

[Shrimati Nandini Satpathi]

(2) A copy of the Inland Air Travel Tax Rules, 1971 (Hindi and English versions) published in Notification No. G. S. R. 1760 in Gazette of India dated the 15th November, 1971, under sub-section (3) of section 8 of the Inland Air Travel Tax Ordinance, 1971. [Placed in Library. See. No. LT-1217/71]

MESSAGES FROM RAJYA SABHA

SECRETARY : Sir, I have to report the following messages received from the Secretary of Rajya Sabha :—

- (i) "In accordance with the provisions of sub-rule (6) of rule 186 of the Rules of procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Railway Passenger Fares Bill, 1971, which was passed by the Lok Sabha at its sitting held on the 25th November, 1971, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill."
- (ii) "In accordance with the provisions of sub-rule (6) of rule 186 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Tax on Postal Articles Bill, 1971, which was passed by the Lok Sabha at its sitting held on the 25th November, 1971, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill."
- (iii) "In accordance with the provisions of sub-rule (6) of rule 186 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Inland Air Travel Tax Bill, 1971, which

was passed by the Lok Sabha at its sitting held on the 25th November, 1971, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill."

COMMITTEE ON PUBLIC UNDERTAKINGS

SECOND REPORT AND MINUTES

SHRI M.B. RANA (Broach) : I beg to present the following Report and Minutes of the Committee on Public Undertakings:—

(1) Second Report on Bharat Earth Movers Limited.

(2) Minutes of the sittings of the Committee on Public Undertakings (1970-71 and 1971-72) relating to the Second Report of the Committee on Bharat Earth Movers Limited.

DEMANDS FOR SUPPLEMENTARY GRANTS (RAILWAYS), 1971-72

THE MINISTER OF RAILWAYS (SHRI K. HANUMANTHAIYA) : I beg to present a statement showing Supplementary Demands for Grants in respect of the Budget (Railways) for 1971-72.

12.37 hrs.

STATEMENT RE. HINDUSTAN MOTORS FACTORY, UTTARPARA

THE MINISTER OF INDUSTRIAL DEVELOPMENT (SHRI MOINUL HAQUE CHOUDHURY) : I beg to lay on the Table of the House a statement on the condition of the plant and machinery for production of cars in the Hindustan Motors factory at Uttarpara and book value thereof.

Statement

MR. SPEAKER, Sir, In response to your suggestion that I make a statement in the House on the condition of the plant and machinery for production of cars in the Hindustan Motors' factory at Uttarpara and the book value thereof, I wish to make

the following statement :

Following my statement in the House on the 26th November, 1971 in response to Calling Attention Notices given by several Honourable Members relating to the judgement delivered by the Supreme Court on 24th November, 1971 regarding fixation of car prices, I was asked why Government should not nationalise Hindustan Motors. I replied that Government were not considering at the moment nationalising Hindustan Motors in view of the poor condition of the machinery for producing cars, particularly when they had decided to set up a car project in the Public Sector.

Hindustan Motors manufacture cars in their factory at Uttarpara in West Bengal. Commercial vehicles, shovels, heavy cranes, structurals etc., are also manufactured in the same factory. The factory was first established to assemble cars as early as 1948. Facilities for production of cars and commercial vehicles are integrated. The original value of the fixed assets of the Company as on 31st March, 1970 stood at Rs. 67.54 crores according to the published accounts. The written down value as on the same date is Rs. 44.70 crores.

The production facilities in the Auto Division like Forge, Foundry and Press Shop, and in addition, some machines and equipment, are common for the production of both cars and commercial vehicles. The written down value of the fixed assets of the Auto Division, as assessed on the basis of data furnished by the Company from time to time stood at about Rs. 28.0 crores on the 31st March, 1970 as against the original value of about Rs. 55.12 crores. The written down value of the machinery exclusively used for cars has been assessed at about Rs. 7.5 crores. This includes the written down value of the sheet metal dies, namely Rs. 7.81 lakhs, of which the original value was about Rs. 2.2 crores.

Messrs. Hindustan Motors had furnished certain data to the Car Prices Enquiry Commission headed by Shri Sarjoo Prasad Singh which was set up following the recommendations of the Supreme Court. They had stated therein that they would

need an investment of the order of Rs. 10 crores to replace existing worn-out machinery used for production of cars, so as to maintain the present production capacity. Messrs. Hindustan Motors had also submitted a proposal to the Government in July, 1970 stating that they would like to discontinue production of Ambassador car and Switch over to the production of Opel Kadett for which also they would need an estimated investment of about Rs. 10 crores for replacement of worn-out machinery and equipment. It will thus be seen that, on their own statement, as against the written down value of the fixed assets of the Auto Division amounting to Rs. 28 crores, they would require an investment of the order of Rs. 10 crores to maintain the current level of production of cars.

The annual licensed capacity for manufacture of commercial vehicles of M/s Hindustan Motors is 15,000 units. There is no control over the price of distribution of commercial vehicles. Even so, production of commercial vehicles by this Company has been meagre and has been going down from year to year. As against a production of 4,855 trucks in 1965, their production in 1968, 1969 and 1970 dwindled to 1981, 1755 and 1319 respectively. The Supreme Court has concluded that, despite an installed capacity of 15,000 trucks per annum, the actual production by this firm was not likely to exceed 5,000 per year. As against the declining trend of production in this plant, two of the major manufacturing units have been recording consistently higher production in recent years.

I hope the information I have now furnished will enable the Honourable Members to appraise in better perspective what I had stated the other day.

12.37½ hrs.

BUSINESS OF THE HOUSE

THE MINISTER OF PARLIAMENTARY AFFAIRS AND SHIPPING AND TRANSPORT (SHRI RAJ BAHADUR) :
Sir, I rise to announce that Government Business in this House during the week