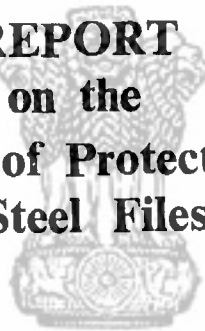




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**GOVERNMENT OF INDIA
TARIFF COMMISSION**

**REPORT
on the
Continuance of Protection to the
Engineers' Steel Files Industry**



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BOMBAY, 1963

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**Report on the continuance of
protection to the Engineers'
Steel Files Industry—1963.**



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Errata List for the Report on the Continuance of Protection to the Engineers' Steel Files Industry, 1963

1. Contents Page—for the existing entry *read* the heading to para. 14 as follows:
“Estimates of cost of production”,
2. Page 4, Para. 5.3, in line 2 *for* “vigger” *read* “bigger”
3. Page 13, Para. 9.2.2., in line 15 *after* “decarburisation” *insert* a semicolon
4. Page 14, Para. 9.2.2., in line 3 *for* “droducers” *read* “producers”
5. Page 16, Para. 10.2, in line 1 *for* “west Germany” *read* “West Germany”
6. Page 20, Para. 14.1., in line 13 against “Flat” *insert* a comma each *after* ‘g’
and ‘10’ respectively
7. Page 20, Para. 14.4, in the last line of the page *for* “osted” *read* “costed”
8. Page 23, Para. 14.5, *read* the entry “Taper Slim” in col. 1, against the fourth
line from the bottom of the statement
9. Page 32, Para. 17.2, in the last line of the page *for* “alorem” *read* “valorem”
10. Page 41, in Appendix III, in the heading *for* “29th February, 1963” *read*
“27th February, 1963”

PERSONNEL OF THE COMMISSION

SHRI K. R. P. AIYANGAR *Chairman.*

SHRI J. N. SEN GUPTA *Member.*

DR. R. BALAKRISHNA *Member.*

SECRETARY

SHRI PRAMOD SINGH



GOVT. OF INDIA
MINISTRY OF INTERNATIONAL TRADE

New Delhi, 27th Sept., 1963.

RESOLUTION

Tariffs

No. 7(2)-Tar/63.—The Tariff Commission has submitted its Report on the continuance of protection to the Engineers' Steel Files Industry on the basis of an ~~Report~~ taken by it under Sections 11(e) and 13 of the Tariff Commission Act, 1951 (50 of 1951). Its recommendations are as follows:—

- (1) Protection granted to engineers' steel files industry need not be continued beyond expiry of the present term of protection which ends on 31st December, 1963.
- (2) The manufacture of rasps and precision files which carry a substantially higher revenue duty has already been taken up by some of the indigenous producers of steel files and is due to be taken up by others, as a natural trend in diversification of output. Government should extend to these producers assistance other than duty protection to enable them to fulfil their expansion programmes.
- (3) Government should take up the matter of laying down a technical definition for precision files for the guidance of the industry and trade.
- (4) In view of the demand possibly outstripping available supply from the installed capacity, the Department of Technical Development should take timely measures with a phased programme, if necessary, for expediting increase in production by allowing producers like John Baker and others to procure balancing equipment and also by larger allocations of raw materials.
- (5) Schemes of expansion which will add to the industry's output with the lowest outlay in the quickest time should merit preferential treatment.
- (6) In view of the prevailing stringent conditions of foreign exchange and ban on imports of furnaces, Department of Technical Development should assist the producers of steel files to resolve their problems with furnace manufacturers.
- (7) For developing an export potential, facilities for import of more up-to-date machinery and liberal incentives will be needed.

(ii)

(8) To overcome the apprehensions of other producers, it may be necessary for the authorities to ensure that Harbanslal Malhotra & Sons which has been granted a licence for the rolling of file steel sections meets the requisite quality standards in its production and does not show monopolistic tendencies in the matter of its price and distribution to other producers.

(9) Steel file manufacturers should spare no efforts to make improvisation in operation technique to enable further utilisation of indigenous grinding wheels and the producers of latter should also take steps to diversify output and improve quality.

2. Government accept recommendation of the Engineers' Steel Files Industry with effect from the 1st January 1964.

3. Government have taken note of the far recommendations (2) to (7) and steps will be taken to implement them as far as possible.

4. Government have also taken note of the recommendation (8) and steps will be taken to implement it as far as possible. Attention of Harbanslal Malhotra & Sons is also drawn to this recommendation.

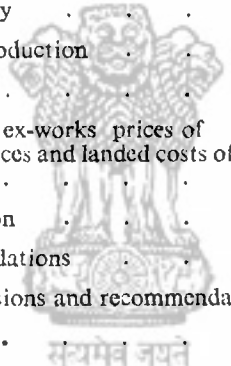
5. Attention of the steel file manufacturers and producers of grinding wheels is invited to recommendation (9).

ORDER

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

(Sd.) C. S. RAMACHANDRAN,
Joint Secretary to the Government of India.

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REPORT ON THE CONTINUANCE OF PROTECTION TO THE ENGINEERS' STEEL FILES INDUSTRY

1. The engineers' steel files industry has come under three tariff inquiries in the past, the first in 1955 followed by two others in 1958 and 1960. On our recommendation protection was first granted to the industry in 1955 by the levy of specific duties varying according to the sizes of files from Rs. 7.00 to Rs. 34.00 per dozen. These protective duties were to remain in force upto 31st December, 1959. They covered engineers' steel files (including saw files) and rasps of sizes ranging from 4" (102 millimetres) to 18" (458 millimetres), but excluded precision files such as needle files (jewellers' files, watchmakers' files), mill tooth files, rotary power files and ampoule files. After a fresh inquiry in 1958 we recommended that the period of protection be extended by a year *i. e.*, upto 31st December, 1960 with certain modifications in the rates of duties and the size-groups of the protected categories of engineers' files, bringing the minimum size down to 3-7/8" (98 millimetres). Rasps were to be deprotected. These recommendations were accepted by Government. The third inquiry was held in 1960 and we recommended continuance of protection for a period of three years *i. e.*, upto 31st December, 1963 with a reduced protective duty of 35 per cent *ad valorem*. Government accepted these recommendations and gave effect to them by the Indian Tariff (Amendment) Act, 1960. In 1963 the duty has been subjected to a general surcharge of 10 per cent.

2. As the protection granted to the industry is due to expire on 31st December 1963, the present inquiry has been undertaken under Section 11 (e) read with Section 13 of the Tariff Commission Act, 1951 whereby the Commission is 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.

3.1. Special questionnaires were issued to producers, importers and consumers of engineers' steel files in November, 1962, and those interested in the inquiry were invited to obtain copies of the relevant questionnaires and submit their replies. The Department of Technical Development in the Ministry of Economic and Defence Coordination which has taken the place of the Development Wing was requested to furnish a memorandum on the progress and present position of the industry. The Iron and Steel Controller was addressed for information on the allotments of file steel to the file manufacturers and the position in respect of domestic production of such steel. The Collectors of Customs at principal ports were requested to furnish the *c. i. f.* prices of latest consignments of imported steel

files. The Director General of Supplies and Disposals was addressed for his views on the quality, prices and availability of indigenous steel files. The Indian Standards Institution was addressed to report the progress made in the formulation of standard specifications for engineers' steel files. The Directors of Industries in the States of Maharashtra, Gujarat and West Bengal, where the producing units are situated, were requested to furnish memoranda on the position of the industry in their respective States. The views of State Governments on continuance of protection to the Industry were also invited. Letters were addressed to raw material suppliers regarding availability and prices of such materials. A list of those to whom the questionnaires/letters were issued and from whom replies or memoranda were received is given in Appendix I.

3.2. Some of the factories were visited by us and our Officers and the details of these visits are given in Appendix II.

3.3. Two units in Bombay, whose accounts had been examined on previous occasions namely, J. K. Engineers' Files (owned by Raymond Woollen Mills Ltd.) and John Baker and Sons (a unit of Killick Industries Ltd.) were selected for cost investigation. The industry which is dependent almost entirely on imports for its main requirements of raw materials and whose products are distributed all over the country did not indicate any distinctive regional characteristics. The two units representing two size groups according to their licensed capacity together accounted for about 36 per cent of the installed capacity of the industry and about 48 per cent of total production of engineers' steel files in 1962. The range of products of the two selected units, which are among the oldest in the industry, were found to be fairly wide, covering all the popular types and sizes of engineers' files manufactured in the country.

3.4. A public inquiry into the industry was held at our office on the 27th February 1963. A list of those who attended the inquiry is given in Appendix III.

4.1. In the replies to our questionnaire none of the producers proposed any modification or change in the scope of the prevailing tariff protection which, as stated in paragraph 1, covers only engineers' steel files (including saw files) of specified sizes. Two of the producers, namely, J. K. Engineers' Files and Bhogilal Menghraj & Co. (P) Ltd. have, however, stated in their replies that along with the manufacture of engineers' steel files they have now been producing rasps, the latter also claiming that it has commenced manufacture of a few types of precision files. Rasps and precision files are not covered by the present scheme of protection and are assessed under item No. 71(a) of the I.C.T. schedule to a revenue duty of 50 per cent *ad valorem* to which a 10 per cent surcharge has been added in 1963. In this context the question of the desirability or otherwise of including these items within the scope of our inquiry was examined by us and also discussed at the public inquiry. The information received by us from the two producers and also from the Department of Technical Development indicated that

in respect of rasps the two units have only a limited production owing to low machine capacity and/or restricted availability of raw materials, while in respect of precision files the production of the unit concerned was still in an experimental stage.

4.2. At the public inquiry some basis questions were raised as to what might be regarded as precision files and it appeared that no precise technical definition of these files was available. Some of the producers' representatives claimed that, technically, engineers' steel files were also precision files and that well-known overseas manufacturers like Nicholson made no distinction between engineers' steel files and precision files as such but categorised the latter as 'fine' steel files, which, according to their specific uses and historical traditions from Switzerland, were familiar to the trade. It was pointed out by them that any distinction between engineers' steel files and precision files on the basis of size, dimension, number of cuts per inch or price would be untenable, as in respect of all these there might be special types of engineers' files satisfying or even exceeding the standards claimed for precision files and that in respect of sizes and number of cuts there would be an overlapping range. Some of the representatives proposed that the distinction might be made on the basis of the size, special shape and end use of the files, which, however, did not appear to be acceptable on account of possible substitution of one for the other type of files in particular sizes. The question of customs classification for this item may also assume importance if the duty rates vary for the tariff headings that might be applicable. Since the matter calls for an examination and decision on an authoritative technical level, we would suggest that Government should take up this matter for further action.

4.3. The present production of rasps and precision files being still in the developmental or experimental stage, it must take some time to attain stabilised production on a commercial scale. In the circumstances we have decided that the scope of the present inquiry may remain the same as at our last inquiry in 1960, and be confined to engineers' steel files (including saw files) of sizes ranging from 98 mm. to 458 mm. covered by item No. 71(14) of the I.C.T. schedule.

5.1. We set out below the recommendations made by us in our last Report (1960) on matters other than continuance of tariff protection and the extent to which they have been implemented.

5. Implementation of ancillary recommendations made in the last report (1960).

5.2. Recommendation :

"The duty concession enjoyed by the industry in respect of its raw materials should be continued until steel file sections of the requisite quality, types and sizes are indigenously produced in sufficient quantity and at reasonable prices."

Government accorded a qualified acceptance to this recommendation stating in their Resolution No. 18(2) T.R./60 dated 7th September 1960 that it had been noted and the existing concessions 'would be continued for the present'. On the 27th January 1961 the Central Board of Revenue issued a ruling (Tariff Ruling No. 9 of 1961) making convex steel bars and fire-grate steel bars assessable to duty under item 63 (28) of Indian Customs Tariff as these were considered to be not common merchant steel bars but as specially shaped semi-manufactured steel sections made for the specific purpose of manufacture of steel files. Our recommendation had been in regard to all steel file sections. In consequence of the above ruling a disparity of treatment has arisen in respect of flat and round bars which were exempted from customs duty and the special sections needed for the more difficult types that is half round, triangular and knife sections. Under I.C.T. item No. 63(28) these were subjected to a duty of 50 per cent *ad valorem*, later raised to 55 per cent *ad valorem*. The producers have been making representations to Government against the imposition of this duty but no decision appears to have been taken thereon. In the meanwhile in 1963 the customs duty on items falling under item 63(28) has been raised to 66 per cent *ad valorem* inclusive of the 10 per cent surcharge. The matter is further discussed in paragraph 8.2.

5.3. Recommendation :

"Government should take steps to ensure that the industry's requirements for file steel, grinding wheels of vigger sizes and consumable stores are licensed in full."

We were informed in early March, 1961 that raw material in the form of file steel was licensable under the general category 'tool, alloy and other special steels' to all actual users to the extent of the quantity recommended by the appropriate authority, and that the industry was not experiencing any difficulty in regard to its full raw material requirements. Since then due to the increasing difficulties in the foreign exchange situation it has not been possible to meet the requirements of steel particularly from free resources during the period April-September, 1962, and supplies had to be arranged from either rupee payment countries or from U.S.A. Efforts are, however, being made by Government to meet the requirements of steel through barter arrangements.

5.4. Recommendation :

"Government should consider sympathetically the applications from the industry for import of equipment for adjusting its production to suit the changing pattern in demand."

We are informed that while applications for capital equipment required for balancing purposes are given favourable consideration by Government, requirements for replacement or expansion could not be met to the extent desired on account of foreign exchange restrictions.

5.5. Recommendation :

"Since the import of old steel files as 'industrial scrap' has created a loophole for import of serviceable files and a threat to the domestic industry, Government may consider the question of enforcing stricter control with a view to stopping this malpractice."

This recommendation has been implemented with effect from 4th July, 1960. Since then the import of old and unserviceable steel files, unless broken at the centre, is not allowed.

5.6. Recommendations :

"The industry should keep itself abreast of the latest developments and try to introduce them with a view to improving the quality of its products and cutting down their costs."

and

"All units in the industry should make greater efforts to improve their technique of manufacture and to tighten their inspection procedure in order to ensure quality and to avoid complaints on this account in future."

All the producers claim to have initiated measures to implement the above recommendations. These measures have been discussed in paragraph 9.2 dealing with 'Quality'.

5.7. Recommendation :

"Manufacturers of engineers' steel files should stamp their sub-standard files as 'second quality'. No 'third quality' files should be allowed to be put in the market."

No specific replies have been received in this respect from Hindusthan files and Harbanslal Malhotra & Sons. Bhogilal Menghraj has stated that it has been following the recommendations of the Commission. J. K. Engineers' Files has informed that it proposes very shortly to arrange to stamp its second quality files as such and does not intend to market third quality files. Hakimrai Jaichand is marking its second quality files under a brand name. John Baker does not market second quality files. The matter is dealt with further in paragraph 9.2.4. under 'Quality'.

5.8. Recommendation :

"Consumers of engineers' steel files should bring to the notice of the Commission promptly cases where they have good reasons to believe that the producers are exploiting the market so that it can undertake necessary investigation under Section 11(d) read with Section 13 of the Tariff Commission Act, 1951."

Most of the consumers who have replied to the questionnaire have stated that they consider the prices charged by the indigenous producers to be generally reasonable. The Director General of Supplies and Disposals, however, has made certain critical comments in connection with the rate contracts. These are discussed in paragraph 12.5.

6.1. *Changes in number and organisation of the units :*

6.1.1. At the time of our last inquiry in 1960 there were five units manufacturing engineers' steel files in the country, namely. (i) J. K. Engineers' Files, Bombay, (ii) John Baker & Sons, Bombay, (iii) Hakimrai Jaichand, Bombay, (iv) Hindusthan Gas & Industries Ltd., Calcutta (Hindusthan Files) and (v) Harbanslal Malhotra & Sons Pvt. Ltd., Calcutta. Particulars regarding them have been given in our earlier Reports. In addition, Bhogilal Menghraj & Co. Pvt. Ltd., Bombay was reported to have received a licence to set up a factory with an annual capacity of 90,000 dozen files on single shift. We were also informed that Hindusthan Gas Ltd., had received a manufacturing licence to set up a second unit in Delhi.

6.1.2. We are now informed that while the above five units are still in production, Bhogilal Menghraj has since established its factory in Surat District and has commenced regular production of steel files from 1962. It is a private limited company with an authorised capital of Rs. 50 lakhs and paid up capital of Rs. 14.40 lakhs. Apart from engineers' steel files it has also started manufacture of half round and flat rasps in several sizes and claims to have undertaken experimental production of a few types of precision and special files. The company has entered into technical collaboration with Messrs. Schoeller Bleckmann of Austria. We are also informed that as Hindusthan Gas and Industries Ltd. had not taken any steps to set up the Delhi unit its licence for that unit has been revoked. Thus the number of producers stands at six at present.

6.1.3. In connection with the present inquiry John Baker & Sons has informed that it has completed its negotiations for technical collaboration with Bohler Brothers, Austria and has also received intimation from Government that it has been approved with certain modifications. We are also informed that Harbanslal Malhotra who, at the time of our last inquiry, had been negotiating a collaboration scheme with a French firm, Forges & Acieries du Sant du Tarn (Paris), has since concluded the agreement in February 1962. According to the terms of the agreement a rolling mill will be set up in India for the production of steel sections for files.

6.2. *Capacity and production :*

6.2.1. *Capacity.*—A table showing the licensed and installed capacity of each of the units along with production data for 1960, 1961 and 1962 is given at the end of the paragraph. While there was no difference regarding licensed capacity there was a divergence regarding figures of installed capacity reported by the producers and the Department

of Technical Development. The latter now assesses capacity not on shift basis but on actual past performance based on maximum utilisation of plant and machinery. Even on this basis the installed capacity figures for certain units required modification. After discussion at the public inquiry and in consultation with the Department of Technical Development we have made a realistic appraisal. There has been a very substantial increase in the installed capacity of the industry which now stands at 656,000 dozens as against 390,000 dozens estimated by us in our last Report (1960) when practically all the units worked single shift.

6.2.2. *Production.*—It will be seen from the above mentioned table that compared to the position of the industry at the time of the last inquiry there has been a substantial increase in its production figures. From 279,256 dozens in 1959, the production in 1962 has gone up to 501,070 dozens, showing an increase of about 80 per cent, significant increases being in the case of J. K. Engineers' Files, Hindusthan Files and to a lesser extent in the case of John Baker. Bhogilal Menghraj started regular production only during 1962 and its production was much below its rated capacity. Among the six producers only J. K. Engineers' Files, John Baker and Hindusthan Files worked in 1962 on an average two shifts with optimum utilisation of plant facilities.

6.2.2.1. *Pattern of production.*—At the time of the last inquiry we found that while the bulk of the imports during the immediately preceding years was of files in sizes between 98 mm (3-7/8") and 178 mm (7") their indigenous production was comparatively small. We therefore impressed upon the indigenous producers the need for undertaking larger production of the smaller sizes files. In connection with the present inquiry also it was noticed that the proportion of the output of smaller size files from 98 mm (3-7/8") to 203 mm (8") in the total production did not vary being only 45 per cent in 1960, 44 per cent in 1961 and 48 per cent in 1962 as against 49 per cent in 1959. However in view of the overall increase in production no shortage of any particular size of files was reported.

6.2.2.2. In regard to the diversification of the products outside the category of engineers' steel files, however, there has not been any material change from the point of view of the industry as a whole. J. K. Engineers' Files has started production of rasps but the size of the production is still very small being 865 dozens in 1962. Bhogilal Menghraj has undertaken production of rasps and also a few types of precision files from 1962, their production during the year being 551 dozens and 197 dozens respectively.

6.3. *Expansion schemes.*—No license for the manufacture of engineers' steel files has been granted to any new unit since our last inquiry, but most of the existing units have stated that they have plans for expansion under consideration. Hindusthan Files has received sanction for increasing its capacity by 90,000 dozens per annum, its expansion being mainly for the manufacture of precision files for which it has been

looking for suitable foreign collaboration. John Baker has reported that it has applied for but not yet received sanction for expanding its capacity by 96,000 dozens and for importing at a value of Rs. 10 lakhs certain balancing equipment. J.K. Engineers' Files has plans for stepping up its production to 180,000 dozens by 1965, including increased production of rasps for which sanction has yet to be obtained by it. Harbanslal Malhotra has reported having installed necessary balancing machinery to bring its capacity up to its licensed capacity of 3 lakh dozens. Hakimrai Jaichand has stated that it intends to increase its present production capacity to 72,000 dozens per annum in order to have a full range of production including rasps and precision files, but has made no formal application in this respect. Thus it would appear that the only expansion schemes to be reckoned with for the present are those of Hindusthan Files and John Baker. Their implementation will largely depend on the time when the relative import licences can be obtained under prevailing foreign exchange difficulties, particularly in view of the fact that the machinery in both cases is sought to be imported from countries like U.K., West Germany and Japan. Substantial expansion of capacity in the industry will be needed to meet the increase in demand envisaged with progress of engineering industries. Schemes which will add to the industry's output with the lowest outlay in the quickest time should merit preferential treatment. In this context the scope for increased production of the industry at least for the near future will very materially depend on possibility of better utilisation of the existing capacity in the various units, particularly by balancing of plant facilities in case of John Baker, J.K. Files and Hindusthan Files and further utilisation of their plant facilities by other producers.



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Statement showing licensed and installed capacity and production during 1960, 1961 and 1962

(In dozens)

Name of the unit	Present Annual Capacity			Production	
	Installed capacity per annum (Single shift) given in the last Report (1960)	Licensed	Installed	1960	1961 1962
1. J. K. Engineers' Files, Bombay	30,000	48,000	92,000	38,866	49,210 92,375
2. Hakimrai Jaichand, Bombay	30,000	30,000	30,000	27,312	23,976 31,139
3. John Baker & Sons, Bombay	120,000	144,000	144,000	90,236	97,433 147,010
4. Harbans Lal Malhotra & Sons Pvt. Ltd., Calcutta	150,000	300,000	150,000	35,420	29,071 45,948
5. Hindustan Files, Calcutta	60,000	90,000	150,000	72,750	106,400 148,750
6. Bhogilal Menghraj & Co. Pvt. Ltd., Bombay	..	90,000	90,000	..	.. 35,848
TOTAL	390,000	702,000	656,000	264,584	306,090 501,070

7.1. In our last Report (1960) we estimated the demand for engineers' steel files to be of the order of 600,000 dozens in 1960, increasing to 700,000 and 800,000 dozens in 1961 and 1962 respectively. While such estimates are

7. Demand usually made by us on the basis of imports plus sales of indigenous production minus exports, our previous estimates were required to be adjusted on a conjectural basis as no definite figures were available about alleged large imports of such files made in the garb of industrial scrap. According to the latest figures of production and imports, however, the demand would appear to be substantially lower than our original estimates, being calculated by the Department of Technical Development as 596,892 dozens in 1961 and 556,182 dozens in 1962 on the basis of availability. The set-back is attributed by it to the general restriction of imports of steel entailed by the shortage of foreign exchange.

7.1.1. In connection with the present inquiry we have received fresh estimates of demand from the Department of Technical Development placing it at 600,000 dozens in 1962 with an expected increase by 15% year by year till 1965. We have also received similar estimates for these years from one of the producers but these could not be considered as his estimate for 1963 was found to be far below the recorded imports plus indigenous production in 1962. The matter was discussed at length at the public inquiry and it was agreed that as a result of improved availability of steel, increased production of certain defence oriented industries, for which steel files are required and also higher consumption of non-ferrous metals, a steady increase in the demand for such files could be foreseen. The consensus of opinions expressed at the public inquiry was in favour of the estimates furnished by the Department of Technical Development. We have accepted these estimates based on 600,000 dozens in 1962 followed by an annual increase of 15% i. e., 690,000 dozens in 1963, 793,000 dozens in 1964 and 911,000 dozens in 1965.

7.2. Demand supply balancing prospects :

In paragraph 6.2.1. we have indicated the revised installed capacity of the engineers' steel files industry as 656,000 dozens mainly on the basis of an appraisal of the current working of the producing units. In paragraph 6.3. we have already referred to the flexibility in the producing units to step up output either by additions of balancing equipment or by better utilisation of existing plant facilities. Further, having regard to comfortable stock position (end of the year) of the indigenous producers, it would appear that the question of balancing supply with demand should not involve any difficulty for 1963 even if imports are further drastically curtailed, provided of course the indigenous industry is enabled to sustain its optimum working with necessary supply of raw materials. The problem would, however, arise in subsequent years in view of the possibility of demand outstripping available supply on the basis of installed capacity, if the indigenous industry is expected to meet the entire needs of the country for engineers' steel files. With such prospects ahead we consider that the Department of Technical

Development should keep the situation under careful watch and take timely measures with a phased programme, if necessary, for expediting increase in production by allowing producers like John Baker, J.K. Engineers' Files and Hindusthan Files to procure balancing equipment and also by giving a larger allocation of raw materials to the manufacturers.

8.1. The principal raw material required for the manufacture of engineers' steel files is carbon or chromium steel of different sections suited for particular sizes and types of files. The consumable stores are grinding wheels, high speed alloy steel for manufacture of chisels and tools, tungsten carbide tipped chisels, and hardening salts. Since the last inquiry there has been no material improvement in the supply position of these items from indigenous sources and they continue to be imported except for smaller sizes of grinding wheels and small quantities of the other stores.

8.1.2. As regards the prospects of the supply of file steel from indigenous sources, we cannot over emphasise its importance for enabling this industry to help attainment of self sufficiency. The Iron and Steel Controller has informed us that efforts made to produce this steel in the past were not satisfactory and as the new steel plants would mostly produce mild steel in large furnaces, it would not be possible for them to produce the special variety of steel which is required only in small quantities (less than 5,000 tonnes per year) for file manufacture. The particular variety of steel might however, be produced in future when the proposed tool and alloy plants in the public sector are installed by the end of the Third Five Year Plan.

8.1.2.1. In this connection we are informed that Harbanslal Malhotra has been granted a licence for the rolling of different sections required by the industry, from imported steel, its licensed capacity being 5,000 tonnes per annum. Representatives of producers who attended the public inquiry expressed their concern about this scheme on the grounds that if the extent of the licensed capacity which covered the full requirement of the entire industry was any indication that they should all obtain their supplies of the processed file steel from Harbanslal Malhotra, they would find themselves in the difficult position of having to depend for this material wholly on a competing unit. To overcome these apprehensions it may be necessary for the authorities to ensure that this company meets the requisite quality standard for file steel and does not show monopolistic tendencies in the matter of price and distribution of file steel sections to other producers.

8.1.3. Among consumable stores, the prospects of availability of grinding wheels from indigenous sources have improved since our last inquiry as a result of the plans initiated by the two producers, namely, Grindwell Abrasives Ltd., Bombay and Carborandum Universal Ltd., Madras for the manufacture of vitrified bonded wheels in a wider range. We are informed by Grindwell Abrasives that it has been supplying the smaller sizes of vitrified bonded wheels to most of the

producers and that trial supplies of some of the bigger sizes of this type of wheels, upto 36" (920 mm.), have also been made by it to some of the units. The company has also undertaken experimental production of magnesite bonded wheels in specified sizes and these are awaiting improvement on the basis of reports on trial supplies made by it to some of the manufacturers of files. It has a scheme of collaboration with a German firm which has been approved by Government. Carborandum Universal claims to have made good progress in the manufacture of vitrified bonded wheels. At the public inquiry the representatives of the producers of steel files stated that they had not come to any definite finding yet about the suitability of the trial supplies of the larger size indigenous wheels. The bulk of these wheels, as required by them, are still being imported. Some of them, however, have expressed the view that in a few years' time all the types and sizes of wheels required by the industry might be indigenously available. We consider that in the present situation where there is need to limit imports of all kinds, steel files manufacturers should spare no efforts to make improvisation in operation techniques to enable fuller utilisation of indigenous grinding wheels, and the producers of the latter should also take steps to diversify output and improve quality. Among the other consumable stores it appears from the information furnished to us that there is no prospect of the availability of high-speed alloy steel and tungsten carbide tipped chisels from indigenous sources in the near future. Production of hardening salts has already been undertaken by some manufacturers but the file makers are not quite satisfied with their quality.

8.2. *Import duty on raw materials.*—In paragraph 5.2 we have stated how certain types of file steel, namely, convex steel bars and fire-grate steel bars have come to be assessed to import duty of 55% *ad valorem* as per I.C.T. item No. 63(28) under the description 'Steel manufactures', the rate being since raised in 1963 to 66% inclusive of a surcharge of 10%. Other types of file steel such as flats and rounds which are assessed under I.C.T. item 63(3) under the description 'Bars' were duty-free at the time of our last inquiry. Thereafter these were subjected to a countervailing duty of 5% or Rs. 30 per metric tonne whichever is less *plus* Rs. 39.35 per metric tonne, and this countervailing duty has continued along with a customs duty of 5½ per cent (5% new duty plus 10% general surcharge). The steel files industry has made representations to Government pleading the case for duty-free concessions in respect of the specified categories of convex steel bars and fire-grate steel bars used for making files. The matter was also discussed at the public inquiry when it was pointed out to them that the duties actually paid on imported materials would be reflected in the production costs of the units selected for costing, which would indicate to what extent the industry has been able to pass on the incidence of the duty to the consumer. Due to the shifting of incidence there does not appear to have been any adverse effect on production owing to the small element involved. From the evidence placed before us we are led to think that file steel accounts on an average for about 20 per cent of the works cost and the quality of imported material bearing the higher duty is used for less than 40 per cent of the total output.

9.1. Standards :

9.1.1. Indian Standards Institution has informed us that the draft standard for engineers' steel files has been sent for the approval of the Hand Tools Sectional Committee and the printed

9. Standards and Quality standard will be available shortly. The specifications would cover the general requirements and test procedures and specific dimensional and test requirements for (a) engineers' files commonly used in fitting shops, (b) saw files used for sharpening different types of saws and (c) mill files and miscellaneous files. Needle files and files generally used by instrument makers, jewellers, die makers and high speed steel files have not been included in the specifications.

9.1.2. In the absence of published I.S.I. standards the producers continue to use the British Standard Specifications or standards like I.R.S. or other specifications laid down by the indentors. With the publication of I.S.I. standards the producers have expressed willingness to switch over to these specifications.

9.2. Quality :

9.2.1. At the last inquiry we had noted improvement in the quality of files but felt that there was scope for considerable improvement. We had also recommended that the Indian industry should keep itself abreast of the latest developments and try to introduce them with a view to improving the quality of its products and cutting down costs. All the producers now claim to have initiated adequate measures at different stages of manufacture, to improve quality, backed in some cases by the installation of improved and/or additional testing equipment.

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9.2.2. We are informed by J. K. Engineers' Files that since the introduction of a number of automatic devices as mentioned in our last Report (1960), it has further installed and electrode salt bath furnace to ensure better and more reliable hardening, and pneumatic sand blasting in the scouring section. A German technician continues to be employed for imparting the latest technical know-how and for the training of its personnel for quality control. It claims to have initiated a scheme of strict inspection procedure, having appointed process inspectors in all the departments. John Baker & Sons has reported the introduction of several improved technical devices and installations in its various departments comprising *inter alia* a system of distinctive marking of raw material in the steel shed on chemical analysis to ensure correct treatment, a new process in the forging section for minimising loss of carbon installation of control atmosphere annealing electric furnace which has reduced to some extent decarburisation introduction of spiral cut on round files to ensure quicker and more uniform filing and also a longer life to the files; and installation of a special microscope which enables it to examine the sharpness of teeth and the structure of steel for eventually improving cutting quality of its files. Hindusthan Files, Calcutta,

has also reported substantial improvement of its equipment and processes for testing and for improving its hardening technique. Other producers also claim to have made improvements in their testing arrangements and for ensuring quality of their products.

9.2.3. The consensus of opinion expressed at the public inquiry was that the quality of indigenous steel files was satisfactory but not comparable to those of manufacturers of international repute. The Department of Technical Development has further stated that for the normal type of jobs the indigenous files are good enough but when it comes to the question of high precision work there is scope for improvement. It expects that with increased experience and through foreign collaboration there would be improvement in the quality of the files manufactured in the country.

9.2.4. As regards the problem of maintaining the highest standards John Baker & Sons has referred to its lack of certain essential facilities such as electric furnaces with better control equipment and more accurate grinding machines, due to its not getting necessary import licences for these equipments. We discussed the matter in detail at the public inquiry having regard to the export efforts said to be made by John Baker. The representative of the Department of Technical Development stated that the indigenous manufacture of furnaces had already attained a good standard meeting the requirements of several industries and if any supplies obtained by the file manufacturers did not come up to their expectations, it was up to them to pursue the matter with the manufacturers of furnaces for necessary improvements, as facilities for obtaining any special and essential imported components for the purpose would be available to the manufacturers of furnaces. In view of the prevailing stringent conditions of foreign exchange and ban on imports of furnaces we suggest that the Department of Technical Development should assist the producers of files to resolve their problems with the furnace manufacturers more energetically in the interest of both.

9.2.5. We have examined the latest position in regard to the sale of 'second' and 'third' quality files by the producers, as these have an important bearing on the effectiveness of quality control measures initiated by the industry. In our last Report we had recommended that manufacturers of steel files should stamp their sub-standard files as 'second quality', and no 'third quality' files should be allowed to be put on the market. The steps since taken by the producers in this respect are indicated in paragraph 5.7., from which it would appear that, by and large, our recommendation has not been acted on strictly as was expected by us. John Baker has claimed, as at the last inquiry, that it does not offer any second or third quality files for sale. J. K. Engineers' Files has admitted its failure to act in accordance with our recommendation hitherto; only now it has agreed to stamp its second quality. The vagueness of the replies of some other producers in regard to their current practice also raised doubts about their strict adherence to our recommendation. It was reported by the defaulting units that their sub-standard qualities accounted for only a very small and dwindling proportion

of their total output. Our recommendation was clearly aimed at preventing the producers, who enjoyed the benefits of protection from allowing opportunities of exploitation of ignorant customers by unscrupulous dealers. At the public inquiry, therefore, we have again impressed the importance and urgency of the matter upon the representatives of producers, as much in their own interest as that of the consumer.

10.1. *Import Control Policy*.—The stringency of the import control policy in respect of engineers' steel files has increased in both its content and application since our last inquiry. Engineers' steel files are licensed for imports under S.No. 20(3) (a) (i) of Part II of the Import Trade Control Schedule. During the April-September 1960 licensing period, the quota for established importers of files and rasps was $7\frac{1}{2}$ per cent (general) and $7\frac{1}{2}$ per cent (soft). Licences were valid only for the import of rasps, jewellers' files, precision files and other files of special shapes. Import of machinist steel files was not allowed. Actual users were permitted to import only rasps and jewellers' files. The same policy was continued during the next licensing period (October 1960-March 1961). In the April-September 1961 licensing period, the established importers' quota was reduced to $2\frac{1}{2}$ per cent. In addition to the earlier restrictions, the import of saw files was banned. The provisions of the policy for actual users remained unchanged. The licensing period October 1961-March 1962 saw a continuation of the policy laid down in the earlier period, with the elaboration that mill saw files (bastard) and other mill files of any variety were to be treated as saw files. In April 1962 Government announced the policy for the year 1962-63, and invited applications for import licences on an annual basis. The policy for April 1962-March 1963 licensing period for the import of files and rasps remained the same as it was in the October 1961-March 1962 period. By a notification dated 8th June 1962 Government reduced the quota for all established importers by 50 per cent because of the difficult foreign exchange position. Further restrictions were imposed on the import of steel files by another Government notification dated 24th December, 1962.

10.2. *Imports*.—During the last three years the imports of the protected categories of steel files (3-7/8" to 18") were as follows.—

	Quantity (dozens)	Value (Rs.)
1960	130,440	19,56,017
1961	219,098	13,22,111
1962 (Jan-Nov.)	30,318	3,20,132

Most of the imports came from Canada, U.S.A., Japan and west Germany their respective percentage shares in the total values of imports during 1961 and 1962 (January-November) being as follows:—

(Figures in percentages)

	1961	1962 (Jan.—Nov.)
Canada	45.1	27.5
Japan	36.3	5.5
U.S.A.	5.1	14.1
West Germany	3.7	32.3
Other Countries	9.8	20.6

11.1 Since our last inquiry a welcome beginning has been made by the industry in the export of its products albeit its achievements so far has been limited. According to information furnished to us by the producers, only two of them, namely, John Baker and Sons and Harbanslal

11. Exports
Malhotra have exported small quantities of steel files during 1960, 1961 and 1962 which were as under.—

	1960		1961		1962	
	Quantity (Doz.)	Value (Rs.)	Quantity (Doz.)	Value (Rs.)	Quantity (Doz.)	Value (Rs.)
John Baker & Sons . . . . .	..	..	1,498	19,100	3,431	36,225
Harbanslal Malhotra	N.A.	29,000	N.A.	15,000	N.A.	10,000
TOTAL		29,000		34,100		46,225

The above two producers exported their goods to British East Africa, Burma, Iraq, Iran and Pakistan.

11.2. Manufacturers of steel files who export their products are eligible for assistance in regard to the import of raw material and capital equipment, and can obtain a drawback on import duty on material used in accordance with the procedure laid down by Government for export promotion. John Baker has informed that although its exports are made at a substantial cut on the domestic prices (as most in the overseas trade do) it is encountering severe competition from other overseas producers whose prices are lower and quality of whose products is considered better. It would not be possible for it to compete in the foreign market unless it is allowed to import more up-to-date machinery to

produce quality files by methods similar to those obtaining in foreign countries. It has also complained that incentive licences are greatly restrictive regarding the items that could be imported against them, and has suggested their liberalisation in order to permit imports of capital equipment without restrictions or percentage limitations. We commend these suggestions to Government for sympathetic and favourable consideration. One of the producers has suggested that our Commercial Attaches should provide information about importing firms in their respective countries to guide export possibilities from India. This is a matter which, in our opinion, may appropriately be taken up by the association of file manufacturers with the Export Promotion Council.

12.1. *Selling system.*—No material change has taken place in the selling arrangements of producers since our last inquiry. J.K. Engineers' Files, Hindustan Files and John Baker have territorial agents, who have under them dealers serving as distributors/stockists. Hakimrai Jaichand and Bhogilal Menghraj have appointed sole selling agents who operate through dealers in different parts of the country. Harbanslal Malhotra has its own offices in Bombay and Delhi and also sole selling agents in all the States. Hindustan Files has informed that it maintains direct link with some of the big industrial consumers and important retail dealers though the distributors are the main source of supply to the retail trade and also to industrial consumers. The total commission and discount allowed by the producers to their selling intermediaries is more or less comparable. Commissions to agent are about 5 per cent while discounts to distributors range between 12 per cent to 30 per cent. It was stated by the representative of one of the producers that often the benefit of the discount is also being passed on to the consumers by the distributors. All the producers except one have rate contracts with the Director General of Supplies and Disposals whose complaint in regard to quoting of ring prices by the producers is separately discussed hereafter. The selling arrangements and terms of the producers indicate a growing competition in the industry and we have not received any complaints against them. Regarding the enforcement of the list prices in the interest of the consumer the producers have generally stated that they exercise necessary control through their inspection staff, while some of them have pointed out that the present competitive conditions of the industry, backed by adequate supply, provide adequate safeguards against possible exploitation of consumers.

12.2. *Sales.*—Compared to the sale of 255,929 dozens in 1959, the latest year considered in our last Report, there has been an increase in the sales of the indigenous industry by about 77 per cent in 1962. A scrutiny has been made of sales of files sizewise and of stocks figures for 1962 made available by the four units, J.K. Engineers' Files, John Baker and Sons, Hakimrai Jaichand and Bhogilal Menghraj. It was found that the proportions of the totals of sales and stocks respectively for different size groups of files have moved more or less in step, there being no significant shortfall or accumulation of stocks in respect of any of the size-groups during the year.

12.3. Most of the consumers who have replied to our questionnaire have stated that they have not experienced any difficulty about obtaining necessary supplies and timely delivery from the indigenous producers. We have, however, received some critical comments from the Director of Stores, Naval Headquarters, New Delhi, Indian Telephone Industries, Bangalore and Controller of Stores, Central Railway indicating difficulties they had experienced in obtaining specified types of files from some of the producers. These instances do not seem to indicate any basic deficiency of the industry which, as already stated, has expanded its production very substantially and has a comfortable stock position. We have, however, drawn the attention of the producers' representatives at the public inquiry to the criticisms received by us and have urged them to take necessary steps in meeting the complaints of such important customers, in their own enlightened self-interest as much as for discharging their obligations as a protected industry.

12.4. *Selling prices.*—As regards selling prices, a statement showing the list prices of important sizes/types of steel files produced by the various units during 1960 and 1962 is given in Appendix IV. The producers have represented that the price increases are mainly due to higher prices of raw materials and consumable stores and higher wages, and they have highlighted in this connection the effects of the higher customs duties on imported steel. The latest price increase is stated to have been effected in August, 1962 by all the producers as a sequel to the C.B.R. ruling for the re-assessment of certain sections of file steel to a higher rate of duty as discussed in paragraph 8.2. The contention of the producers that the latest price increase had to be made to absorb the incidence of the duty does not appear to us to be wholly acceptable. The increase in prices has not been restricted to half round, triangular and knife section files which alone should bear the impact of higher duty as their raw material is subject to it. The incidence has been assessed at 5 to 15 per cent of the works cost depending upon the size of the files, i.e., an overall average of 10 per cent by way of additional duty has to be borne by less than 40 per cent of the output. On the contrary, the producers have effected a general price increase and some of them have even raised the prices of flat and round files by a higher percentage than the particular types directly affected by the duty. Taking into account the types of files affected and their percentage in the total production pattern of the units costed we find that on an average an increase of less than 4 per cent in the overall prices of all files could have covered the higher incidence of duty. This would also generally apply in the case of other units where the pattern of production is more or less the same. On the other hand the overall price increase ranges from 5 to 33 per cent which is excessive.

12.5. *Rate contract.*—As at the last inquiry (see paragraph 13.3 of our Report, 1960) we have again received a complaint from the Director General of Supplies and Disposals that the producers have continued to form a 'ring' in quoting against Government tenders and are charging high prices. We are now informed that for contracts for the period 15-2-1962 to 14-2-1963 also a ring was formed with one produce-

as the 'primary' contractor and three others as 'subsidiary' contractors, only one producer remaining outside the ring. The D.G.S. & D. has also stated that for reasons of the 'ring' firms quoting higher prices the number of items on rate contract had to be reduced for the current rate contract, although it might inconvenience the indenting departments. The South Eastern Railway has reported that for the items excluded from the 1962-63 rate contract, the prices quoted in the open market were about double of what obtained under the rate contract in the previous year. These complaints were discussed at the public inquiry. The representatives of the industry stated that in view of the bulk purchases made by Government they have been quoting the lowest prices against tenders invited by D.G.S. & D. which hardly left them any margin of profit. As for the economic justification of group action for the rate contract they indicated that in view of the large number of types and sizes of files, it enabled them to plan production in the most economical manner which made it possible for them to quote specially low prices to D.G.S. & D. The representative of D.G.S. & D. admitted that none of the members of the 'ring' with whom the last contract had been entered into was known to have made any sales below the rate contract price, which is, indeed, forbidden by the terms of the contract. Some rate contract prices for the period 15-2-1962 to 14-2-1963 quoted by the members of the ring were compared with the cost of production of the costed units and there is nothing to indicate that there is an attempt on the part of the units as a ring to charge high prices to the Director General of Supplies and Disposals.

13. Engineers' steel files are at present assessed to duty under item No. 71(14) of the First Schedule to the Indian Tariff Act, 1934. The Existing rates of duty relevant extract is reproduced 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 rate of duty
				The united Kingdom	A British Colony	Burma	
71(14)	Steel files (including saw files but excluding jewellers' files, watch makers' files, other needle files, mill tooth files rotary power files and ampoule files) of sizes not less than 98 millimeters but not exceeding 458 millimeters.	Protective	35 per cent <i>ad valorem</i>	..	..	..	December, 31st, 1963.

NOTE.—Under the Finance Bill of 1963 a surcharge of 10 per cent has been levied on all import duties.

14.1. Our Cost Accounts Officer examined the costs of production of engineers' steel files manufactured by John Baker & Sons and J.K. Engineers' Files, with reference to the latest accounting period that is the year ended 30th November, 1962 in the case of the former and the year ended 31st December, 1962 in the case of the latter. Among the two units, John Baker & Sons had been costed also at the time of our last inquiry while J.K. Files had been costed at the time of the first two enquiries. Having regard to the relative importance of different items in the respective production patterns of the two units the following types and sizes were selected and their actual costs of production worked out :

Flat	4", 6", 8" 10" 12" and 14" (For both units).
Half round	4", 6", 8", 10", 12" and 14" (For both units).
Round	4", 6", 8", 10", 12" and 14" (For John Baker only).
Heavy Tapersaw	5" and 6" (For both units) and also 8" for John Baker.
Taper Slim	5" and 6" (For J. K. Engineers' Files only).
Millsaw	10" and 12" (For J. K. Engineers' Files only).

The items selected for costing most of which were covered by our earlier inquiries represented about 60 per cent of the total output in both the cases. The cost data were discussed by us separately with the representatives of the two units and we have made necessary adjustments where required.

14.2. The reports of our Cost Accounts Officer are being forwarded to Government as confidential enclosures to this report.

14.3. Steel files are the main product of John Baker. In the case of J.K. Files, which is a part of Raymond Woollen Mills, separate accounts of records for the production of steel files are maintained. Cost determination in the case of both companies has been done by cost centres and with due regard to standard timings sought to be applied to various output items.

14.4. In framing the estimates of cost the annual production has been assumed at 144,000 dozens for John Baker which represents the reassessed production capacity of the unit. In the case of J.K. Engineers' Files the annual production has been assumed at 132,000 dozens. The unit has imported certain items of balancing equipment for stepping up its production to this level and while some of these have been installed in 1962 the rest were also reported to be ready for installation. For cost of raw materials the latest prices actually paid, inclusive of duty leviable thereon, in 1963 have been adopted. Rejections and wastage and lower realisation on seconds have been allowed on the basis of the best working results of either of the two units in respect of different items during the costed period and salvage value taken into account in accordance with

the latest actuals. Costs of power and fuel have been provided with reference to incidence for the actual period, as also repairs and maintenance. In respect of consumable stores and labour and establishment necessary adjustments have been made to take account of probable increase in prices, normal increase in salaries and wages, etc. with due consideration for enhanced production where applicable. Under overheads account has been taken of the liability in respect of emergency risks insurance at the latest notified rates and suitable additions allowed, where applicable, to meet the requirements of larger production. Depreciation has been calculated at normal income-tax rates on the written down values allowing addition of the balancing equipment already procured or likely to be obtained by the two units. A contingency provision of 2 per cent on cost of production has been made. On calculation the element of working capital has been estimated at an amount equivalent to 8 months' cost of production without depreciation and a return of 12 per cent on the capital employed has been provided.

14.5 A summary of estimated works cost of production and fair ex-works prices of the selected types/sizes of engineers' steel files made by the two producers is given in the following tables.



J. K. ENGINEERS' FILES

Summary of the estimated fair ex-works price per dozen of selected types and sizes of files for future

(Rs. per dozen)

Type	Size	Net material cost	Conversion charges including packing	Total works cost	Return @12% on capital employed cost	Contingency @2% on ex-works	Total (5 + 6 + 7)	Fair ex-works price including loss on second quality
1	2	3	4	5	6	7	8	9
Flat								
Bastard	4"	0.70	6.12	6.82	0.95	0.13	7.90	7.93
Smooth	4"	0.70	6.55	7.25	1.02	0.14	8.41	8.44
Bastard	6"	1.60	8.34	9.94	1.33	0.19	11.46	11.50
Smooth	6"	1.60	8.68	10.28	1.38	0.19	11.85	11.89
Bastard	8"	2.90	9.17	12.07	1.58	0.23	13.88	13.93
Smooth	8"	2.90	9.98	12.88	1.71	0.24	14.83	14.88
Bastard	10"	4.81	12.11	16.92	2.18	0.32	19.42	19.49
Smooth	10"	4.81	12.06	16.87	2.18	0.32	19.37	19.44
Bastard	12"	9.18	14.10	23.28	2.87	0.44	26.59	26.68
Smooth	12"	9.18	16.18	25.36	3.19	0.48	29.03	29.13
Bastard	14"	12.70	17.69	30.39	3.68	0.58	34.65	34.77
Smooth	14"	12.70	19.02	31.72	3.90	0.60	36.22	36.35

JOHN BAKER & SONS

Summary of the estimated fair ex-works price per dozen of selected types and sizes of files for future

		(Rs. per dozen)								
Type	Size	Net Material Cost	Conversion charges including packing	Total works cost	Profit @ 12% on capital employed	Contingency charges @ 2% on works cost ex-depreciation	Total fair ex-works price			
1	2	3	4	5	6	7	8			
Flat	. .	Bastard	. .	4"	0.93	12.37	13.30	2.13	0.25	15.68
		Smooth	. .	4"	0.93	13.49	14.42	2.38	0.27	17.07
		Bastard	. .	6"	1.94	9.93	11.87	1.82	0.23	13.92
		Smooth	. .	6"	1.94	11.01	12.95	2.06	0.25	15.26
		Bastard	. .	8"	4.77	10.53	15.30	2.19	0.29	17.78
		Smooth	. .	8"	4.77	11.83	16.60	2.45	0.32	19.37
		Bastard	. .	10"	8.56	13.13	21.69	2.92	0.42	25.03
		Smooth	. .	10"	8.56	14.90	23.46	3.30	0.45	27.21
		Bastard	. .	12"	13.86	14.72	28.58	3.68	0.55	32.81

Smooth	.	12"	13.86	17.13	30.99	4.18	0.60	35.77
Bastard	.	14"	19.34	17.79	37.13	4.69	0.72	42.54
Smooth	.	14"	19.34	21.70	41.04	5.52	0.79	47.35
Bastard	.	4"	1.99	18.44	20.43	3.26	0.39	24.08
Smooth	.	4"	1.99	19.69	21.68	3.54	0.41	25.63
Bastard	.	6"	3.55	20.90	24.45	3.82	0.46	28.73
Smooth	.	6"	3.55	22.52	26.07	4.17	0.49	30.73
Bastard	.	8"	5.82	24.58	30.40	4.62	0.58	35.60
Smooth	.	8"	5.82	26.55	32.37	5.05	0.61	38.03
Bastard	.	10"	13.07	22.20	35.21	4.84	0.68	40.79
Smooth	.	10"	13.07	25.20	38.21	5.48	0.73	44.48
Bastard	.	12"	19.44	23.69	43.13	5.66	0.83	49.62
Smooth	.	12"	19.44	27.02	46.46	6.37	0.89	53.72
Bastard	.	14"	21.85	33.06	54.91	7.55	1.06	63.52
Smooth	.	14"	21.85	38.53	60.38	8.71	1.16	70.25
Bastard	.	4"	0.33	16.11	16.44	2.68	0.31	19.43
Smooth	.	4"	0.33	17.22	17.55	2.93	0.33	20.81
Bastard	.	6"	1.12	16.59	17.71	2.87	0.33	20.91

Round

1	2	3	4	5	6	7	8
Round--(contd).							
Smooth	. 6"	1.12	17.90	19.02	3.15	0.36	22.53
Bastard	. 8"	1.44	20.07	21.51	3.48	0.41	25.40
Smooth	. 8"	1.44	21.80	23.24	3.84	0.44	27.52
Bastard	. 10"	3.88	21.62	25.50	3.95	0.48	29.93
Smooth	. 10"	3.88	24.05	27.93	4.47	0.53	32.93
Bastard	. 12"	6.73	24.65	31.38	4.70	0.60	36.68
Smooth	. 12"	6.73	27.92	34.65	5.42	0.66	40.78
Bastard	. 14"	10.07	23.21	33.28	4.75	0.64	38.67
Smooth	. 14"	10.07	26.80	36.87	5.51	0.70	43.08
Heavy Tapersaw . . .							
	5"	1.96	11.74	13.70	2.12	0.26	16.08
	6"	3.16	12.30	15.46	2.30	0.29	18.05
	8"	6.27	13.16	19.43	2.72	0.37	22.52

15. Since our last inquiry the imports of engineers' steel files of certain categories have been severely restricted. However, as stated in paragraph 10.2, Canada has continued to be the principal supplier accounting for the largest percentage share of the total value of imports during last two years and offering files which in respect of quality are competitive with indigenous products. Because of import restrictions it has not been possible to obtain the latest c.i.f. prices of all the popular types of files which are indigenously produced and have been costed. We have received from the Collectors of Customs at Bombay and Calcutta particulars of some imports made through these ports from Canada, U. S. A., Japan and West Germany, along with the c.i.f. prices of some types of special files and rasps. We have, however, been furnished by Gillanders Arbuthnot & Co. Ltd., Calcutta, who are agents in India for Nicholson File International S.A., U.S.A., with the export price list of its principals' factories in U.S.A. and/or Canada, on which a trade discount of 20 per cent is allowed. For arriving at c.i.f. prices at Indian ports $12\frac{1}{2}$ per cent should be added thereto on account of freight, insurance etc. and to arrive at landed cost ex-duty, a further 2 per cent has to be added. The position was discussed at the public inquiry and it was agreed to adopt, as at the last inquiry, the imports from Canada for the purpose of determining the quantum of disadvantage to the indigenous industry. Accordingly, to cover the entire range of products of the indigenous industry costed by us we have adopted the lowest c.i.f. prices of Canadian imports received by us from the Collectors of Customs for specified items and for the rest the calculated c.i.f. prices/ex-duty landed costs of Nicholson's files worked out in the manner stated above. (These figures may be found in the relevant column of the table appended to paragraph 16.)

16.1. The following table gives a comparison of fair ex-works prices of indigenous steel files as estimated by us for each of the two producers with the landed costs ex-duty of imported files of corresponding types and sizes. In view of the divergence between the costs of the

16. Comparison of fair ex-works prices of indigenous steel files with c.i.f. prices and landed costs of imported products ex-duty.

two producers to ensure a proper assessment, we have worked out the quantum of disadvantage for each of the producers separately. An assessment of the quantum of protection for each type or size of file is also difficult in that while our fair prices are determined on costs examination, the landed costs based on f.o.b. prices of similar products cannot be assumed to be strictly in relation to the costs of production in the country of origin as distinct from the selling price which might carry other market differentials.

16.2. Details of the measure of disadvantage itemwise for each unit and for the output of the two units will be seen from the following tables:—

*Statement showing the comparison between the fair ex-works price for
of Engineer's*

Types/Kinds	Size	John Baker & Sons Ltd. Bombay Fair-ex- works price	J.K. Engi- neers' Files, Bombay Fair-ex- works price	Landed cost with- out duty includes 2% land- ing charges over c.i.f. price	JOHN	
					Difference (with landed cost) (3—5)	Difference as a % on c.i.f.
1	2	3	4	5	6	7
1. Flat Bastard . . .	4"	15.68	7.93	12.70	2.98	23.9
2. Flat Smooth . . .	4"	17.07	8.44	17.04	0.03	0.2
3. Half Round Bastard . . .	4"	24.08	14.41	18.80	5.28	28.6
4. Half Round Smooth . . .	4"	25.63	14.83	23.17	2.46	10.8
5. Round Bastard . . .	4"	19.43	..	13.06	6.37	50.0
6. Round Smooth . . .	4"	20.81	..	16.62	4.19	25.7
7. Taper Heavy . . .	5"	16.08	9.83	11.11	4.97	45.6
8. Taper Slim . . .	5"	..	9.38	12.16	..	..
9. Flat Bastard . . .	6"	13.92	11.50	13.99	(—) 0.07	(—) 0.5
10. Flat Smooth . . .	6"	15.26	11.89	17.04	(—) 1.78	(—) 10.7
11. Half Round Bastard . . .	6"	28.73	15.49	18.80	9.93	53.9
12. Half Round Smooth . . .	6"	30.73	16.17	23.17	7.56	33.3
13. Round Bastard . . .	6"	20.91	..	14.42	6.49	45.9
14. Round Smooth . . .	6"	22.53	..	16.62	5.91	36.3
15. Taper Heavy . . .	6"	18.05	11.85	10.06	7.99	81.0
16. Taper Slim . . .	6"	..	11.89	12.34	..	..
17. Flat Bastard . . .	8"	17.78	13.93	18.36	(—) 0.58	(—) 3.2
18. Flat Smooth . . .	8"	19.37	14.88	23.17	(—) 3.80	(—) 16.7
19. Half Round Bastard . . .	8"	35.60	19.82	25.80	9.80	38.8
20. Half Round Smooth . . .	8"	38.03	20.32	30.60	7.43	24.8
21. Round Bastard . . .	8"	25.40	..	17.04	8.36	50.0
22. Round Smooth . . .	8"	27.52	..	20.98	6.54	31.8
23. Taper Heavy . . .	8"	22.52	..	14.13	8.39	60.6
24. Flat Bastard . . .	10"	25.03	19.49	24.99	0.04	0.2

*future by the 2 companies and landed cost ex-duty of certain types/sizes
Steel Files*

(Rs. per dozen)

BAKER & SONS				J. K. ENGINEERS' STEEL FILES			
Simple Group average of col. 7	Weightage produc- tion %	Product (8×9)	Difference (with landed cost) (4-5)	Difference as a % on c.i.f.	Simple group average of col. 12	Weightage produc- tion %	Product (13×14)
8	9	10	11	12	13	14	15
..	(—) 4·77	(—) 38·3	..	..	..
..	(—) 8·60	(—) 51·5	..	..	..
23·2	9·9	229·68	(—) 4·39	(—) 23·8	(—) 37·6	10·3	(—) 387·28
..	(—) 8·34	(—) 36·7	..	..	..
..
..
45·6	4·8	218·88	(—) 1·28	(—) 11·8	(—) 17·6	5·5	(—) 96·80
..	(—) 2·78	(—) 23·3	..	..	..
..	(—) 2·49	(—) 18·1	..	..	..
..	(—) 5·15	(—) 30·8	..	..	..
..	(—) 3·31	(—) 18·0	..	..	..
34·2	18·1	619·02	(—) 7·00	(—) 30·8	(—) 13·9	16·1	(—) 223·79
..
..
..	1·79	18·2	..	..	..
..	(—) 0·45	(—) 3·8	..	..	..
..	(—) 4·43	(—) 24·6	..	..	..
..	(—) 8·29	(—) 36·5	..	..	..
..	(—) 5·98	(—) 23·6	..	..	..
26·6	15·9	422·94	(—) 10·28	(—) 34·3	(—) 29·8	10·0	(—) 298·00
..
..
..
..	(—) 5·50	(—) 22·4	..	..	..

1	2	3	4	5	6	7
25. Flat Smooth	10"	27.21	19.44	31.91	(—) 4.70	(—) 15.0
26. Half Round Bastard	10"	40.79	29.43	35.85	4.94	14.1
27. Half Round Smooth	10"	44.48	31.58	41.09	3.39	8.4
28. Round Bastard	10"	29.93	..	23.17	6.76	29.8
29. Round Smooth	10"	32.93	..	27.98	4.95	18.0
30. Mill Saw	10"	..	18.09	24.04	..	..
31. Flat Bastard	12"	32.81	26.68	31.88	0.93	3.0
32. Flat Smooth	12"	35.77	29.13	38.51	(—) 2.74	(—) 7.3
33. Half Round Bastard	12"	49.62	38.65	47.22	2.40	5.2
34. Half Round Smooth	12"	53.72	42.70	53.34	0.38	0.7
35. Round Bastard	12"	36.68	..	31.48	5.20	16.9
36. Round Smooth	12"	40.73	..	38.46	2.27	6.0
37. Mill Saw	12"	..	26.30	30.05	..	..
38. Flat Bastard	14"	42.54	34.77	41.06	1.48	3.7
39. Flat Smooth	14"	47.35	36.35	47.23	0.12	0.3
40. Half Round Bastard	14"	63.52	51.94	59.02	4.50	7.8
41. Half Round Smooth	14"	70.25	56.38	66.00	4.25	6.6
42. Round Bastard	14"	38.67	..	42.84	(—) 4.17	(—) 9.9
43. Round Smooth	14"	43.08	..	51.14	(—) 8.06	(—) 16.1

Weighted Average

Weighted Average on John Baker &

Weighted Average on J.K. Engineer's

(Rs. per dozen)

8	9	10	11	12	13	14	15
..	(—) 12·47	(—) 39·9	..	..	..
..	(—) 6·42	(—) 18·3	..	..	..
9·3	16·5	153·45	(—) 9·51	(—) 23·6	(—) 25·9	27·3	(—) 707·07
..
..
..	(—) 5·95	(—) 25·2	..	..	..
..	(—) 5·20	(—) 16·6	..	..	..
..	(—) 9·38	(—) 24·8	..	..	..
..	(—) 8·57	(—) 18·5	..	..	..
4·1	19·0	77·90	(—) 10·64	(—) 20·3	(—) 18·6	20·2	(—) 375·72
..
..
..	(—) 3·75	(—) 12·7	..	..	..
..	(—) 6·29	(—) 15·6	..	..	..
..	(—) 10·88	(—) 23·5	..	..	..
(—) 1·3	10·3	(—) 13·39	(—) 7·08	(—) 12·2	(—) 16·6	6·2	(—) 102·92
..	(—) 9·62	(—) 14·9	..	..	..
..
..
94·5		1708·48					95·6 (—) 2191·58

18·1

(—) 22·9

Sons 18·1 (Disadvantage)

Files (—) 22·9% (Advantage)

17.1. As set out in the table above the position of one of the cost-ed units, namely, J. K. Engineers' Files is that for practically every item its fair prices are less than landed cost of similar articles. In respect of its fair ex-works price estimated on the weighted average of its production *vis a vis* comparable landed costs of imports, without duty an advantage of 22.9 per cent in its favour is indicated. On a similar basis of calculation John Baker and Sons however has an overall disadvantage of 18.1 per cent, as in practically all cases its ex-works prices are higher than landed costs. On the basis of combined weighted average of the two units and taking arithmetical average of their ex-works prices for each item the calculations show a disadvantage of 2.7 per cent for the sample of the industry. As against fair ex-works prices separately estimated for John Baker and Sons, J. K. Engineers' Files prices are invariably and substantially lower for each of the large number of common items. Since both the units have comparable capacity and labour complement and are situated in Bombay enjoying similar facilities and conditions of working without any wide differences in their production pattern, the comparison clearly points to the scope for further progress in the economy of John Baker. With a rise of over 70 per cent in the outturn of this unit since our last inquiry its conversion charges for a majority of items have gone down noticeably. Handicaps to further economy can in its opinion be removed only if it is given facilities for obtaining necessary balancing equipment to which we have drawn attention earlier. It has been enjoying at present a premium on the prices of its products on account of consumer preference. But this circumstance in itself cannot justify continuance of protection if the costs of other producers in general do not warrant it. Incidentally the fact that for the rate contracts of D.G.S. and D. for 1962-63 which cover a part of the consumption the group including John Baker has been under-quoted by a Calcutta unit for the majority of the items is also a pointer in this direction of a falling trend in ex-works prices.

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17.2. The producers have nevertheless generally represented that protection to the industry should be continued for a further period to help stabilisation of the indigenous industry until it is equipped to withstand foreign competition, some of them urging that to this end they should be offered facilities for modernising their present equipment. Almost all the producers have proposed that concurrently with the protective tariff the prevailing ban on imports should also continue, as in case of free imports they are afraid of competition with Nicholson files. The request of the industry for continued protection beyond its present term has also been endorsed by the Directors of Industries of some States on more or less similar grounds. Among the consumers, while most of them have refrained from making any comments some have deemed it necessary that protection should continue as it will keep the industry under observation of Government and that will serve to make the manufacturers cost conscious, improve their production both in quality and quantity and keep prices in check. At the last inquiry also when the protective duty was recommended to be lowered to 35 per cent *ad alorem* as against a system of heavier specific duties the trend for the

lowering of differential prices of the indigenous products was evident. In the light of the present cost examination when one established unit has been shown to have a definite price advantage and the average price disadvantage of 2.7 per cent is nominal the continuance of tariff protection would not be justified.

17.3. We have given due consideration to all these views and on an objective appraisal of the various relevant issues have come to the conclusion that the indigenous steel files industry, which has been enjoying tariff protection for over eight years, has satisfactorily developed and expanded as a result thereof and having attained maturity and a fair measure of stability it has now acquired sufficient economic strength that should enable it to hold its own without specific tariff protection. Over the last eight years the industry has made a satisfactory progress by all standards. Its volume of production has already reached a level that is sufficient for meeting domestic needs. The improvement is manifest also in the range and diversification of its products enabling the industry now to meet the entire requirements of different types and sizes of engineers' steel files. The capacity of the industry already installed is adequate not only for satisfying current requirements but it also bids fair to meet estimated increase in demand in the near future. For long term needs its built-in expansion potential can be appreciably reinforced and pressed into service with timely supply of balancing equipment required by some of the units for the purpose. As regards quality, the industry has made an appreciable improvement acknowledged by the consumers. Prospects of further betterment in this respect in future are assured as a result of several contributory factors such as the installation of modern equipment by several units both for manufacture and testing, effective implementation of foreign collaboration agreements which have been entered into by some of the units since our last inquiry, and also the growing competition in the industry which must spur them on to greater efforts. Thus, by all tokens the original objectives of tariff protection for promoting the development of the engineers' steel files industry have been effectively attained. The industry has now reached a stage of growth when, it should be possible for it to withstand foreign competition, maintain its production and even expand it to meet the country's demand. In the circumstances, we recommend that the protection granted to the engineers' steel files industry need not be continued beyond the expiry of the present term of protection which ends on 31st December, 1963. Thereafter the protective duty may be replaced by a revenue duty considered suitable by Government.

18. For reasons stated in paragraph 4, it has not been possible for us to undertake a detailed inquiry in respect of
Ancillary recommendations rasps and precision files. The manufacture of these items has already been taken up by some of the indigenous producers of steel files and is due to be taken up by others. Their plans for future expansion deserve to be given full assistance as much in the interest of promoting development of the products for which there is growing demand, as for strengthening the economy of the concerned units. There is a degree of common facilities which could

be used in the production of rasps and precision files by the engineers' files manufacturers. Their production has been started at a late stage in the development of the steel file industry and may be considered a natural trend in diversification of output. Lest a de-protection of the present protected categories should affect the potential growth of the new products, we have considered their case as well. These articles in comparison with the items to be de-protected are already covered by an item of the Indian Customs Tariff which carries a substantially higher revenue duty. All that may be needed, therefore, is that Government should extend the producers assistance other than mere duty protection to enable them to fulfil their expansion programmes.

19. Our conclusions and recommendations are summarised below:—

19. Summary of conclusions and recommendations.

19.1 The scope of the present inquiry, as at the last inquiry in 1960 is confined to engineers' steel files covered by item No. 71(14) of I.C.T. Schedule.

(Paragraph 4.3.)

19.2. Government should take up the matter of laying down a technical definition for precision files for the guidance of the industry and trade.

(Paragraph 4.2.)

19.3. The installed capacity of the industry increased from 390,000 dozens in 1959 to 656,000 dozens in 1962 while production increased from 279,256 dozens to 501,070 dozens during the same period.

(Paragraph 6.2.)

19.4. Schemes of expansion which will add to the industry's output with the lowest outlay in the quickest time should merit preferential treatment.

(Paragraph 6.3.)

19.5. The domestic demand for engineers' steel files is estimated at 690,000 dozens for 1963, 793,000 dozens for 1964 and 911,000 dozens for 1965.

(Paragraph 7.1.)

19.6. In view of the demand possibly outstripping available supply from the installed capacity, the Department of Technical Development should take timely measures with a phased programme, if necessary, for expediting increase in production by allowing producers like John Baker and others to procure balancing equipment and also by larger allocations of raw materials.

(Paragraph 7.2.)

19.7. To overcome the apprehensions of other producers, it may be necessary for the authorities to ensure that Harbanslal Malhotra & Sons which has been granted a licence for the rolling of file steel sections meets the requisite quality standards in its production and does not show monopolistic tendencies in the matter of its price and distribution to other producers.

(Paragraph 8.1.2.1.)

19.8. Steel file manufacturers should spare no efforts to make improvisation in operation technique to enable further utilisation of indigenous grinding wheels and the producers of latter should also take steps to diversify output and improve quality.

(Paragraph 8.1.3.)

19.9. In view of the prevailing stringent conditions of foreign exchange and ban on imports of furnaces, Department of Technical Development should assist the producers of steel files to resolve their problems with furnace manufacturers.

(Paragraph 9.2.4.)

19.10. For developing an export potential facilities for import of more up-to-date machinery and liberal incentives will be needed.

(Paragraph 11.2.)

19.11. In view of the considerations stated in paragraph 17, protection granted to engineers' steel files industry need not be continued beyond expiry of the present term of protection which ends on 31st December 1963. Thereafter the protective duty may be replaced by a revenue duty considered suitable by Government.

(Paragraph 17.3.)

19.12. The manufacture of rasps and precision files which carry a substantially higher revenue duty has already been taken up by some of the indigenous producers of steel files and is due to be taken up by others, as a natural trend in diversification of output. Government should extend to these producers assistance other than duty protection to enable them to fulfil their expansion programmes.

(Paragraph 18.)

We wish to thank producers, importers and consumers of engineers steel files, producers of raw materials and Government Departments concerned for their co-operation in connection with this inquiry.

K. R. P. AIYANGAR,
Chairman.

PRAMOD SINGH,
Secretary.

J. N. SEN GUPTA,
Member.

BOMBAY,
Dated 15th April, 1963. .

R. BALAKRISHNA,
Member.

APPENDIX-I
(Vide paragraph 3.1)

*List of Parties to whom the Commission's questionnaires/letters were issued
and from whom replies or memoranda were received*

*Indicates those who have replied.

†Indicates those who have stated that they are not interested.

A. PRODUCERS :

- *1. Bhogilal Menghraj and Co. Private Ltd., Shree Ram Mills Premises, Fergusson Road, Parel, Bombay-13.
- *2. Hindusthan Files, Prop: Hindusthan Gas & Industries Ltd., 22, New Tangra Road, Calcutta-46.
- *3. Hakimrai Jaichand, United Bank of India Building, Sir P.M. Road, Fort, Bombay-1.
- *4. Harbans Lal Malhotra & Sons (Pvt) Ltd., 18, Netaji Subhas Road, Calcutta-1.
- *5. J.K. Engineers' Files, Post Box No. 1, Thana.
- *6. John Baker & Sons, (Assignees; Killick Industries Ltd.) Monmouth Works, Kurla—Powai Road, Bombay-70.

B. PRODUCERS' ASSOCIATION :

Indian File Manufacturers' Association, United Bank of India Building, 6th Floor, P.B. No. 1826, Sir P.M. Road, Bombay-1.

C. IMPORTERS :

1. Bakshi Ram & Co., 129, Modi Street, Fort, Bombay-1.
- *2. Burn & Co. Ltd., P.10, Mission Row Extension, Calcutta-1.
- *3. Gillanders Arbuthnot & Co. Ltd., Post Box No. 174, Gillander House, Calcutta-1.
- *4. Greaves Cotton & Co. Ltd., 1, Forbes Street, Bombay-1.
5. Hill, Elliott & Co. Private Ltd., 22, Chittaranjan Avenue, Calcutta-13.
- †6. Kaycee Industries Ltd., Kamani Chambers, Nicol Road, Ballard Estate, Bombay-1.
7. P. Ahuja & Co., 3, Munshi Niketan, Asaf Ali Road, Ajmeri Gate Extension, New Delhi-1.
- *8. P.B. Shah & Co. Pvt. Ltd., 34, Netaji Subhas Road, Calcutta.
- *9. Prem & Sons, 38, Bibijan Street, Bombay-3.
- *10. Richardson & Cruddas Ltd., Byculla Iron Works, Post Box No. 4503, Bombay-8.
11. Tyebally Dawoodjee, 87, Sarang Street, Bombay-3.
- †12. William Jacks & Co. Ltd., Hamilton House, Ballard Estate, Bombay-1.
- *13. H. Abbasbhoj Ahmedally & Co., 288, Linghi Chetty Street, Post Box No. 1358, Madras-1.
- †14. Armstrong Smith Ltd., Gresham Assurance House, Sir P.M. Road, Bombay-1.

D. IMPORTERS' ASSOCIATION :

The Secretary, Iron & Steel Hardware Merchants Chamber of India, Sonawalla Building, 19, Bank Street, Bombay-1.

E. CONSUMERS :

- *1. The Aluminium Corporation of India Ltd., 7, Council House Street, Calcutta.
- *2. Batala Engineering Co. Ltd., Batala (East Punjab).
- *3. Controller of Stores, Central Railway, Victoria Terminus, Bombay-1.
- 4. Controller of Stores, Eastern Railway, Calcutta.
- *5. Controller of Stores, North Eastern Railway, Gorakhpur.
- *6. Controller of Stores, Northern Railway, Baroda House, New Delhi.
- *7. Controller of Stores, South Eastern Railway, Calcutta.
- *8. Controller of Stores, Western Railway, Churchgate, Bombay-1.
- *9. Hindusthan Machine Tools Ltd., Jalahalli Post Office, Bangalore.
- *10. The Indian Iron & Steel Co. Ltd., 12, Mission Row, Calcutta-1.
- *11. Indian Telephone Industries Ltd., Dooravani Nagar, Bangalore-16.
- 12. Jay Engineering Works, 183, Prince Anwar Shah Road, Dhakuria, Calcutta-1.
- *13. Director General, Ordnance Factories, 6, Esplanade East, Calcutta-1.
- 14. Delhi Steel & Foundry Works, Bagh Budho Mata, P.O. Azadpur, Delhi.
- *15. Garlick & Co. Pvt. Ltd., Haines Road, Jacob Circle, Bombay-11.
- *16. Godrej and Boyce Manufacturing Co. Pvt. Ltd., Lalbaug, Parel, Bombay-12.
- 17. Government Technical Institute, Gorakhpur.
- *18. Guest, Keen, Williams Ltd., 41, Chowringhee Road, Calcutta-16.
- *19. Hind Cycles Ltd., 250, Worli, Bombay-18.
- 20. Hindustan Aircraft Ltd., Hindustan Aircraft Post, Bangalore-17.
- *21. Jessop & Co. Ltd., 63, Netaji Subhas Road, Calcutta-1.
- *22. Metal Box Co. of India Ltd., Barlow House, Chowringhee, Calcutta-20.
- 23. M. Rebello & Sons, Mangalore-1.
- *24. Director of Stores, Naval Headquarters, New Delhi.
- 25. Praga Tools Corporation Ltd., 17, Saifabad, Secunderabad.
- *26. Railway Board, New Delhi.
- *27. The Tata Iron and Steel Company Ltd., Jamshedpur.
- 28. The Mill Gin Store Merchants' Association, 38/92, Nagdevi Cross Lane, Bombay-3.
- 29. Punjab Non-ferrous Water Fitting Mfrs., Association, Tanda Road, Jullundur City.
- †30. Champion Traders, 9, Dalal Street, Bombay-1.
- *31. Northeast Frontier Railway, Office of the General Manager (Stores), N.F. Railway, Pandu (Assam).

F. CONSUMERS' ASSOCIATION :

- *The Secretary, Engineering Association of India, India Exchange, (8th Floor) Calcutta-1.

G. PRODUCER OF RAW MATERIALS :

- *1. Grindwell Abrasives Ltd., Post Box No. 78, Bombay-1.
- *2. Sandvik Asia Ltd., Poona-3.

H. GOVERNMENT DEPARTMENTS :

- *1. The Development Officer (Tools) Department of Technical Development, Ministry of Economic & Defence Co-ordination, Udyog Bhawan, Maulana Azad Road, New Delhi.

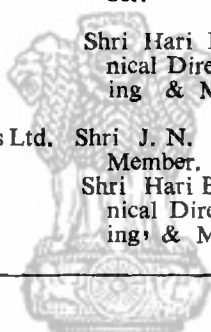
- *2. Collector of Customs, New Custom House, Bombay.
- *3. Collector of Customs, Calcutta.
- *4. Collector of Customs, Custom House, Cochin-3.
- *5. Collector of Customs, Custom House, Madras.
- *6. The Director, Indian Standards Institution, "Manak Bhavan" 9, Mathura Road, New Delhi-1.
- *7. Director of Co-ordination and Statistics, Directorate General of Supplies and Disposals, National Insurance Building, Parliament Street, New Delhi.
- *8. The Iron & Steel Controller, 33, Netaji Subhas Road, Calcutta-1.
- 9. Chief Secretary to the Government of Maharashtra, Bombay.
- †10. Chief Secretary to the Government of Madras, Madras.
- †11. Chief Secretary to the Government of Mysore, Bangalore.
- *12. Chief Secretary to the Government of Kerala, Trivandrum.
- †13. Chief Secretary to the Government of Orissa, Bhubaneswar.
- 14. Chief Secretary to the Government of West Bengal, Calcutta.
- 15. Chief Secretary to the Government of Assam, Shillong.
- 16. Chief Secretary to the Government of Bihar, Patna.
- *17. Chief Secretary to the Government of Uttar Pradesh, Lucknow.
- *18. Chief Secretary to the Government of East Punjab, Chandigarh.
- †19. Chief Commissioner, Himachal Pradesh, Simla.
- †20. Chief Secretary to the Government of Jammu & Kashmir, Srinagar.
- †21. Chief Secretary to the Government of Rajasthan, Jaipur.
- †22. Chief Secretary to the Government of Andhra Pradesh, Hyderabad.
- †23. Chief Secretary to the Government of Madhya Pradesh, Bhopal.
- 24. Chief Secretary to the Government of Gujarat, Ahmedabad.
- †25. Chief Commissioner, Delhi.
- *26. Director of Industries, Government of Maharashtra, Sachivalaya Annexe, Bombay-32.
- *27. Director of Industries, Government of West Bengal, 1, Hastings Street, Calcutta-1.
- 28. Director of Industries, Government of Gujarat, Ahmedabad.

APPENDIX II

[Vide Paragraph 3.1]

List of Factories visited by the Commission and its Officers

Name of the factory	By whom visited	Date of visit
1. J.K. Engineers Files, Thana	Chairman. Shri J.N. Sen Gupta, Member.	} 2nd February, 1963.
2. John Baker & Sons, Bombay	Dr. R. Balakrishna, Member. Shri Pramod Singh, Secretary. Shri Hari Bhushan, Technical Director (Engineering and Metallurgy)	
3. Harbanslal Malhotra & Sons, Calcutta.	Shri J.N. Sen Gupta, Member. Shri Hari Bhushan, Technical Director (Engineering & Metallurgy).	4th February 1963. 19th January, 1963.
4. Hindusthan Gas & Industries Ltd.	Shri J. N. Sen Gupta, Member. Shri Hari Bhushan, Technical Director (Engineering & Metallurgy).	5th February, 1963. 19th January, 1963.



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APPENDIX III

[Vide Paragraph 3.4.]

*List of Persons who attended the Public Inquiry on Wednesday,
29th February, 1963*

A. PRODUCERS :

- | | | | |
|---------------------------|---|--------------|---|
| 1. Shri B.J. Boyce . | } | Representing | John Baker & Sons, (Assignees
Killick Industries Ltd.),
Monmouth Works, Kurla-Po-
wai Road, Bombay-70. |
| 2. Shri M.P. Khambata | | | |
| 3. Shri S.A. Samant | | | |
| 4. Shri M.K. Panveliwalla | | | |
| 5. Shri B.K. Kedia . | } | ,, | J.K. Engineers' Files, Post Box
No. 1, Thana. |
| 6. Shri K.S.N. Murthi | | | |
| 7. Shri K.H. Kohli | | | |
| 8. Shri Jaichand | } | ,, | Hakimrai Jaichand, United Bank
of India Building, Sir P.M.
Road, Fort, Bombay-1. |
| 9. Shri Surendar Kumar | | | |
| 10. Shri I. N. Bajaj . | } | ,, | Bhogilal Menghraj & Co. Private
Ltd., Shri Ram Mills Premises,
Fergusson Road, Parel
Bombay-13. |
| 11. Shri M.A. Parikh. | | | |

B. RAW MATERIAL SUPPLIER :

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| 12. Shri G.L. Lewis . | Representing | Grindwell Abrasives Ltd., Post
Box No. 78, Bombay-1. |
|-----------------------|--------------|---|

C. CONSUMERS :

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| 13. Shri G.L. Singh . | } | Representing | Controller of Stores, Central
Railway, Victoria Terminus,
Bombay. |
| 14. Shri A.N. Marichamy | | | |
| 15. Shri K.R. Narayana Swamy | | ,, | Controller of Stores, Western
Railway, Churchgate, Bombay
1. |
| 16. Shri V.K. Sundaram | | ,, | Director of Co-ordination and
Statistics, Directorate General
of Supplies & Disposals,
National Insurance, Building
Parliament Street, New
Delhi. |

D. CONSUMERS ASSOCIATION :

- | | | |
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| 17. Shri M. De. Melo . | Representing | Engineering Association of India-
87, Veer Nariman Road,
Bombay-1. |
|------------------------|--------------|--|

E. IMPORTER :

- | | | |
|---------------------------|--------------|--|
| 18. Shri Premlal Dhawan . | Representing | Prem & Sons Ltd., 30, Bibijan
Street, Bombay-3. |
|---------------------------|--------------|--|

F. GOVERNMENT DEPARTMENTS :

19. Shri N.K. Kapoor . Representing Collector of Customs, New Custom House, Bombay.
20. Shri K. Sankaranarayanan ,, Department of Technical Development, Ministry of Economic & Defence Co-ordination, Udyog Bhawan, Maulana Azad Road, New Delhi.

G. OTHERS :

21. Shri A.B. Rao . . Representing Indian Standards Institution 9, Mathura Road, New Delhi.



1	2	3	4	5	6	7	8	9	10	11	12
Half round .	. . . 6" Bastard	. . . 23.00	26.00	32.00	34.00	N.A.	23.00	23.00	16.67	17.50	32.00
	. . . 6" Smooth	. . . 29.00	34.00	38.00	40.00	N.A.	29.00	29.00	20.00	21.00	38.00
Heavy tapersaw .	. . . 6"	. . . 17.00	20.00	21.00	23.00	N.A.	20.00	17.00	14.45	15.20	21.00
Heavy tapersaw .	. . . 7"	. . . 20.00	24.00	24.00	27.00	N.A.	24.00	21.00	..	..	24.00
Flat . . .	. . . 8" Bastard	. . . 21.00	23.00	27.25	29.00	17.00	20.00	21.00	16.52	17.35	27.25
	. . . 8" Smooth	. . . 26.00	28.00	32.00	34.00	22.00	26.00	26.00	21.39	22.45	32.00
Half round .	. . . 8" Bastard	. . . 32.00	37.00	42.00	44.00	23.00	30.00	29.00	22.22	23.35	42.00
	. . . 8" Smooth	. . . 38.00	45.00	50.00	53.00	27.00	36.00	35.00	26.66	28.00	50.00
Heavy tapersaw .	. . . 8"	. . . 24.00	28.00	30.00	32.00	N.A.	27.00	25.00	22.22	23.35	30.00
Triangle . . .	. . . 8" Bastard	. . . 28.00	31.00	33.25	37.00	N.A.	30.00	29.00	22.36	23.50	33.25
	. . . 8" Smooth	. . . 34.00	38.00	38.00	42.00	N.A.	35.00	34.00	27.23	28.60	38.00
Flat . . .	. . . 10" Bastard	. . . 28.00	31.00	35.25	37.00	23.00	27.00	27.00	22.36	23.50	35.25
	. . . 10" Smooth	. . . 36.00	40.00	43.50	46.00	30.00	35.00	35.00	29.17	30.65	43.50
Half round . . .	. . . 10" Bastard	. . . 44.00	51.00	56.00	59.00	32.00	42.00	40.00	31.11	32.70	56.00
	. . . 10" Smooth	. . . 50.00	58.00	66.00	69.00	37.00	48.00	46.00	35.56	37.35	66.00
Triangle . . .	. . . 10" Bastard	. . . 39.00	43.00	46.25	51.00	N.A.	41.00	39.00	31.11	32.70	46.25
	. . . 10" Smooth	. . . 47.00	52.00	52.25	58.00	N.A.	49.00	47.00	37.91	39.80	52.25
Flat . . .	. . . 12" Bastard	. . . 39.00	43.00	47.00	49.00	31.00	37.00	37.00	30.13	31.65	47.00
	. . . 12" Smooth	. . . 47.00	52.00	54.00	57.00	40.00	46.00	45.00	38.89	40.85	54.00

	2	3	4	5	6	7	8	9	10	11	12
Half round . . . 12" Bastard . . .		58.00	67.00	76.00	80.00	43.00	56.00	53.00	41.11	43.20	76.00
12" Smooth . . .		65.00	75.00	87.50	92.00	47.00	61.00	58.00	46.67	49.00	87.50
Triangle . . . 12" Bastard . . .		50.00	55.00	59.50	66.00	N.A.	53.00	50.00	40.83	42.90	59.50
12" Smooth . . .		58.00	64.00	65.75	72.00	N.A.	61.00	58.00	47.64	50.05	65.75
Flat . . . 14" Bastard . . .		51.00	56.00	62.50	66.00	41.00	49.00	48.00	39.86	41.85	62.50
14" Smooth . . .		61.00	68.00	71.75	75.00	51.00	58.00	57.00	49.58	52.05	71.75
Half round . . . 14" Bastard . . .		72.00	83.00	95.25	100.00	53.00	69.00	65.00	51.12	53.70	95.25
14" Smooth . . .		81.00	93.00	108.00	114.00	60.00	78.00	74.00	57.78	60.45	108.00
Triangle . . . 14" Bastard . . .		66.00	73.00	79.50	88.00	N.A.	70.00	65.00	53.47	56.15	79.50
14" Smooth . . .		76.00	84.00	87.25	96.00	N.A.	78.00	73.00	60.28	63.30	87.25



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