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GOVERNMENT OF INDIA
TARIFF COMMISSION

REPORT ON THE
CONTINUANCE OF PROTECTION TO THE ANTIMONY INDUSTRY

BOMBAY, 1958

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DR. RAMA VARMA

1—10 T. C. Bom./58

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE & INDUSTRY

New Delhi, the 27th October, 1958.

RESOLUTION

Tariffs

No. 4(1)-T.R./58.—The Tariff Commission has submitted its Report on the continuance of protection to the Antimony Industry on the basis of an inquiry undertaken by it under Sections 11(e) and 13 of the Tariff Commission Act, 1951. Its main recommendations are :—

(1) The protective duty on antimony should be reduced from the existing rate of 60 per cent *ad valorem* to 45 per cent *ad valorem* or Rs. 45 per cwt., whichever is higher.

(2) The existing protective duty of 25 per cent *ad valorem* on crude antimony should be continued.

(3) The protective duties recommended above should remain in force for a further period of five years ending 31st December, 1963, subject to a review by the Commission in 1961.

(4) The Geological Survey of India should give the highest priority to the further work to be done at Kolari area so as to prove the possibility of its commercial exploitation.

(5) Government should invoke the relevant provisions of the mining licence and ensure that the present lessee carries out his obligations regarding prospecting and exploitation of antimony ore in this area (Kolari) without any delay, and if he fails to do so, the licence should be transferred to another who is prepared to operate it.

(6) Government Departments should plan their orders for antimony and antimonial alloys from year to year in an even manner.

(7) The Star Metal Refinery should fix its selling prices of antimony in fair relation to its costs.

(8) The Star Metal Refinery Private Ltd., Bombay should reorganise its financial position as early as possible, but in any case before 30th June, 1959, and report the same to the Commission.

(9) The Star Metal Refinery should try to maintain a reserve stock of about 30 tons of antimony metal.

(10) The Star Metal Refinery should submit every month to the Commission, along with the statements of production, sales,

stocks of metal and selling prices, reports of stocks of ore, prices at which ore is purchased, country of origin and other relevant information so as to enable the Commission to keep a continuous watch over selling prices of antimony metal produced by it.

2. Government accept recommendations (1) to (3) and the necessary legislation will be undertaken in due course. The revised rate of protective duty recommended by the Tariff Commission for antimony metal (*i.e.* antimony, other than crude antimony) is being brought into force with immediate effect.

3. Government have taken note of recommendations (4) to (6) and steps will be taken to implement them as far as possible.

4. The attention of the Star Metal Refinery Private Ltd., Bombay, is invited to recommendations (7) to (10).

ORDER

ORDERED that a copy of the Resolution be communicated to all concerned and that it be published in the Gazette of India.

S. RANGANATHAN,

Secretary to the Government of India.

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

NOTIFICATION

Tariffs

New Delhi, the 27th October, 1958.
5th Kartika, 1880.

No. 4(1)-T.R./58.—Whereas the Central Government is satisfied after due inquiry that the protective duty chargeable under the notification of the Government of India in the Ministry of Commerce and Industry No. 4(2)-T.B./56, dated the 1st June, 1957, in respect of 'Antimony, other than crude antimony' specified in Item No. 70(3) of the First Schedule to the Indian Tariff Act, 1934 (32 of 1934) has become excessive for the purpose of securing the protection intended to be afforded by it to similar articles manufactured in India;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 4 of the said Act, as in force in India and as applied to the State of Pondicherry, and in supersession of the aforesaid notification dated the 1st June, 1957, the Central Government hereby reduces, with effect from the 27th October, 1958, the duty of customs on the said articles so that the duty chargeable shall from the said date be 45 per cent. *ad valorem* or Rs. 45·00 per cwt., whichever is higher.

S. RANGANATHAN,

Secretary to the Government of India.

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REPORT ON THE CONTINUANCE OF PROTECTION TO THE ANTIMONY INDUSTRY

History of the case

1.1. The antimony industry was granted protection in 1947 on the recommendation of the Tariff Board by converting the then existing revenue duty of 30 per cent. *ad valorem* on antimony metal into a protective duty at the same rate. A protective duty of 20 per cent. *ad valorem* was also imposed on crude antimony. The duration of protection, which was initially fixed upto 31st March, 1949 was subsequently extended by one year. The second tariff inquiry was held in 1949. The Board recommended extension of protection upto 31st December, 1952 at the same rates of duty. The Government accepted the recommendation. Under the Finance Act, 1951, a surcharge of 5 per cent. was levied on both antimony and crude antimony. The rates of protective duties were thus raised to 31½ per cent. and 21 per cent.' *ad valorem* on antimony and crude antimony respectively. On the advice of the Tariff Commission, the period of protection was twice extended, first upto 31st December, 1953 and later upto 31st December, 1954. The next inquiry was conducted in 1954 and on the recommendation of the Commission, the same rates of protective duties were continued till 31st December, 1956. The Commission held the fourth inquiry in 1956. Its main recommendations were as follows:—

(1) Imports of antimony should be canalised through the State Trading Corporation which should set the targets for production and imports according to circumstances from time to time. The Corporation should also endeavour to secure imports of ore or crude antimony from foreign sources at economic prices. This arrangement may be reviewed when supplies of ore are available locally or from the traditional sources at competitive prices. If this recommendation is adopted, the domestic industry will be duly protected and no further protection need be granted to the industry by way of customs duty.

(2) If the above recommendation is found unacceptable on account of any practical difficulties,

(i) the protective duty on antimony, other than crude antimony, should be raised to 60% *ad valorem,*

(ii) the protective duty on crude antimony should be retained at 21 per cent. *ad valorem,* but this duty should be removed, if it is found to act as a hindrance to crude antimony being imported as raw material for production of antimony, and

(iii) protection to this industry should be extended up to 31st December, 1958.

Before Government's decision on the above recommendations was announced the protective duties on crude antimony and antimony metal were raised by the Finance (No. 2) Act of 1957 to 25 per cent. and

35 per cent *ad valorem* respectively. Government's decision on the said recommendations was announced in the Ministry of Commerce and Industry (Department of Heavy Industries) Resolution No. 4(2)/TB/56 dated 1st June, 1957. Government stated that recommendation (1) above was considered carefully but not found acceptable on financial, administrative and other considerations. Government, therefore, accepted the alternative recommendations 2(i), (ii) and (iii) in principle. As regards crude antimony it was stated that the reduction, or abolition of duty would be considered if and when the circumstances warranted such a step. The higher duty of 60 per cent *ad valorem* on antimony assessable under I.C.T. item No. 70(3) was brought into force by the notification of the Government of India in the Ministry of Commerce and Industry (Department of Heavy Industries) No. 4(2)TB/56 dated 1st June, 1957. By the Indian Tariff (Amendment) Act, 1957 the duration of protection to the industry was extended upto 31st December, 1958.

1.2. The present inquiry was indertaken under Section 11(e) read with Section 13 of the Tariff Commission Act, 1951, under which the Commission has been empowered to inquire into and report on any further action required in relation to the protection granted to an industry, with a view to its increase, decrease, modification or abolition according to the circumstances of the case.

Method of inquiry

2.1. Questionnaires were issued to Star Metal Refinery Private Ltd., Bombay and to the principal importers and consumers of antimony. On 11th April, 1958, a press note was issued inviting parties interested in this inquiry to obtain copies of the relevant questionnaires from the Commission's office and submit their replies. The Ministry of Commerce and Industry (Development Wing), the Director of Industries, Bombay and the Non-ferrous Metals Manufacturers' Association were requested to furnish memoranda on the present position of the industry. The Geological Survey of India was addressed for information regarding its efforts to locate deposits of antimony ore within the country. The Director-General of Supplies and Disposals was addressed for his views regarding prices, quality, etc. of indigenous antimony. Data regarding c.i.f. prices and landed costs of imported antimony were sought from Collectors of Customs. A list of those to whom the Commission's questionnaires were issued and from whom memoranda were received is given in Appendix I.

2.2. On 23rd June, 1958, Shri J. N. Dutta, and Shri R. S. Bhatt, Members, and Dr. Rama Varma, Secretary, visited the factory of Star Metal Refinery at Vikhroli, Bombay. Shri S. K. Basu, Senior Cost Accounts Officer visited the factory in May, 1958, and examined the cost of production of antimony manufactured by the Refinery.

2.3. A public inquiry into the industry was held on 30th June, 1958. A list of persons who attended the inquiry is given in Appendix II.

3.1. In its 1956 Report, the Commission also made the following recommendations :—

Implementation of Commission's recommendations on matters other than tariffs

1. Imports of antimony should be licensed liberally so as to ensure adequacy of supplies.

2. Antimony should no longer be subject to import control in its present form, except to the extent necessary for balance of payments reasons.

3. The Geological Survey of India should make more vigorous efforts to locate deposits of antimony ore within the country.

4. As the revised protective duty on antimony metal has been fixed on the basis of landed costs from the cheapest source, the Star Metal Refinery should be required to fix its selling prices on the basis of such landed costs in future.

The extent to which they have been implemented is indicated below:—

Recommendations (1) *and* (2)

3.2. We are informed by Government that these recommendations were kept in view while framing the import control policy from time to time. The recommendations were made at a time when the Star Metal Refinery had failed to effect regular deliveries to Government Departments and other consumers and to maintain adequate stocks. In the interests of the consumer, therefore, we had called for an urgent review of import control policy. But since the last inquiry the Company has maintained adequate stocks and there have been no complaints regarding deliveries. In these circumstances, there was no special need for enforcing the measures recommended by us.

Recommendation (3)

3.3. There has been no further prospecting of antimony ore except in the region in Kangra District, Punjab and Kolari area in Nagpur. The Ministry of Commerce and Industry has informed us that the Geological Survey of India is fully cognisant of the fact that India is deficient in antimony ore and that during each field season its officers are instructed to look for occurrences of antimony ore. In the current field programme detailed large scale mapping of the mineralised belt in Madhya Pradesh in which antimony has been located has been included. We have discussed this subject later in paragraph 6.2.

Recommendation (4)

3.4. This recommendation has been implemented by the Company. Selling prices of antimony 'star metal' have compared favourably with the landed costs of antimony imported from the cheapest source. We have dealt with this matter in paragraph 14.3.1.

4.1. Star Metal Refinery, Private Ltd., Bombay, is the only manufacturer of antimony in the country. Its annual rated capacity is 1,000 tons on triple shift basis. The Refinery is at present working only two of its precipitation furnaces for maintaining output of star metal at around 600 tons. It produced 588.70 tons of antimony in 1956, 502·10 tons in 1957 and 270 tons during the first six months of 1958.

Rated capacity and production

4.2. The Company has plans to instal two more precipitation furnaces to keep them ready for commissioning in case the domestic demand rises above 600 tons per annum.

Domestic demand

5.1. In our last Report (1956) we had estimated the demand for antimony metal at 700 tons per annum which was expected to rise to about 1000 tons per annum in the course of the subsequent three years. In connection with the present inquiry we have received varying estimates of current and future demand for antimony. The Development Wing has estimated the present demand at 700 tons per annum and expects it to rise to about 900/1000 tons per annum in the next three years. Star Metal Refinery the sole producer of antimony metal in the country, has estimated the current demand at 650 tons and places it at 700 tons in 1959 and 800 tons in 1960. The estimates received from other parties vary from 700 to 1440 tons for current demand and 700 to 2084 tons for future demand. We give below the estimates of the present demand received from the Development Wing and the Indian Non-ferrous Metals Manufacturers' Association together with the figures of actual deliveries by the Star Metal Refinery in the years (November-October) 1955-56 and 1956-57.

No.	Name of consuming industry	Development Wing	Indian Non-ferrous Metals Manufacturers' Association	Deliveries by Star Metal Refinery	
				1955-56	1956-57
1	Storage Battery Industry	250	200	77	90
2	Alloy makers (*i.e.* manufacturers of type metal and antifriction bearing metal)	100	300	175	236
3	Railways and other Government departments	320	220	117	191
4	Miscellaneous industries	30	63	37	29
	TOTAL	700	780	406	546

At the public inquiry we were informed that during the six months from November 1957 to April 1958 the Company effected deliveries of about 270 tons. From the discussion we had with the representatives of various interests concerned we found that most of the estimates include consumption of antimony in the form of scrap and that it was not possible to make precise estimates for requirements of virgin metal alone. The Indian Non-ferrous Metals Manufacturers' Association has explained that its estimate of current demand includes about 160 tons of scrap. Alloy manufacturers and Storage Battery manufacturers are reported to be making increasing use of scrap. Two of the leading Battery manufacturers in the country have recently installed plants for recovery of scrap metal. With regard to future demand, increase in consumption of antimony would depend upon various factors, especially on the expansion and growth of industries using non-ferrous alloys. It is, therefore, not possible to formulate precise estimates of future demand. In view of the tendency for increased use of scrap by alloy manufacturers the future demand for virgin antimony from them may be placed at 250 tons. Taking into account the fact that some Storage Battery manufacturers purchase antimonial lead from alloy makers instead of virgin metal, we estimate the future demand for this industry at 100 tons. With regard to the requirements of Railways and other Government Departments including Ordnance factories the figures of actual deliveries in the past two years indicate that their demand would not exceed 200 tons. The requirements of the Ordnance factories are very small while Railways sometimes indent a part of their requirements from Alloy manufacturers. We were also informed that there may be a reduction in the off-take of antimony by Railways as a result of the gradual switch over from conventional brass bearings to ball and roller bearings. The demand from miscellaneous consumers has been fairly low as shown by actual deliveries in the past two years and is likely to remain in the neighbourhood of 50 tons in future.

5.2. The following table shows the actual consumption of antimony metal during the two years 1956 and 1957 as estimated from the statistics of production, imports and stocks held by Star Metal Refinery.

(*In tons*)

Year 1	Opening stock 2	Production 3	Closing stock 4	Imports 5	Total consumption 2+3+5—4
1956	12.90	588.70	75.37	78.00	603.33
1957	75.37	502.10	83.64	21.21	515.04

Average annual consumption=559.19 tons

On the basis of the above statistics the average annual consumption in the past two years works out to about 559·19 tons. Having regard to the actual deliveries in the past two years and after assessing the current trends in consumption of virgin antimony metal by the principal consumers, we estimate that the annual domestic demand is approximately 600 tons at present and that it is likely to rise to 700 to 800 tons in the next three years. If, however, due to increased tempo of industrialisation the demand for virgin antimony metal rises, Star Metal Refinery would be in a position to meet it by increasing its output.

6.1. The principal raw materials required for the production of antimony metal are antimony ore, soda ash, iron scrap and furnace oil.

Raw materials

The supply position of iron scrap, soda ash and furnace oil has been fairly satisfactory. As regards antimony ore, the position has not changed much since the last inquiry as the producer has still to obtain his entire requirements of ore from foreign countries. For the past several years, Star Metal Refinery obtained antimony ore mainly from Bolivia, Peru, Iran and Turkey. In our last Report (1956) we had pointed out that the c.i.f. price of antimony metal from China was as low as Rs. 105-5-0 per cwt. whereas the c.i.f. cost of ore incurred by Star Metal Refinery per cwt. of metal was Rs. 119. We also suggested that since China has large deposits of antimony ore and quotes low prices for antimony metal it would be definitely advantageous to obtain antimony ore from that country. Since then, however, prices of antimony ore have shown a downward trend and the Refinery has secured its raw material requirements at prices which are lower than the price of antimony metal from the cheapest source. The latest prices of ore per ton were Rs. 1296·59 for Turkish ore of 65% (Sb. content), Rs. 1088·62 for Bolivian ore of 65% and Rs.941·27 for Australian ore of 59%. The Refinery has recently succeeded in obtaining a consignment of Chinese antimony ore on an experimental basis and has further placed an order for 100 tons of 58% Sb. at £65 per metric ton. It has also placed an order for Czechoslovak antimony ore of 65% Sb. at favourable rates. The Refinery was able to locate a new source last year and has obtained a fairly large consignment of antimony ore from Australia. Though this ore is of comparatively low grade it is cheaper in price as compared with the cost of ore from other sources. The Refinery hopes to make some long-term arrangement after it is satisfied with the yield of the ore and obtains its supplies from the most advantageous sources.

6.2. Although Star Metal Refinery has found no difficulty in obtaining regular supplies of antimony from foreign countries, the stability of the industry depends upon securing supplies of ore from indigenous sources. We have made recommendations in our previous Reports that the Geological Survey of India should make vigorous efforts to locate deposits of antimony ore within the country. The Geological Survey is reported to have located antimony ore in Shigri Glacier region in Punjab and in Kolari (Nagpur District in Bombay State). In the current field programme of the Geological Survey of India, detailed large scale geological mapping of the mineralised belt in Nagpur district in which antimony has been located has been included. We have seen a preliminary report on the occurrence of antimony ore deposits in Kolari Village, Umret Tehsil, Nagpur District, prepared by Dr. B. N. Sinha of the Geological Survey of India. Dr. Sinha has pointed out that on the basis of field observation and analytical data he felt that antimony mineralisation had taken place in the region, but in order to ascertain the possibility of economic exploitation of these deposits further work would be necessary, *viz.*, (a) a large scale geological map should be prepared within a radius of about 5 to 8 miles from Kolari village, and (b) geophysical and geochemical surveys of the area should be undertaken. We recommend that, in the interest of national economy and in view of the imminent need for locating an indigenous source of supply of antimony ore, the Geological Survey of India should be requested to give the highest priority to the further work to be done at Kolari area so as to prove the possibility of its commercial exploitation. We are informed that the Star Metal Refinery (Private) Ltd. is agreeable to take out a prospecting licence and commence mining operations in Kolari. We, however, understand that some part of this area has been given on lease already to a firm in Nagpur. But we do not know what steps it has taken for prospecting the area. We realise that until the prospecting and surveying of the area has been completed and it is established that commercial exploitation is possible, no lessee would be prepared to undertake mining operations. This is not to say, however, that a person who obtains a mining lease may stay inactive until a whole series of preliminary operations are completed wholly by official agencies and step in only at the most opportune time as suits his convenience. The exploitation of the country's mineral resources, especially in regard to a strategic material like antimony calls for positive efforts from all sectors, both private and Government. We therefore, recommend that Government should invoke the relevant provisions of the mining licence and ensure that the present lessee carries out his obligations regarding prospecting and exploitation of antimony ore in this area without any delay, and if he fails to do so, the licence should be transferred to another who is prepared to operate it.

6.3. In view of the situation outlined above it appears that there is no lielihood of the Refienery being in a positon to secure antimony ore from indigenous sources within the next 2 or 3 years but will have to depend on foreign sources for its requirements of the materials.

The quality of the antimony metal produced by Star Metal Refinery is reported to be generally satisfactory.

Quality

7. The Development Wing has expressed the view that its quality compares favourably with the imported product. At the public inquiry the consensus of opinion was that the quality of the indigenous product was satisfactory. Only one consumer complained that the imported antimony is guaranteed to be 99·8% minimum purity while the domestic product is of only 99 per cent. purity. The representative of Star Metal Refinery has explained that whenever any specific orders for antimony of higher purity were received, it has met the customers' requirements. This was confirmed by the representative of the Selling Agents. We understand that the bulk of domestic consumption is of Grade C metal. Star Metal Refinery has stated that its product conforms to Grade C in the tentative standard specification published by the Indian Standards Institution in 1950, namely, IR: SS N-9-50 and IS-211-50. Since then the Institution has issued revised Specification for antimony namely IS·1047-1956. The main modifications made in this revision relate to the inclusion of limits for silver and tin

in the chemical composition of the three grades of antimony. Star Metal Refinery claims that it has the necessary equipment and technical experience to produce antimony of Grades B and A in conformity with the latest version of the Standard.

Import control policy and imports

8.1. *Import control policy.*—During January-June, 1957, licences were granted to established importers upto 10% of one half of their best year's imports. During July-September, 1957, actual users were issued licences on the recommendation of the Development Wing. During the subsequent licensing periods October, 1957-March, 1958 and April-September, 1958, actual users' licences were disallowed and licences were granted only to established importers upto 10 per cent. of one half of their best year's imports.

Imports

8.2. *Imports.*—In 1956, 78 tons of antimony valued at Rs. 1·70 lakhs were imported and in 1957 imports were 21·21 tons valued at Rs. 0·89 lakhs. Countrywise imports of antimony, other than crude antimony, are tabulated below :—

Origin of import	1956		1957	
	Quantity (Tons)	Value (Rs.)	Quantity (Tons)	Value (Rs.)
U. K.	..	..	..	18
Germany, West	..	..	0·21	1,034
Yugoslavia	..	..	1·96	46,920
China	78	1,69,801	19·04	40,933
TOTAL	78	1,69,801	21·21	88,905

As is seen from the above, the bulk of imports during the last two years was from China.

Existing rates of duty.

9. Crude antimony and antimony metal are assessed to customs duty under items 70(2) and 70(3) of the First Schedule to the Indian Customs Tariff (forty-third issue) the relevant extract from which is given below:—

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty
				The U.K.	A British Colony	Burma	
70 (2)	Crude antimony	Protective	25 percent *ad valorem*	..	..	Free	*December 31, 1957.
70 (3)	Antimony, other than crude antimony	Protective	35 percent *ad valorem*	..	..	Free	*December 31st, 1957.

*Protection has been continued till 31st December, 1958.

† Under Government of India, Ministry of Commerce and Industry Notification No. 4(2)-T. B./56 Tariffs, dated the 1st June, 1957.

the existing rate of duty in respect of the article mentioned in column 1 of Table below was increased with effect from 1st June, 1957, to that specified in column 2 of the Table:

TABLE

Name of article	Rate of duty
(1)	(2)
Antimony, other than Crude antimony	60 per cent *ad valorem.*

C.i.f. prices and landed costs

10. The Collectors of Customs, Bombay and Calcutta and a few importing firms have furnished the latest c.i.f. prices and landed costs of antimony metal. The data have been tabulated in Appendix III. The prices relate to imports of antimony effected in 1957 and 1958. All consignments were of Chinese origin. In order to assess the quantum of protection needed by the domestic industry we have adopted the latest and the lowest actual c.i.f. price of Rs. 103.00 per cwt. furnished by the Collector of Customs, Calcutta and compared it with the estimated cost of production of Star Metal Refinery.

Estimate of cost of production and fair ex-works price

11.1. We have examined the data compiled by our Senior Cost Accounts Officer regarding the cost of production of antimony at the factory of Star Metal Refinery and have also discussed them with the representatives of the Company. The Senior Cost Accounts Officer has examined the actual costs of production for 1956-57 and we have prepared estimates of future costs on the basis of the data obtained for this period. For the purpose of estimating future costs we have assumed an annual production of 600 tons which is equal to 60 per cent. of the rated capacity of the Company. The cost of antimony ore has been calculated on the average rate of the latest available contract prices for Turkish, Australian, Bolivian and Czechoslovak ore. On the basis of the information available for 1956-57 the average recovery efficiency has been estimated at 86 per cent. and assuming the average metal content in the ore to be about 63 per cent. for future the quantity of ore required per ton of antimony works out to 1·843 tons as against 1·817 tons in the previous estimates. Depreciation has been allowed at income tax rates on the written down value. We have allowed a return of 10 per cent. on the capital employed by the Company as assessed by us. Since the company has to sell its antimony at a uniform price in port towns an allowance of Rs. 1·86 per cwt. for the average freight disadvantage has been added.

11.2. The cost of production and fair ex-works price (inclusive of freight disadvantage) as estimated by us for the future on the basis indicated above are shown in the following statement.

	Average cost per cwt. for future
	Rs.
Cost of ore @ 1,843 cwt. per cwt. of metal at Rs. 54.48 per cwt.	100.41
Cost of other materials	11.53
Total materials	111.94

Power and fuel	10·54
Other conversion charges (labour, consumable stores, repairs and maintenance, establishment, depreciation, gratuity, packing charges and other overheads)	23.68
TOTAL	146.16
Less credit	1.17
Fair ex-factory cost	144·99
Average freight disadvantage	1.86
Return	6.70
Fair ex-works price (inclusive of freight disadvantage) ..	153·55
	153·50

11.3. The report of our Senior Cost Accounts Officer is forwarded separately as a confidential enclosure to this report.

Comparison of the fair ex-works price of the indigenous product with the landed cost ex-duty of the imported product

12. The fair ex-works price of indigenous antimony (inclusive of freight disadvantage) given in paragraph 11·2 above is compared below with the landed cost ex-duty of the imported antimony —

		(Per cwt.) Rs.
1.	Fair ex-works price of indigenous antimony	153·50
2.	C.i.f. price of imported antimony (Chinese)	103·00
3.	Clearing charges	5·15
4.	Landed cost ex-duty	108·15
5.	Difference between 1 and 4	45·35
6.	Difference (5) expressed as a percentage of c.i.f. price (2)	44·03
7.	Existing duty	60·00%

Measure of Protection

13.1. On the basis of the figures given above a duty of 44.03 per cent. *ad valorem* would be adequate to equate the fair ex-works price with the landed cost ex-duty of Chinese antimony as against the existing duty of 60 per cent. *ad valorem*.

13.2. At the public inquiry it was pointed out that, since the consumer has been paying a higher price for the domestic product by about Rs. 60 per cwt. as compared with the c.i.f. price of imported Chinese antimony, some imports of metal may be allowed. We have examined this suggestion and have found that the Star Metal Refinery is in a position to meet the entire requirements of antimony metal in the country and, if at any time demand rises above 600 tons it would be able to step up its output to meet it. Further, the Refinery has been selling its product at prices which are somewhat lower than the landed costs of antimony from the cheapest source. So long as the indigenous industry is meeting the internal requirements at fair prices there is no need to import antimony metal beyond what is essential for national economy. At the time of the last inquiry the cost of ore per cwt. of metal imported by the Refinery was higher than the c.i.f. price of antimony metal from China. According to the latest prices of antimony ore and metal the average price of ore per cwt. of metal is lower than the c.i.f. price of imported antimony metal. The Refinery has now been able to obtain ore from cheaper sources and as we have stated earlier if the Geological Survey expedites its efforts, there may be fair prospects of securing antimony from Kolari area in Nagpur District. Ever since protection was accorded to this industry it has endeavoured to secure antimony ore at economic prices. It may be recalled here that this industry was started with the object of exploiting indigenous ore from Chitral with active assistance and encouragement of Government. Unfortunately no sooner had the Company got into stride than Partition intervened and the ore mines were left in Pakistan. In spite of repeated efforts it was not possible to obtain ore from that source and the Company lost both its investment in the mines and the principal advantage of securing ore at economic prices. This industry has been protected because it produces a strategic material which is used by railways and other departments and important industries in the country. Though the Refinery has been at a serious disadvantage in the matter of ore supplies and has been paying much higher prices than its competitors in Western Europe, it has endeavoured to meet the country's requirements of antimony metal; the quality of its product conforms to the standard specifications laid down by the Indian Standards Institution and selling prices charged by it compare favourably with the landed costs of imported antimony. The crux of the problem, however, is to secure raw materials at economic prices and to continue the search for locating ore in the country. So long as this search is in progress, there is a case for continuance of protection to this basic industry. We have carefully examined the pros and cons of this issue. Though the cost of protection to the consumer has been fairly high we consider that this industry, which has been built up with great effort, should not be denied protection at a time when the Refinery has been successful in obtaining ore from cheaper foreign sources and there is a likelihood of the Geological Survey being in a position to indicate the possibility of commercial exploitation of ore from indigenous sources in the near future. Taking all relevant factors into account we have come to the conclusion that protection given to this industry should be continued, and this strategic and critical material should be made available to important consumers in the country at the fair selling prices indicated by us in paragraph 14.3.2 below.

13.3. On the basis of the c.i.f. prices which have been adopted for deterimining the quantum of protection the duty indicated is 44.03 per cent. *ad valorem*. The international prices of antimony metal are however, unstable. We have received for instance a quotation from Chinese National Mineral Corporation which has made an offer of antimony metal at Rs. 98 per cwt. provided, of course, a bulk purchase of 400 to 500 tons in made. Offers of antimony metal from China and other sources may be made at reduced rates and it would be prudent to provide a safeguard against such imports. Even though imports of antimony have been small in the past two years a contigency may arise in which some imports may be found to be necessary. Antimony metal is an important intermediate material which is mainly used by industrial consumers and we are anxious that Government Departments and other important industrial users should not be called upon to pay any more than is strictly necessary to protect the domestic industry. We, therefore, recommend that the existing rate of duty of 60 per cent. *ad valorem* should be reduced to 45 per cent. *ad valorem* or Rs. 45/- per cwt. whichever is higher. We also recommend that the existing duty of 25 per cent. *ad valorem* on crude antimony should be continued. The protective duties recommended above should remain in force for a further period of five years ending 31st December, 1963 subject to a review by the Commission in 1961.

Other recommendations

14.1. *Financial position.*—During the investigation of cost of production of antimony metal of Star Metal Refinery Private Ltd., we had occasion to examine the financial position of the Company. The accounts upto the financial year ending 31st October, 1956 of the Company have been audited but those for the year 1956-57 were under preparation and consequently figures relating to that period are provisional. An analysis of the assets and liabilities of the Company for the past 3 years which is given in Appendix IV reveals that the financial position of the Company has continuously deteriorated during this period. As on 31st October, 1957 the fixed assets were written down to Rs. 1·72 lakhs and the current assets were valued at Rs. 7·31 lakhs; as against this, the Company had outstanding liabilities of Rs. 11·93 lakhs, thus showing an excess of current liabilities over current assets to the extent of Rs. 4·62 lakhs. The Company has shown intangible assets of the value of Rs. 7·90 lakhs which includes goodwill at Rs. 2·16 lakhs and lose carried forward at Rs. 5·73 lakhs. The item of goodwill is the difference in the amount of consideration paid by the Company when it took over the assets from the partnership in 1949 and the then depreciated value of those assets; whereas the loss carried forward includes losses suffered by the Company in 1951, 1952 and 1955-56 and 1956-57. The current liabilities of the Company exceed all tangible assets owned by the Company by about Rs. 2·90 lakhs. The heavy losses suffered by the Company have depleted its working capital resources. We have inquired into the position and the Company has explained that in confirmity with our recommendation (10) in the 1954 Report to the effect that Star Metal Refinery should fix the selling price on the basis of the current landed cost of imported antimony, it had reduced its price from Rs. 187/- to Rs. 167-8-0 per cwt., in March, 1955. This price was fixed in relation to the landed cost of antimony from European sources and the protective duty was also determined on the basis of landed cost of imports of metal received from Belgium. Subsequently, however, China emerged as a supplier of antimony metal at prices which were considerably lower than those of antimony from Continental sources and the Company reduced its price to Rs. 162-8-0 per cwt. in September 1955, in order to bring it on level with the then prevailing landed cost of antimony. Thereafter antimony metal from China was offered at progressively reduced prices with the result that the price of 1 cwt. of antimony from China was lower than the cost of ore paid by the Star Metal Refinery per cwt. of metal. In the 1956 inquiry, therefore, the Commission adopted the c.i.f. price of Chinese antimony to determine the quantum of protection. The Commission worked out the fair selling price of the indigenous product at Rs. 166 per cwt. which was exclusive of selling expenses and recommended the protective duty at 60 per cent. The Commission further recommended that as the duty was determined on the basis of the landed cost of antimony from the cheapest source, the Company should be required to fix its selling prices on the basis of such landed cost in future. Government Resolution accepting the Commission's recommendations was published on 1st, June, 1957 and till then Star Metal Refinery sold its product at Rs. 162-8-0 to private consumers and at Rs. 139-3-0 (provisional) to Government departments. On the basis of the higher protective duty the Company would have been justified in raising its price but it did not consider it expedient to do so. The Company has explained that for moral as well as psychological reasons it did not increase the price of its product because such a step would have been misconstrued by its customers as taking full advantage of the Commission's recommendations and exploiting the situation of shortage resulting from restricted imports of antimony. It was apprehended that the selling price having been maintained at Rs. 162-8-0 for considerable time, any increase would be resented by consumers. The Company, therefore, maintained the price at Rs. 162-8-0 which included selling commission of Rs. 3/- per cwt. We have verified the position and found that the Company has maintained throughout 1956 and 1957 the price of antimony at Rs. 162-8-0 per cwt. to purchasers of metal of more than one ton. While it is true that a major portion of the loss in 1955-56 and 1956-57 arose as a result of the disparity in the prices charged by the Company and the fair selling price based on the actual cost of production, we are inclined to think that a part of the loss was due to heavy interest charges which the Company had to incur on borrowings to carry on its business. We are informed that the Company borrows upto the hilt from its bankers against stocks of raw materials and finished goods and pays the usual rates of interest charged by commercial banks. It has, however, to borrow additional amounts from private parties at very high rates of interest. It paid Rs. 48,000 as interest charges in the year 1956-57. Its financial position is highly unstable and unsound and may lead to a situation in which it will find it extremely difficult to carry on its business. This is the only unit in the country engaged in the production of a strategic material like antimony and we are, therefore, of the view that it should not be allowed to close down on account of its present financial difficulties. The imperative need is a complete financial re-organisation and we have impressed upon the present management of the Company that its financial affairs should be put in order without any delay and it has agreed to take effective steps within a short time. We, therefore, recommend that Star Metal Refinery (Private) Ltd., should re-organise its financial position with a view to reducing the burden of heavy interest charges and increasing its working capital resources for smooth and efficient working of its undertaking as early as possible, but in any case before 30th June, 1959, and report the same to us.

14.2.1. *Stocks and Deliveries.*—In our Report of 1954 we had recommended that the Refinery should try to maintain reserve stocks of at least 75 tons of metal. The Refinery had agreed to this suggestion but in 1954-55 it was unable to maintain the reserve stock as stipulated due to a sudden spurt in demand during that year. Further, in 1956 deliveries to certain consumers became irregular owing to delay in receipt of ore from abroad and clearances from the Bombay docks. We have, however, ascertained the position and have found that the Company has acted upto its obligations during the major part of this period of 1956-57.

Statement showing the closing stocks of antimony.

	1956				1957				1958			
Period	Tons	Cwts.	Qrs.	Lbs.	Tons	Cwts.	Qrs.	Lbs.	Tons	Cwts.	Qrs.	Lbs.
January	4	4	3	26½	87	15	1	22½	76	11	2	13¾
February	1	1	3	26½	73	13	1	22½	74	1	1	13¾
March	5	14	2	6½	60	13	1	8½	62	17	1	13¾
April	10	9	0	6½	69	15	0	12½	58	14	1	13¾
May	25	6	0	6½	56	11	3	12½				
June	40	1	2	6½	41	10	3	12½				
July	51	2	2	6½	66	9	3	6¾				
August	70	3	1	22½	80	9	2	23¾				
September	100	17	1	8½	89	7	2	23¾				
October	107	10	0	8½	81	17	2	23¾				
November	94	3	0	8½	95	17	2	13¾				
December	75	7	1	22½	83	13	2	13¾				

We have been informed that the Company has been able to effect regular deliveries to its customers direct as well as through its selling agents. We have received no complaints from consumers regarding their ability to obtain adequate supply of antimony from Star Metal Refinery. Though imports of antimony metal during the past two years have been comparatively small the supply position has considerably improved and at no time during the past two years has shortage of antimony been experienced. Our recommendation for keeping reserve stock was made in the context of periodic shortages of antimony resulting from imbalance in demand and supply in 1953 and 1954. We have been informed by the Director-General of Supplies and Disposals that he has received no complaint regarding deliveries of antimony metal by Star Metal Refinery. Other major consumers have also informed us that they have experienced no difficulty in obtaining supplies of antimony from Star Metal Refinery. The Company has represented that a considerable amount of money is locked up in maintaining a reserve stock of 75 tons per month. In addition to maintaining a reserve stock of metal it has had to maintain adequate stocks of ore for ensuring regular production. The Company has, therefore, requested that the position may be reviewed and that it may be permitted to keep a reserve stock of 30 tons instead of 75 tons as this would be quite adequate to meet any emergency or sudden spurt in demand. We have examined this representation and in view of the present financial position of the Company, we consider that it should not be required to lock up about Rs. 2·5 lakhs in maintaining a reserve stock of 75 tons. We, therefore, recommend that the Refinery should try to maintain a reserve stock of about 30 tons of metal.

14.2.2. We have noticed that indents for requirements of antimony metal by different departments of Government, which are placed through the Director-General of Supplies and Disposals, are not planned in advance and consequently there are wide fluctuations in their demands from year to year. The result has been that in the absence of a planned programme the producer has sometimes to keep large stocks in reserve whereas at other times when orders from Director-General of Supplies and Disposals are suddenly received, not only his reserve stocks exhausted but he is required to give priority for supplies to Government Departments leaving private consumers to await their turn. This tends to create a position of temporary shortage, which upsets the production schedules of several consumers of antimony. We are, therefore, inclined to think that with large programmes connected with development projects in different departments which are either under execution or are scheduled to be taken in hand, it should be possible for these departments to estimate their requirements of antimony metal for direct use by them. We, therefore, recommend that Government Departments should plan their orders for antimony and antimonial alloys from year to year in an even manner.

14.3.1. *Selling prices.*—One of the conditions imposed on the Star Metal Refinery at the last inquiry was that the Company should fix its selling prices on the basis of the landed costs of Chinese antimony. We have examined the selling prices charged by the Star Metal Refinery in 1957-58 and have found that they compare favourably with the landed cost of antimony from the cheapest source as shown in the following statement :—

(Per cwt.)

	Landed cost of imported antimony	Origin of import	Selling prices of indigenous antimony
	Rs.		Rs.
1. September, 1957	171.23	China	
2. March, 1958	169.95	do.	
3. April, 1958	166.94	do.	162.50
4. April, 1958	183.64	do.	

We have been informed that prices were identical both for Government Departments as well as private consumers. We found that most of the consumers were satisfied with the selling prices of Star Metal. Actually a comparison of the landed costs of foreign antimony and the prices charged by the Refinery shows that the prices charged by the indigenous producer were considerably lower than the landed costs.

14.3.2. On the basis of the cost investigation, we find that a fair selling price of Rs. 156.50, which provides Rs. 3/- as selling commission, is reasonable. This price should apply uniformly to all consumers Government and private. We recommend that Star Metal Refinery should fix its selling price in fair relation to its costs. We further recommend that the Refinery should submit every month to the Commission along with the statements of production, sales, stocks of metal and selling prices reports of stocks of ore, prices at which ore is purchased, country of origin and other relevant information so as to enable the Commission to keep a continuous watch over selling prices of antimony metal produced by the Star Metal Refinery.

14.4. *Distribution System.*—Metal Distributors (P) Ltd., Calcutta continued to be the sole distributors of Star Metal Refinery. There was a complaint from one party that the present system of distribution was not satisfactory. We have inquired into this position and have found that not only has Metal Distributors (P) Ltd., assisted the Company in selling its products to various big and small consumers but has also rendered other assistance. Alternatively, if the present system is abolished, the Company will have to set up its own organisation and incur expenditure, which may not be less than the amount of commission payable to selling agents. We have, therefore, come to the conclusion that the present system of distribution is not detrimental to the interests of consumers and may continue.

15. Our conclusions and recommendations are summarised as under :—

Summary of conclusions and recommendations

1. The current domestic demand for antimony is estimated at 600 tons per annum. The annual demand is likely to rise to 700-800 tons in the next three years.

(Paragraph 5.2)

2. The Geological Survey of India should give the highest priority to the further work to be done at Kolari areas so as to prove the possibility of its commercial exploitation.

(Paragraph 6.2.)

3. Government should invoke the relevant provisions of the mining licence and ensure that the present lessee carries out his obligations regarding prospecting and exploitation of antimony ore in this area without any delay, and if he fails to do so, the licence should be transferred to another who is prepared to operate it.

(Paragraph 6.2.)

4. The protective duty on antimony should be reduced from the existing rate of 60 per cent. *ad valorem* to 45 per cent *ad*

valorem or Rs. 45 per cwt., whichever is higher.

(Paragraph 13.3.)

5. The existing protective duty of 25 per cent. *ad valorem* on crude antimony should be continued.

(Paragraph 13.3.)

6. The protective duties recommended above should remain in force for a further period of five years ending 31st December, 1963 subject to a review by the Commission in 1961.

(Paragraph 13.3.)

7. The Star Metal Refinery Private Ltd., Bombay, should re-organise its financial position as early as possible, but in any case before 30th June, 1959 and report the same to the Commission.

(Paragraph 14.1.)

8. The Star Metal Refinery should try to maintain a reserve stock of about 30 tons of antimony metal.

(Paragraph 14.2.1.)

9. Government Departments should plan their orders for antimony and antimonial alloys from year to year in an even manner.

(Paragraph 14.2.2.)

10. The Star Metal Refinery should fix its selling prices of antimony in fair relation to its costs.

(Paragraph 14.3.2.)

11. The Star Metal Refinery should submit every month to the Commission, along with the statements of production, sales, stocks of metal and selling prices, reports and stocks of ore, prices at which ore is purchased, country of origin and other relevant information so as to enable the Commission to keep a continuous watch over selling prices of antimony metal produced by it.

(Paragraph 14.3.2.)

Acknowledgements

16. Our thanks are due to the representatives of the Star Metal Refinery, importers and consumers of antimony and the Government Departments for the assistance they gave us in carrying out this inquiry.

C. RAMASUBBAN,
Chairman.

S. K. MURANJAN,
Member.

J. N. DUTTA,
Member.

R. S. BHATT,
Member.

RAMA VARMA,
Secretary.

BOMBAY,
11th August, 1958.

APPENDIX I

(*Vide* paragraph 2.1)

List of persons or bodies to whom the Commission's Questionnaires or letters were issued and from whom replies or memoranda were received.

* Those who have replied or sent memoranda.

** Those who stated that they are not interested.

A. PRODUCER

* Star Metal Refinery Private Ltd., 361, Dr. Dadabhoy Naoroji Road, 4th Floor, Fort, Bombay-1.

B. IMPORTERS

*1. East Asiatic Company (India) Private Ltd., Wavell House, Graham Road, Ballard Estate, Bombay-1.

*2. Pragdas Mathuradas (Bombay) Private Ltd., 28/30, Anantwadi, Bombay-2.

*3. Pragdas Mathuradas, 43, Strand Road, Calcutta-7.

*4. Metal Distributors Private Ltd., Binani Buildings, 38, Strand Road, Calcutta-1.

5. C. Babulal & Co., 71, Princess Street, Bombay-2.

*6. Binani Commercial Co. (Private) Ltd., 28-30, Anant Wadi, Bombay-2.

C. CONSUMERS

*1. Associated Battery Makers (Eastern) Private Ltd., Barlow House, 59-C, Chowringhee Road, Calcutta-20.

2. Bombay Metal and Alloys Mfg. Co. Private Ltd., Post Box No. 6210, Mazagaon, Bombay-10.

*3. Bharat Battery Manufacturing Co. Ltd., P/1A, Rash Behari Avenue, Ballygunge, Calcutta-19.

*4. The Controller of Stores, Central Railway, Victoria Terminus, Bombay.

*5. Director General, Ordnance Factories, 6, Esplanade East, Calcutta-1.

6. Eastern Accumulator Co., 3/1, Mangoe Lane, Calcutta.

*7. Estrela Batteries Ltd., Yusuf Building, Churchgate Street, Fort, Bombay.

*8. Eyre Smelting Ltd., 5, Hyde Road, Kidderpore, Calcutta-23.

*9. Gujarati Type Foundry, Gaiwadi, Girgaon, Bombay-4.

*10. Himco (India) Ltd., Kurla Road, Andheri, Bombay.

*11. Indian Smelting and Refining Co. Ltd., Industry House, Churchgate Reclamation, Bombay-1.

**12. Kamani Metals and Alloys Ltd., Kamani Chambers, Nicol Road, Ballard Estate, Bombay.

13. Oldham and Son (India) Private Ltd., 5, Mclean Street, Madras-1.

*14. Rashtriya Metal Industries Ltd., Kurla Road, Andheri (East), Bombay-41.

*15. Saru Smelting and Refining Corpn. Ltd., Sardhana Road, Near Cantt. Railway Station, Meerut, U. P.

*16. Standard Batteries Ltd., 43, Forbes Street, Fort, Bombay.

*17. Tata Iron and Steel Co. Ltd., Jamshedpur.

*18. Waldies Industries Private Ltd., Clive Buildings, Post Box No. 174, Calcutta-1.

*19. Binai Metal Works Ltd., 38, Strand Road, Calcutta.

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D. ASSOCIATION

* Indian Non-ferrous Metals Manufacturers' Association, India Exchange, Calcutta-1.

E. GOVERNMENT DEPARTMENTS

*1. The Chief Industrial Adviser, Ministry of Commerce & Industry, (Development Wing), Udyog Bhavan, King Edward Road, New Delhi.

*2. The Director of Industries, Government of Bombay, Old Custom House Yard, Bombay-1.

*3. The Director General of Supplies and Disposals, Shahjahan Road, New Delhi.

*4. The Director, Indian Standards Institution, Manak Bhavan, 9, Mathura Road, New Delhi-1.

*5. Collector of Customs, New Custom House, Bombay.

*6. Collector of Customs, Custom House, Calcutta.

*7. Collector of Customs, Custom House, Madras.

*8. The Chief Controller of Imports, Ministry of Commerce & Industry, Udyog Bhavan, King Edward Road, New Delhi.

*9. The Director, Geological Survey of India, 27-Chowringhee Road, Calcutta.

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APPENDIX II

(*Vide* Paragraph 2.3)

List of persons who attended the Commission's public Inquiry on 30th June, 1958.

Name	Representing
I. PRODUCERS	
1. Shri Ramanlal Parikh 2. Shri Jaswantlal C. Shah 3. Shri Kantilal R. Shah	Star Metal Refinery(P)Ltd., 361, Dr. Dadabhoy Naoroji Road, 4th Floor, Fort, Bombay-1:
4. Shri B. K. Nevatia 5. Shri K. R. V. Subramaniam	Indian Non-ferrous Metals Manufacturers Association, India Exchange. Calcutta-1.
II. DISTRIBUTOR	
6. Shri G. D. Binani 7. Shri S. R. Daga	Metal Distributors (P) Ltd., Binai Buildings, 28, Strand Road Calcutta-1.
III. IMPORTERS	
8. Shri Ramratan Daga	M/S. Bragdas Mathuradas, 43, Strand Road Calcutta-7.
9. Shri K. S. Rao	M/S. Pragdas Mathuradas, 28-30, Anatwadi, Bombay-2.
10. Shri B. D. Binani	The Binani Commercial Co.(P)Ltd., 28-30, Anantwadi, Bombay-2.
11. Shri L. C. Lukhi	The East Asiatic Co. (India) Private Ltd., Graham Road, Ballard Estate. Bombay-1.
IV. GONSUMERS	
12. Shri M. D. Mundhra	Rashtriya Metal Industries Ltd., Kurla Road, Andheri, Bombay-41.
13. Shri S. P. Pinto	The Indian Smelting & Refining Co. Ltd., 159-Jamshedji Tata Road, Churchgate, Bombay-1.
14. Shri Dharamdas Shah	Estrela Batteries Ltd., Plot No. 1, Dharavi, Bombay-19.
15. Shri R. Trindade	Controller of Stores, Central Railway, Victoria Terminus, Bombay-1.
V. GOVERNMENT OFFICIALS	
16. Shri C. J. Shah, Development Officer.	Development Wing, Ministry of Commerce & Industry, Udyog Bhavan, King Edward Road, New Delhi.
17. Shri Burjor Mehta	Geological Survey of India, 27, Chowringhee, Calcutta-13.
18. Shri K. R. Rajgopalan, Assistant Director of Supplies.	Director General of Supplies and Disposals, Shahjahan Road, New Delhi.
19. Shri D. S. Godbole, Assistant Director of Industries (Engg).	Director of Industries, Govt. of Bombay, Old Custom House Yard, Bombay.
20. Shri V. D. Singh, Appraiser.	Collector of Customs, New Custom House, Bombay.

APPENDIX III

(*Vide* paragraph 10.)

Statement showing latest c. i. f. prices and landed costs of imported antimony metal.

(per cwt.)

Source of information	Origin of import	Date of import	Type and specification	C. i. f. price	Customs duty 60%	Clearing charges	Landed cost
				Rs.	Rs.	Rs.	Rs.
1. Collector of Customs, Bombay .	China	September 1957.	Antimony 99.6% Arsenic 0.2%	103·45	62·61	5·17	171.23
2. Collector of Customs, Calcutta .	China	March 1958.	Antimony 99·6%	103·00	61.80	5·15	169·25
3. Pragdas Mathuradas, Calcutta .	China	April 1958.	Antimony Regulus 99.6%	103·00	61.80	2·14	166·94
4. Pragdas Mathuradas, Bombay .	China (their letter dated 4th June 1958).	Shipped in Shanghai on 24-4-1958 but not arrived till the date of their letter.	Do.	101·33	60.80	0.50	162·63
5. Metal Distributors (P) Ltd., Calcutta.	China	April 1958.	Antimony 99.80%	114·15	68·49	1·00	183·64
6. Binani Commercial Co. Private Ltd., Bombay.	China	Quotation dated 19-4-1958.	Antimony regulus 99.6% min.	101·33	..	..	..

APPENDIX IV

(*Vide* paragraph 14.1)

Statement showing an analysis of assets and liabilities of the Star Metal Refinery (P) Ltd., Bombay, for the last three years.

As on	31-10-1955	31-10-1956	31-10-1957 (Provisional)
	Rs.	Rs.	Rs.
ASSETS AND LIABILITIES :			
A. *Liabilities :*			
1. Paid up capital	5,00,000	5,00,000	5,00,000
2. Bank borrowings	1,12,510	6,80,538	4,30,028
3. Other borrowings	2,89,164	4,02,352	5,32,726
4. Current liabilities	4,85,431	3,61,492	2,30,825
5. Liabilities to third parties . . .	8,87,105	14,44,382	11,93,579
6. Total liabilities	13,87,105	19,44,382	16,93,579
B. Assets :			
1. Gross Value of Fixed Assets . .	3,13,476	3,11,494	3,13,608
Less depreciation provided . . .	1,14,368	1,28,510	1,41,491
Net value of fixed assets	1,99,108	1,82,984	1,72.117
2. *Current Assets :*			
(*a*) Finished Antimony Metal . . .	54,653	3,49,387	2,66,013
(*b*) Raw Materials & Stores . . .	16,394	4,94,355	2,50,644
	71,047	8,43,742	5,16,657
(*c*) Trade Debtors	3,00,945	51,934	1,60,528
(*d*) Advances including pre-paid expenses and deposits	1,45,446	1,51,824	12,738
(*e*) Cash and Bank Balances	62,983	47,215	41,487
Total Current Assets . .	5,80,421	10,94,715	7,31,410
3. *Intangible Assets :*			
(*a*) Goodwill	2,16,289	2,16,289	2,16,289
(*b*) Loss carried forward including preliminary expenses	3,91,287	4,50,394	5,73,270
(*c*) Suspense	..	..	493
Total intangible assets . .	6,07,576	6,66,683	7,90,052
Total Assets	13,87,105	19,44,382	16,93,579
Excess of liabilities to third parties over the current assets	3,06,684	3,49,667	4,62,169
Excess of liabilities to third parties over all assets	1,07,576	1,66,683	2,90,052

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