national interests to update the automotive industry.

**SHRI CHINTAMANI JENA:** Sir, production of small passenger cars in the

country was a dream in 1955-56 and we are grateful to our Prime Minister, Shrimati Indira Gandhi, under whose Government with her personal efforts these small passenger cars are going to be produced in our country. These are to be used by the middle-class people of our country. It is a long-cherished demand of the people. This small passenger car, as the people say, will be people's car. Looking to these aspects of the matter I want to know from the hon. Minister as to what would be the demand of these people's cars in the country by 1988-89. What would be the production from Maruti Udyog of these small cars?

MR. SPEAKER: This has already been replied to.

SHRI CHINTAMANI JENA: There are many components which are to be imported, to be used in these vehicles to be produced by Maruti Udyog; I want to know whether they will be duty-free or not. I am afraid that in case it is not duty-free, it may not be within the reach of the common people; they may not be able to purchase these cars.

MR. SPEAKER: You cannot go on like this. There is no question....

SHRI CHINTAMANI JENA: What would be the fuel consumption of these small cars?

MR. SPEAKER: Did you find any question?

SHRI NARAYAN DATT TIWARY : Yes. The Hon. Member enquired about the possible projections of demand. I think what we are told is that the demand will be exceeding what we can produce. By 1988-89 we shall be producing about one lakh vehicles. About the rest, I have already mentioned. As far as lowering of duty is concerned, this question is already under the consideration of Government for new type of vehicles. The fuel consumption of cars is expected to be around 18 to 20 kms. per litre.

SHRI PRATAP BHANU SHARMA: After entering into technical collaboration with Suzuki of Japan, Maruti Udyog has become the prestigious automobile project

of the country. It will create large number of employment opportunities in the country. So I would like to know from the hon. Minister as to how many ancillary industries will be promoted or developed for the Maruti Udyog to meet the demands of various components. May I know whether Government have developed any action plan for it? What are the prospects for direct employment through these ancillary units?

SHRI NARAYAN DATT TIWARY: Maruti Udyog has conducted a survey of existing ancillary units in the country. It has to be a product-mix. Whatever is already available in the market, whatever good use we can put them to, in that respect, the existing units shall have to be utilised. So, this is almost a continuous exercise. I think, all the details cannot be furnished just now. But Hon. Members will agree when I say that we have to utilise the existing automobile ancillary units; we have to set up new units also. That is a technical decision which has to be taken by Maruti Udyog Limited.

DR. SUBRAMANIAM SWAMY: My question has been answered. I will ask another question.

SHRI KAMAL NATH: There has been a lot of talk about cost and selling price. But in one sense, cost and selling price is irrelevant. The question is what the traffic can bear. When I say 'Traffic can bear' I mean it both literally and metaphorically. Today the Fiat car sells not because of its price, but, because, in 5 years' time the depreciation is practically nil. The capital cost of the Fiat car remains the same and it continues to have high re-sale value. With the increased production of such cars there is likely to be an ecological disturbance because all these things cause ecological effects in our whole environment. I would like to know specifically about this point because there are roads, there are traffic-lights, there are fly-overs. With the increased supply, may I know whether the ecological balance has been taken into account with regard to all our roads, all our traffic lights, all our fly-overs in congested cities like Bombay, Calcutta and Delhi. With the increased num-

ber of motor-cars which will be on the roads here will be ecological imbalance.

AN HON. MEMBER: Should we not produce more cars?

SHRI KAMAL NATH: They should not produce more cars unless the ecological effects are taken care of. These ecological effects have got to be properly evaluated. (Interruption).

MR. SPEAKER: Next question. Shri Paswan.

**Daylight Robbery in Sunder Nagar New Delhi**

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\*42. SHRI RAM VILAS PASWAN:  
SHRI NIHAL SINGH:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether it is a fact that in a daring daylight robbery three armed bandits struck at a Sunder Nagar, New Delhi Jewellery shop on 11 September 1982 and diamonds worth Rupees Two lakhs were looted;

(b) whether it is also a fact that robbery, dacoity and theft cases in the capital have increased considerably during the last six months; and

(c) if so, the steps taken or proposed to be taken by Government to prevent such cases in the capital?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. VENKATASUBBAIAH): (a) On 11th September, 1982, at about 3 P.M. 3 young men committed robbery in a jewellery shop in Sunder Nagar Market and took away a few pieces of diamond worth approximately Rs. 1.50 lakhs.

(b) and (c). It is not correct to say that incidents of dacoity, robbery and theft have increased during the last 6 months. On the contrary, there has been a decrease in such cases. Various measures like increase in manpower and vehicles of Delhi Police, opening of new Police Stations and Police Posts, induction of interstified

foot and mobile patrolling, surprise checking of vehicles, surveillance over known criminals and posting of pickets at vulnerable points have brought about an improvement in the law and order situation in Delhi.

श्री राम विलास पासवान: अध्यक्ष महोदय, दिल्ली में प्रतिदिन हत्याएँ हो रही हैं, डकैतियाँ हो रही हैं। जब भी यहां पर प्रश्न पूछा जाता है कि सरकार हमेशा कहती है कि दिल्ली में कानून-व्यवस्था ठीक है और कमी हो रही है। मैं जनता पार्टी की हकूमत की ओर दिलाना चाहूंगा, उस वक्त एक घटना घटी थी संजय और गीता की। उस समय आप विरोधी पक्ष में थे और हमारी सरकार ने एक हफ्ते के अन्दर बिल्ला और रंगा को पकड़ लिया था। दिल्ली में निरंकारी बाबा और संतोष सिंह के हत्यारे आज तक पकड़ा नहीं गया है। दिल्ली की कानून और व्यवस्था दिनोदिन खराब होती जा रही है। आपके यहां फोरन-डिगनिटरीज आने वाले हैं, क्योंकि एशियाड खेल शुरू होने जा रहे हैं। इस परिस्थिति में कोई ऐसा दिन नहीं जाता है, जब समाचार पत्रों में हत्या और डकैती की खबरें न आती हों। मैं सरकार से पूछना चाहता हूँ कि सरकार ने किस आधार पर कह दिया कि हमारे यहां कानून-व्यवस्था ठीक है, कमी हुई है। मैं जानना चाहता हूँ कि 1981 में कितनी हत्याएँ हुईं और 1982 में अब तक कितनी हत्याएँ हुईं ?

SHRI P. VENKATASUBBAIAH: Sir, the hon. Members mentioned about the theft in Jewellery Shop and I have given all facts and figures. I have said that statistics will go to show that the crime rate, so far as robbery is concerned, has come down. But the Administration, Government of India and we ourselves are not satisfied with the decrease in the dacoity and theft cases. As a matter of fact,