

LOPMENT AND COMPANY AFFAIRS be pleased to state :

(a) the stage at which the matter with regard to the small car project stands at present;

(b) whether it is a fact that against the original estimate of the end price of the car at Rs. 5,000/-, it is now quoted at Rs. 12,000/-; and

(c) whether this price is justified and whether it will be in the easy reach of the common man for whose benefit this project was said to be mooted ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI F. A. AHMED) :

(a) The subject is still under discussion with the Planning Commission.

(b) In 1961, the Expert Committee had expressed the view that it was possible to produce a car at about Rs. 5,100/- ex-factory at a level of production of 50,000 cars per annum and the prevailing levels of prices of raw materials, components etc. The ex-factory prices quoted in the proposals now received for consideration range from Rs. 6,500/- to Rs. 9,000/-.

(c) The above prices are only estimates and their reasonableness can be judged only after full details regarding the manufacturing costs are worked out. While the above estimated ex-factory prices are considerably below the corresponding figures for the cars now in production, the market prospects of the new car will be clear only when the final figures are worked out.

EXPANSION OF DURGAPUR STEEL PLANT

*859. **SHRI JYOTIRMOY BASU :** Will the Minister of STEEL, MINES AND METALS be pleased to state :

(a) whether his attention has been drawn to the statement made to the *Economic Times* of Bombay on the 27th February, 1968 with regard to the expansion of Durgapur Steel Plant; and

(b) the reasons for not accepting the offer of the British Chancellor of the Exchequer regarding the 70 million credit to undertake the expansion of the Plant ?

THE MINISTER OF STEEL, MINES AND METALS (DR. CHANNA REDDY) : (a) Yes, Sir.

(b) The question of external assistance for Durgapur Expansion beyond 1.6 million tonne stage did not arise since it was decided to postpone the expansion in view of the slower growth than anticipated in the demand for Steel and in particular for flat products, the estimated cost of the project and its foreign exchange component being in excess of available resources, and the prior need of attaining normal production at the 1 million ton plant and 1.6 million tonnes expansion stage.

TALCHER INDUSTRIAL COMPLEX PROJECT

*860. **SHRI S. KUNDU :** Will the Minister of STEEL, MINES AND METALS be pleased to state :

(a) whether the Talcher Industrial Complex Project was processed by the Appraisal Committee of the Planning Commission; and

(b) if so, the main features of the report of the Appraisal Committee of the Planning Commission regarding the soundness of the project ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL, MINES AND METALS (SHRI P. C. SETHI) :

(a) In a meeting held in the Planning Commission in April 1965 in was, *inter alia*, decided that the capital cost estimates and financial aspects of the Talcher Industrial Complex required further examination. Accordingly, a team comprising of officials of the Government of India and the Fertilizer Corporation of India visited Bhubaneswar in May 1965 and examined the project estimates in consultation with the Technical Officers of the Industrial Development Corporation of Orissa Ltd;

(b) In the report submitted, the Appraisal Team came to the conclusion that the economic viability of the project will depend on the prices assumed of the finished products *i.e.* urea and pig iron; an aspect which will need to be looked into by the sanctioning authority.