



GOVERNMENT OF INDIA  
TARIFF COMMISSION

# Report

## on the Continuance of Protection to the Calcium Lactate Industry



BOMBAY 1957

PRINTED IN INDIA BY THE MANAGER, GOVT. OF INDIA PRESS  
NASIK ROAD, PUBLISHED BY THE MANAGER OF PUBLICATIONS, DELHI  
1957

*Price: Rs. 1 or 1 sh. 6 d.*



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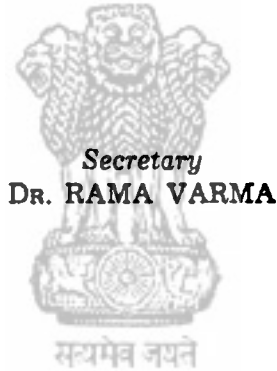
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## PERSONNEL OF THE PANEL WHICH HEARD THE CASE

SHRI K. R. DAMLE  
SHRI B. N. ADARKAR  
DR. S. K. MURANJAN  
SHRI J. N. DUTTA



GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE AND INDUSTRY

New Delhi, the 7th May, 1957.

**RESOLUTION**

**Tariffs**

**No. 37(1)-TP/57.**—The Tariff Commission has submitted its Report on the continuance of protection to the Calcium Lactate Industry on the basis of an inquiry undertaken by it under sections 11(e) and 13 of the Tariff Commission Act, 1951. Its recommendations are as follows:—

- (1) Protection to the industry should be continued at the existing rates of duty [37·8 per cent *ad valorem* (Standard) and 27·3 per cent *ad valorem* (Preferential)] for a period of three years, i.e., up to 31st December, 1960.
  - (2) Careful watch should be maintained on the volume of abnormally cheap imports at present coming into the country from some sources.
  - (3) If at any time the industry finds that its competitive position in the domestic market is seriously threatened by the imports mentioned in recommendation (2), it may apply for a review of the scheme of protection.
  - (4) The Central and State Governments should purchase indigenous calcium lactate to meet their entire requirements provided the producers maintain the necessary standard of quality and charge reasonable prices. While determining the reasonableness or otherwise of prices charged by the domestic manufacturers, the abnormally low prices at present quoted for imports from certain sources should not be adopted as a standard of comparison.
  - (5) Sarabhai Chemicals should mark its product as conforming to the I. P. specifications only, until it is able to attain strict conformity with the B. P. specifications as well.
2. Government accept recommendation (1) and will take suitable steps to implement it in due course.
3. Government have taken note of recommendations (2) and (4) and steps will be taken to implement them as far as possible.
4. The attention of the industry is invited to recommendations (3) and (5).

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**ORDER**

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

L. K. JHA,

*Secretary to the Government of India.*

## REPORT ON THE CALCIUM LACTATE INDUSTRY

1. The first inquiry into the calcium lactate industry was held by the Tariff Board in 1950 as part of an inquiry into certain fine chemicals. In accordance with the Board's recommendations, the Government of

### Origin of the case.

India in the Ministry of Commerce by their Resolution No. 8(6)/T. B./50 dated 12th August, 1950, decided to grant protection to this industry up to 31st December, 1953 by converting the then existing revenue duty of 36 per cent. *ad valorem* standard and 26 per cent. *ad valorem* preferential into a protective duty at the same rates. Under the Finance Act of 1951, a surcharge of 5 per cent. was imposed on the protective duty on calcium lactate which was consequently increased to 37.8 per cent. *ad valorem* standard and 27.3 per cent. *ad valorem* preferential. The second inquiry was held in 1953 by the Tariff Commission and on its recommendation, protection was continued at the same rates of duty for a further period of three years i.e., till 31st December, 1956. Towards the end of 1955, the Commission undertook an inquiry into the progress of this industry under section 15 of the Tariff Commission Act, 1951 and a report was submitted to Government in early 1956. By the Indian Tariff (Amendment) Act, 1956 the protection granted to this industry was extended, after consultation with the Commission, up to 31st December, 1957. The present inquiry was undertaken under Section 11(e) read with section 13 of the Tariff Commission Act, 1951 by which the Commission is empowered to investigate into the working of protection granted to an industry and to recommend any further action required with a view to its increase, decrease, modification or abolition according to the circumstances of the case.

- 2.1. In connection with the report submitted in March, 1956, under section 15 of the Tariff Commission Act, regarding the progress of this industry, the Commission

### Method of inquiry.

had already collected most of the data usually required, and it was only necessary to bring the data up-to-date, for the purpose of this inquiry. On 17th November, 1956, a press note was issued stating that the Commission had taken up for inquiry the question of continuance of protection to this industry and that firms, persons and associations interested in this industry might submit their representations to the Commission in the form of memoranda. Letters were addressed to producers calling for information on specific points. The Collectors of Customs and the principal importing firms were addressed for information regarding the c.i.f. prices of the imported product. The Indian Trade representatives in U.K., Holland and China were addressed for the latest f.o.b. prices in those countries. The Drugs Controller, Government of India, was consulted with regard to the operation of the Drugs Act in relation to calcium lactate. Letters were also issued to the Drugs Controllers in the States of Bombay and West Bengal to elicit their views on the quality of the domestic product as shown by the tests carried out by them. A list of producers, importers and consumers who were addressed in this connection and from whom information was received is given in Appendix I.

2.2. Shri K. R. Damle, Chairman, and Shri J. N. Dutta, Member, visited the factory of Messrs. Sarabhai Chemicals, Baroda on 12th December, 1956. Shri J. N. Dutta, Member, visited the factory of the Calcutta Chemical Co. Ltd., Calcutta on 17th January, 1957. Shri S. S. Mehta, Technical Director (Chemicals) and Shri S. K. Basu, Cost Accounts Officer of the Commission visited the factory of Sarabhai Chemicals on 28th November, 1956 and examined the cost of production of calcium lactate manufactured by the firm. A public inquiry into this industry was held on 7th January, 1957. A list of persons who attended the inquiry is given in Appendix II.

3.1. At the last inquiry the Commission had recommended that the Central and State Governments should purchase indigenous calcium lactate to meet their entire requirements, provided the producers maintained the necessary standard of quality and charged reasonable prices. The Development Wing has informed us that the Central Government has been implementing this recommendation by purchasing its requirements from domestic sources through the four medical stores at Bombay, Madras, Karnal and Calcutta.

**Implementation of the Commission's recommendations.**

3.2. The Commission had also recommended that the indigenous manufacturers should try to improve their processes of production still further so as to conform fully to the new Indian Pharmacopoeia specifications for calcium lactate. "Pharmacopoeia of India, 1955" has been recently published and includes standard specifications for calcium lactate. Sarabhai Chemicals has stated that its calcium lactate conforms to the standards laid down in the Indian Pharmacopoeia, but that it markets its product as conforming to the British Pharmacopoeia. The Calcutta Chemical Co. Ltd. has informed the Commission that its product conforms to both B.P. and I.P. standards.

4. At the time of the previous tariff inquiry in 1953, there were three manufacturing units engaged in the manufacture of calcium lactate viz.,

**Present position of the industry.**

- (1) Sarabhai Chemicals, Baroda;
- (2) Calcutta Chemical Co. Ltd., Calcutta; and
- (3) Alembic Chemical Works Co. Ltd., Baroda.

Of these 3 units, Alembic Chemicals and Calcutta Chemicals which had an annual rated capacity of 60 and 30 tons respectively, are not producing calcium lactate on a commercial scale, and hence Sarabhai Chemicals is now practically the sole producer of this chemical in the country. Sarabhai Chemicals has a rated capacity of 72 tons per annum for production of calcium lactate, but a part of this capacity (to the extent of 12 tons) is used for the production of calcium sodium lactate, the effective capacity for calcium lactate being thus reduced to 60 tons. Although the rated capacity of the calcium lactate plant of Sarabhai Chemicals is 72 tons per annum, its actual production during the last four years has been far below capacity, being only 28.77 tons in 1953, 31.63 tons in 1954, 51.25 tons in 1955 and 35.26 tons during the first nine months of 1956. The Company is now utilising about 70 per cent. of its installed capacity. The above figures of production include calcium lactate used in the production of calcium sodium lactate. The Company has plans to

instal certain additional equipment with a view to augmenting its capacity to about 96 tons per annum by the end of 1957. If production of calcium sodium lactate is maintained at the current rate of 6 tons per annum, the effective capacity of the Company for calcium lactate, when the expansion plan is fully implemented, would be 84 tons per annum. Besides calcium lactate, the Company manufactures at present a variety of drugs and pharmaceuticals and is also engaged in the packaging and marketing of certain pharmaceutical products manufactured by M/s. Squibbs of U.S.A. The following statement shows the production of calcium lactate by individual units from 1953 to the first nine months of 1956 :—

|  | Annual<br>rated<br>capacity | (In tons)<br>Actual production |              |              |                       |
|--|-----------------------------|--------------------------------|--------------|--------------|-----------------------|
|  |                             | 1953                           | 1954         | 1955         | 1956 (Jan.-<br>Sept.) |
| Sarabhai Chemicals, Baroda                 | 72                          | 28.77                          | 31.63        | 51.25        | 35.26                 |
| Calcutta Chemical Co. Ltd., Calcutta       | 30                          | N.A.                           | 0.63         | 0.80         | 2.68                  |
| Alembic Chemical Works Co. Ltd.,<br>Baroda | 60                          | 7.39                           | 4.34         | 1.63         | ..                    |
| <b>TOTAL</b>                               | <b>162</b>                  | <b>36.16</b>                   | <b>36.60</b> | <b>53.68</b> | <b>37.94</b>          |

5. In its previous report, the commission estimated the annual domestic demand for calcium lactate at 60 tons. During the present inquiry, the Development Wing and Calcutta Chemicals estimated the demand at 50 tons per annum. Sarabhai Chemicals, on the other hand, expressed the view that the current demand was probably higher in view of the rising trend of its sales and the higher imports in the recent past. The apparent consumption of calcium lactate, on the basis of imports and domestic production, was about 56 tons in 1955 and 60 tons in 1956. We consider that the current consumption also is probably in the neighbourhood of 60 tons per annum. In view of the expansion of public health services during the Second Plan period, however, the demand is likely to increase further in future. It was mentioned at the public inquiry that competition from calcium gluconate which can be used as a substitute for calcium lactate might affect the sales of the latter. Calcium gluconate, however, is more expensive and the demand for calcium lactate can increase substantially in spite of the greater use of this substitute. We are of opinion that the demand for calcium lactate for the next three years may be placed at 75 tons per annum.

6.1. The principal raw materials required for the manufacture of calcium lactate are (i) molasses, jaggery or sugarland (ii) lime or chalk. Besides, certain accessory chemicals like activated carbon, supercel, marmite, etc. are used as purifying chemicals, filter-aids or nutrients.

6.2. Sarabhai Chemicals now uses jaggery as its principal raw material instead of molasses used previously. The main reason for the change-over was lack of uniformity in the sugar content of the



different batches of molasses being used per unit of lactic acid. As molasses contained many impurities, the use of this raw material necessitated additional processing involving larger quantities of accessory chemicals. By using jaggery, the Company is able to achieve more efficient fermentation and recovery and thereby reduce its cost despite the higher price of this material in comparison with molasses.

6.3. Sarabhai Chemicals has stated that it finds it extremely difficult to obtain regular supplies of jaggery of standard quality. The quality of jaggery available in the local market varies from one batch to another, and owing to the absence of a grading system and the fact that the trade is not sufficiently organised, purchases from other markets are subject to many practical difficulties. On the other hand, it is evident that if jaggery of proper quality were available, the Company could effect considerable economies in its conversion costs. The Company was unable to offer any suggestion to improve the existing situation, but we consider that the matter is of sufficient importance to deserve further investigation by the Company.

6.4. The other important material required for the manufacture of calcium lactate is lime or chalk. Sarabhai Chemicals uses lime, while Calcutta Chemicals uses imported chalk. The quality of lime at present available to Sarabhai Chemicals is not satisfactory, particularly in respect of its calcium oxide content or freedom from silica and either entails increase in filtration work or else affects the quality of the finished product. The Company is aware of this handicap and is examining the possibility of improving the quality of lime used by it.

7.1. In its previous report, the Commission had observed that calcium lactate produced by Sarabhai Chemicals was comparable with that imported from Holland and Denmark but that it was not up to the standard of some high quality British products. The Commission had, however, referred to certain defects in the indigenous product. Firstly, the assay was found to be 105% as against the maximum of 103% allowed by the British Pharmacopoeia. "The Pharmacopoeia of India, 1955" prescribes assay limits between 97% and 103%. Laboratory tests carried out by the Drugs Controller, Bombay, support the producer's claim that the present assay of indigenous calcium lactate is within these limits. Secondly, in the last report, the solubility of the indigenous product was stated to be not perfect, as it did not completely dissolve at 20°C in 20 parts of water, but left a slight cloudiness which disappeared on warming. At the present inquiry, the representative of the K. E. M. Hospital stated that calcium lactate manufactured by Sarabhai Chemicals failed to comply with the B.P. specifications so far as the solubility test was concerned. This was also confirmed by the Government Analyst, Bombay. Unlike the B.P. standard, however, the Indian Pharmacopoeia allows for slight haziness. The Company has now set up equipment for quantitative determination of haziness and claims to have overcome this defect. The third defect mentioned at the last inquiry was that the indigenous product developed smell on storage. The Anglo-Thai Corporation Ltd. and the Zandu Pharmaceutical Works Ltd., maintain that this defect still persists. The Director, Central Drug Research Institute, Lucknow, has informed us that, while the

**Quality of the indigenous product.**

indigenous calcium lactate agrees with the I.P. specifications, the smell factor has not yet been completely removed. Calcium lactate has a characteristic odour of its own and the I.P. specifications allow for "slight odour", though the B.P. specifications prescribe "slight smell which is not unpleasant". Although smell is largely a matter of individual bias, we trust that the manufacturers will continue their endeavours to improve the quality of their product in respect of its odour.

7.2. The Drugs Controller, Bombay, informed the Commission at the public inquiry that two samples from two batches produced by Sarabhai Chemicals were examined by the Government Analyst and that although both were marked as prepared according to the B.P. standard and both were actually found to conform to the I.P. standard, only one of them was found to agree with the B.P. standard. As noted above, there are significant differences between the two standards and it is not proper to mark a product as conforming to a standard when it actually does not do so. We, therefore, recommend that Sarabhai Chemicals should mark its product as conforming to the I.P. specifications only until it is able to attain strict conformity with B.P. specifications as well.

7.3. In the Report on the calcium lactate industry in 1950, the Tariff Board had recommended that, for the purpose of preventing adulteration or sale of sub-standard goods, steps should be taken to stop the practice of re-packing manufactured products without a clear indication that they have been re-packed by a particular agency. At the 1953 inquiry, the Commission was informed by the Director General of Health Services that the question of including a definition of the term "manufacture" in the Drugs Act to cover re-packing was under consideration. We understand that the necessary amendment to the Drugs Act has now been carried out to require all firms engaged in re-packing to obtain licences under the Act.

8.1. *Imports.*—Imports during the three years 1953 to 1955 were exclusively from U.K. except for a few small consignments from West Germany. From April, 1956, however, low-priced imports from China have been recorded. The quantity imported from China between April-September, 1956 was 2.7 tons. According to the monthly statements relating to imports of protected commodities received from the Director-General of Commercial Intelligence and Statistics, Calcutta, the quantity and value of imports of calcium lactate into India during 1953, 1954, 1955 and 1956 (January-September) were as follows :—

| Year                        | Quantity<br>(Tons) | Value<br>(Rs.) |
|-----------------------------|--------------------|----------------|
| 1953 . . . . .              | 0.40               | 1,521          |
| 1954 . . . . .              | 0.85               | 3,455          |
| 1955 . . . . .              | 2.65               | 12,179         |
| 1956 (Jan.-Sept.) . . . . . | 7.55               | 22,891         |

8. 2. *Import control policy.*—Calcium lactate is covered within the broad group of "Drugs and Medicines" under No. 109 of Part IV of the Import Trade Control Schedule. During each of the licensing periods in 1954, 1955 and 1956, licences were granted to established importers to the extent of 10 per cent. of one half of their best year's imports of calcium lactate. Applications from actual users were also considered during all these licensing periods. The above policy is being continued for the first half of 1957 also.

9. Calcium lactate is at present assessed to duty under Item No. 28(31) of the First Schedule of the Indian Customs Tariff (Forty-first Issue), the relevant extract from which 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 rates of duty |
|----------|--------------------------------|----------------|-----------------------------------|---|------------------|-----------------------------------|--------------------------------------|
|          |                                |                |                                   | The United Kingdom  | A British colony | Burma                             |                                      |
| 28(31)   | Calcium Lactate                |                |                                   |   |                  |                                   |                                      |
|          | (a) of British manufacture     | Protective     | 27-3/10                           | ..  | ..               | 10 1/2 per cent <i>ad valorem</i> | December 31st, 1957                  |
|          | (b) not of British manufacture | Protective     | 37-4/5 per cent <i>ad valorem</i> | ..  | ..               | ..                                | December 31st, 1957                  |

Provided that calcium lactate manufactured in a British colony shall be deemed to be of British manufacture.

10. A statement showing the recent c.i.f. prices and landed costs of imported calcium lactate as furnished by the different Collectors of Customs and a leading importing firm is given in Appendix III. The range of prices given in the statement shows a wide variation depending mainly upon the sources of supply and the mode of packing. Even though U.K. accounted for the bulk of imports during the last three years, the c.i.f. prices of the British product were comparatively high. At the last inquiry, the manufacturers had complained of competition mainly from Holland and hence the c.i.f. prices from that source were adopted for purposes of assessing the quantum of protection. Since China is now the cheapest source of

supply, we have adopted the following c.i.f. price of calcium lactate imported from that country for the purpose of comparison with the fair ex-works prices of the domestic product.

|                                    | Rs. per lb. |
|------------------------------------|-------------|
| C. i. f. price. . . . .            | 1 0 6       |
| Customs duty . . . . .             | 0 6 3       |
| Clearing charges . . . . .         | 0 0 6       |
| Landed cost with duty . . . . .    | 1 7 3       |
| Landed cost without duty . . . . . | 1 1 0       |

11.1. As Sarabhai Chemicals is now the only producer on a commercial scale, it was decided that the cost data of the cost of production and fair ex-works price of the indigenous product relating to this firm only should be examined for the purpose of determining the quantum of protection. Our Cost Accounts Officer accordingly examined the actual costs of production of calcium lactate manufactured by Sarabhai Chemicals during the period from 1st January, 1955 to 31st March, 1956. During this period, the Company produced 147,953 lbs. which worked out to about 73 per cent. of its rated capacity. On the basis of the actual costs, estimates were made of future costs, taking the future output at 123,200 lbs. per annum or about 76 per cent. of the rated capacity. Since June 1955, the Company has switched over entirely from molasses to jaggery as its principal material.

11.2. There has been no substantial increase in conversion efficiency since the last inquiry. The efficiency was 39 per cent. at the time of the 1950 inquiry, 43 per cent. at the last inquiry and has been on an average the same in the subsequent period. During June to September, 1956, however, the efficiency was found to be 45 per cent. and this efficiency has been assumed for determining future costs. Depreciation has been allowed at the normal income-tax rates and interest on working capital at  $4\frac{1}{2}$  per cent. per annum on an amount equal to three months' cost of production. Packing charges, though excluded on the last occasion, have been allowed at 4.66 annas per lb. on the basis of the actual expenses incurred by the Company. The Company has not made any appreciable additions to its calcium lactate plant since the last inquiry. The original cost of the block, therefore, remains at Rs. 3.09 lakhs and return has been allowed thereon at 10 per cent.

11.3. As the firm desires that the details of its cost of production should be kept confidential, we are giving below the relevant figures in a summarised form. The detailed Cost Report is being forwarded to Government as a separate confidential enclosure to this Report.

*Cost of production and fair ex-works price of calcium lactate produced by Sarabhai Chemicals*

|                              | Actual<br>Costs<br>(Jan. 1955-<br>March<br>1956) | Estimated<br>future<br>costs<br>(1957-58) |
|------------------------------|--|---|
| Production (lbs.) . . . . .  | (147,953)<br>Annas                               | (12,200)<br>Annas                         |
| Materials . . . . .          | 8.90   | 8.83                                      |
| Conversion charges . . . . . | 9.70   | 9.29                                      |
| Depreciation . . . . .       | 1.56   | 1.15                                      |

|  | Actual Costs<br>(Jan. 1955-<br>March 1956) | Estimated<br>future costs<br>1957-58 |
|--|--|--------------------------------------|
| Packing charges . . . . .              | Annas<br>4' 66                             | Annas<br>4' 66                       |
| Works cost . . . . .                   | 24' 82                                     | 23' 93                               |
| Interest on working capital . . . . .  | 0' 26                                      | 0' 26                                |
| Return on block . . . . .              | 4' 18                                      | 4' 01                                |
|  | 29' 26                                     | 28' 20                               |
| Fair ex-works price (Rupees) . . . . . | (1-13-3)                                   | (1-12-2)                             |

11.4. To the above fair ex-works prices, it is necessary to add 1 anna per lb. as the allowance for the Company's freight disadvantage as at the last inquiry. No allowance is considered necessary for consumers' prejudice or for the need to incur higher selling expenses on the indigenous product as compared with the imported product since the producer should now be expected to have overcome these handicaps.

12. The following statement gives a comparison of the estimated fair ex-works price of the indigenous product with the c.i.f. price and landed cost of the imported product.

|   | Rs. per lb. |
|---|-------------|
| 1. Fair ex-works price plus freight disadvantage . . . . .              | 1 13 2      |
| 2. C. i. f. price . . . . .   | 1 0 6       |
| 3. Clearing charges . . . . .   | 0 0 6       |
| 4. Landed cost without duty . . . . .                                   | 1 1 0       |
| 5. Difference between (1) and (4) . . . . .                             | 0 12 2      |
| 6. Above difference expressed as a percentage of c.i.f. price . . . . . | 73.74%      |
| 7. Existing rate of duty . . . . .                                      | 37.8%       |

13. It would appear from the above comparison that a duty of 74 per cent. *ad valorem* is required to protect the domestic industry against foreign competition as compared with the existing duty of 37.8 per cent. *ad valorem* standard and 27.3 per cent. *ad valorem* preferential.

**Measure of protection.**

We have carefully examined whether an increase in the import duty is essential to meet the needs of this case. Calcium lactate is a pharmaceutical product and it is desirable that an increase in its cost should be avoided as far as possible. Although the Chinese product is the cheapest, calcium lactate from other foreign sources such as U.K., Holland or Denmark is still in demand and an *ad valorem* import duty of the order indicated above may, therefore, place a heavy burden on certain classes of consumers. Calcium lactate is subject to a preferential rate of duty, with the result that an increase in the standard duty to 74 per cent. to counter competition from China will entail an upward revision of the preferential duty on imports from U.K. to 64 per cent. Calcium lactate from U.K., however, is priced very much higher than the Chinese product and consequently, a duty of 64 per cent. would raise

its price unduly. This is neither necessary nor desirable, because the indigenous product does not meet with serious competition at present from the British product and the latter also provides a standard of comparison for judging the improvement in the quality of the indigenous product. The expedient of fixing an alternative specific duty also raises similar difficulties. Moreover, there is yet no clear evidence as to whether the abnormally low price quoted by China is due to any special advantages enjoyed by that country in the production of this article or whether it is dictated by commercial considerations. In any case, as a result of the severe import restrictions at present in force, imports from all sources, including China, have been rather small in relation to the country's total requirements and in view of the current balance of payments situation, there is little prospect of these restrictions being relaxed to any significant extent in the near future. For these reasons, we consider that no change need be made in the existing rates of protective duty on calcium lactate. The industry needs some more time to consolidate its position and to effect necessary improvements. We, therefore, recommend that protection to this industry should be continued at the existing rates of duty for a period of three years i.e., up to 31st December, 1960. A careful watch should be maintained on the quantum and prices of imports from China. If at any time the industry finds that its competitive position in the domestic market is seriously threatened by imports from China or any other source, it may apply for a review of the scheme of protection.

14. In its last report, the Commission recommended that the Central and the State Governments should purchase indigenous calcium lactate to meet their entire requirements, provided the producers maintained the necessary standard of quality and charge reasonable prices. We reiterate this recommendation and suggest that while determining the reasonableness or otherwise of prices charged by the domestic manufacturers, the abnormally low prices quoted at present for imports from certain sources should not be adopted as a standard of comparison.

15. Our conclusions and recommendations are summarised below :—

**Summary of conclusions and recommendations.**

- (i) The domestic demand for calcium lactate is estimated at 60 tons per annum at present and 75 tons per annum during the next three years.

[Paragraph 5]

- (ii) Sarabhai Chemicals should market its product as conforming to the I.P. specifications only until it is able to attain strict conformity with the B.P. specifications as well.

[Paragraph 7.2]

- (iii) Protection to the industry should be continued at the existing rates of duty (37.8 per cent. *ad valorem* standard and 27.3 per cent. *ad valorem* preferential) for a period of three years i.e., up to 31st December, 1960. A careful watch should be maintained on the quantum and prices of imports from

China. If at any time the industry finds that its competitive position in the domestic market is seriously threatened by imports from China or any other source, it may apply for a review of the scheme of protection.

[Paragraph 13]

- (iv) The Central and the State Governments should purchase indigenous calcium lactate to meet their entire requirements provided the producers maintain the necessary standard of quality and charge reasonable prices. While determining the reasonableness or otherwise of prices charged by the domestic manufacturers the abnormally low prices at present quoted for imports certain sources should not be adopted as a standard of comparison.

[Paragraph 14]

16. We wish to thank the representatives of producers, consumers and importers who supplied us with much valuable information on various points arising out of this inquiry.

**Acknowledgements.**



K. R. DAMLE,  
*Chairman.*

B. N. ADARKAR,  
*Member.*

S. K. MURANJAN,  
*Member.*

J. N. DUTTA,  
*Member.*

RAMA VARMA,  
*Secretary.*

BOMBAY,  
Dated, 13th February, 1957.

## APPENDIX I

### (Vide Paragraph 2.1)

*List of producers, importers and consumers to whom the Commission's questionnaires were issued and from whom replies were received.*

A.—\*Indicates those who have replied in detail,

†Indicates those who have stated that they are either not dealing in the product or are not interested in this industry.

(a) *Producers:*

- \*1. Sarabhai Chemicals, Post Box 31, Wadi Wadi, Baroda.
- \*2. Calcutta Chemical Co. Ltd., 35, Panditia Road, Calcutta—29.

(b) *Importers:*

- †1. Anglo-French Drug Co. (Eastern) Ltd., 24/26, Tardeo Road, Bombay—7.
- \*2. Anglo-Thai Corporation Ltd., Ewart House, Bruce Street, Bombay—1.
- †3. Abbot Laboratories (India) Ltd., Jehangir Building, Esplanade Road, Bombay—1.
- †4. British Drug Houses (India) Ltd., Imperial Chemical House, 8, Graham Road, Ballard Estate, Bombay—1.
- †5. Boots Pure Drug Co. (India) Ltd., Asian Building, Nicol Road, Ballard Estate, Bombay—1.
- \*6. Biddle Sawyer and Co. (India) Ltd., 25, Dalal Street, Fort, Bombay—1.
- \*7. Burroughs Wellcome and Co. (India) Ltd., 88-C, Old Parbhadevi Road, Bombay—28.
- †8. East Asiatic Co. (India) Ltd., "Wavell House", Ballard Estate, Bombay—1.
- †9. Eli Lilly and Co. of India, Inc., 88-C, Parbhadevi Road, Bombay—28.
- †10. Evans Medical Supplies (India) Ltd. Laxmi Building, Sir P. M. Road, Bombay—1.
- †11. Glaxo Laboratories (India) Private Ltd., Worli, Bombay—18.
- †12. Imperial Chemical Industries (India) Ltd., Pharmaceutical Department, I. C. I. House, 34, Chowringhee, Calcutta—16.
- †13. L. Fereshaw and Co., Shirin Mansion, 60, Slcater Road, Opp. Grant Road Station Bombay—7.
- †14. May & Baker (India) Ltd., Karimjee House, Sir P.M. Road, Bombay—1.
- †15. Martin & Harris Ltd., Savoy Chambers, Wallace Street, Bombay—1.
- †16. P. H. Khansahab and Co., Ltd., No. 1, Devkaran Mansion, Princess Street, Bombay—2.
- †17. Sandoz Products Ltd., Pharmaceutical Department, 3, Wittet Road, Ballard Estate, Bombay—1.
- 18. Scientific and Surgical Trader's Assocn., 128, Princess Street, Bombay—2.
- †19. Voltas Limited, Import Department, 19, Graham Road, Ballard Estate, Bombay—1.
- †20. Kantilal Manilal & Co., 16, Princess Street, Bombay—2.
- 21. Ramanlal & Co., 105, Apollo Street, Bombay—1.
- \*22. K. A. Zaveri & Co., 89, Princess Street, Bombay—2.
- 23. Minerva Medical Stores, Mangaldas Road, Bombay—2.
- 24. Lavchand Varajdas & Co., Princess Street Bombay—2.
- 25. Amrutlal Bhurabhai & Co. Anand Bhuvan, Princess Street, Bombay—2.



(c) *Consumers :*

- \*1. Indian Medical Association, Shri Nivas, Sardar V. Patel Road, Bombay—4.
- †2. Bombay Medical Union, Bhavatsky Lodge Building, French Bridge, Chowpatti—Bombay—7.
- \*3. Government General Hospital, Madras.
- \*4. Government Medical Store Depot, Byculla, Bombay.
- \*5. K. E. M. Hospital, Parel, Bombay.
- \*6. St. George's Hospital, Frere Road, Bombay.
- \*7. Seth S. K. Memorial Hospital, Calcutta.
- \*8. The Superintendent, S. C. B. Medical College Hospital, Cuttack, Orissa.
- \*9. Khandelwal Laboratories Ltd., 78/87, Kalachowki Road, Bombay—12.
- 10. Croydon Chemical Works Ltd., 25, Dalal Street, Bombay—1.
- †11. Cheno-Pharma Laboratories Ltd., Plot C.S. 215, Sewri, Bombay—15.
- \*12. Zandu Pharmaceutical Works Ltd., Gokhale Road, South, Bombay—28.
- 13. N. Uttam Lal & Co., Bode's Chawl, Princess Street, Bombay.
- 14. R. K. Mehta, & Co., Princess Street, Bombay.



## APPENDIX II

(Vide PARAGRAPH 2.2)

*List of persons who attended the Commission's public inquiry on 7th January, 1957*

### Producers

|                         |   |   |   |                |   |
|-------------------------|---|---|---|----------------|---|
| 1. Shri N. R. Nadkarni. | } | . | . | Representing . | Sarabhai Chemicals<br>Post Box 31, Wadi Wadi,<br>Baroda.          |
| 2. Shri P. V. Kale .    |   |   |   |                |   |
| 3. Dr. R. B. Contractor |   |   |   |                |   |
| 4. Shri J. C. Das Gupta | } | . | . | Do.            | Calcutta Chemical Co.<br>Ltd., 35, Panditia Road,<br>Calcutta—29. |
| 5. Shri K. N. Menon .   |   |   |   |                |   |

### Importers

|                              |   |   |   |     |   |
|------------------------------|---|---|---|-----|---|
| 1. Shri V. A. Castelino .    | } | . | . | Do. | Anglo-Thai Corporation<br>Ltd., Ewart House,<br>Bruce Street, Bombay-1. |
| 2. Shri N. T. Poonkhanawalla |   |   |   |     |   |

### Consumers

|                        |   |   |   |     |   |
|------------------------|---|---|---|-----|---|
| 1. Dr. D. V. K. Raju . | . | . | . | Do. | Khandelwal Laboratories<br>Ltd., 78/87, Kalachowki<br>Road Bombay—12.     |
| 2. Shri K.M. Parekh .  | . | . | . | Do. | Zandu Pharmaceutical<br>Works Ltd., Gokhale<br>Road, South, Bombay<br>28. |
| 3. Shri M.C. Garde .   | . | . | . | Do. | K. E. M. Hospital Parel,<br>Bombay—12.                                    |

### Government Departments

|                           |   |   |   |     |  |
|---------------------------|---|---|---|-----|--|
| 1. Shri V. A. Padval .    | . | . | . | Do. | Drugs Controller of India<br>Directorate-General of<br>Health Services,<br>Ministry of Health,<br>New Delhi. |
| 2. Shri M. K. Rangnekar . | . | . | . | Do. | Drugs Controller for the<br>State of Bombay, Bom-<br>bay.  |
| 3. Dr. S. K. Guha .       | . | . | . | Do. | Government Medical<br>Store Depot, Byculla,<br>Bombay—8.   |
| 4. Shri G. D. Nerurkar .  | . | . | . | Do. | Collector of Customs,<br>Bombay.   |



## APPENDIX III

(Vide PARAGRAPH 10)  
*Statement showing the c.i.f. prices, customs duties, clearing charges and landed costs of imported calcium lactate*  
 (Per lb.)

| Serial No. | Source of information        | Origin of import | Date of import | Type and specification  | C. i. f. price | Customs duty | Clearing charges | Landed cost | Remarks |
|------------|------------------------------|------------------|----------------|-------------------------|----------------|--------------|------------------|-------------|---------|
| 1          | 2                            | 3                | 4              | 5                       | 6              | 7            | 8                | 9           | 10      |
| 1          | Collector of Customs, Madras | U.K.             | 21-4-56        | Powder in 1 lb. packets | 1 10 3         | 0 7 3        | 0 0 2            | 2 1 8       |         |
|            |                              | Do.              | 26-6-56        | Ditto                   | 1 10 8         | 0 7 3        | 0 0 2            | 2 2 1       |         |
|            |                              | Do.              | 3-1-56         | B.P. Powder             | 1 9 9          | 0 7 0        | 0 0 9            | 2 1 1       |         |
|            |                              | Do.              | Do.            | B.P. Powder in packets  | 1 8 5          | 0 6 8        | 0 0 3            | 1 15 4      |         |
|            |                              | Do.              | 5-1-56         | B.P. Powder             | 1 10 3         | 0 7 2        | 0 0 1            | 2 1 6       |         |
| 2          | Collector of Customs, Bombay | Do.              | Do.            | B.P. Powder in casks    | 1 4 0          | 0 5 6        | 0 0 6            | 1 10 0      |         |
|            |                              | Do.              | Do.            | B.P. Powder in drums    | 1 4 0          | 0 5 6        | 0 2 6            | 1 12 0      |         |
|            |                              | Do.              | 12-2-56        | B.P. Powder in parcels  | 1 10 6         | 0 7 3        | 0 2 4            | 2 4 1       |         |
|            |                              | Do.              | 20-2-56        | Ditto                   | 1 10 5         | 0 7 3        | 0 2 4            | 2 4 0       |         |
|            |                              | Do.              | 22-2-56        | Ditto                   | 1 10 0         | 0 7 1        | 0 0 6            | 2 1 7       |         |
|            |                              | Do.              | 22-2-56        | B.P. Powder in tins     | 1 7 0          | 0 6 3        | 0 0 6            | 1 13 9      |         |
|            |                              | Do.              | 24-2-56        | B.P. Powder in parcels  | 1 6 6          | 0 6 2        | 0 0 6            | 1 13 2      |         |
|            |                              | Do.              | 24-2-56        | B.P. Powder in packets  | 1 9 0          | 0 6 10       | 0 0 6            | 2 0 4       |         |

|       |         |                         |   |   |    |    |   |    |   |   |   |    |    |    |    |
|-------|---------|-------------------------|---|---|----|----|---|----|---|---|---|----|----|----|----|
| Do.   | 2-3-56  | B. P. Powder in parcels | 1 | 9 | 3  | 0  | 6 | 11 | 0 | 0 | 6 | 2  | 0  | 8  |    |
| Do.   | 3-3-56  | B.P. Powder in drums    | 1 | 9 | 7  | 0  | 7 | 0  | 0 | 0 | 6 | 2  | 1  | 1  |    |
| Do.   | 13-3-56 | B.P. Powder in parcels  | 1 | 8 | 6  | 0  | 6 | 8  | 0 | 0 | 9 | 2  | 1  | 6  |    |
| Do.   | 7-4-56  | B.P. Powder             | . | 1 | 5  | 1  | 0 | 5  | 9 | 0 | 0 | 9  | 1  | 11 | 7  |
| China | 10-4-56 | B.P. Powder in cartons  | 1 | 0 | 6  | 0  | 6 | 3  | 0 | 0 | 1 | 1  | 6  | 10 |    |
| Do.   | 11-4-56 | Ditto                   | . | 1 | 0  | 7  | 0 | 6  | 3 | 0 | 0 | 1  | 1  | 6  | 11 |
| Do.   | 12-4-56 | Ditto                   | . | 1 | 0  | 7  | 0 | 6  | 3 | 0 | 0 | 2  | 1  | 7  | 0  |
| Do.   | 16-4-56 | Ditto                   | . | 1 | 0  | 7  | 0 | 6  | 3 | 0 | 0 | 2  | 1  | 7  | 0  |
| Do.   | 24-4-56 | Ditto                   | . | 1 | 0  | 7  | 0 | 6  | 3 | 0 | 0 | 2  | 1  | 7  |    |
| Do.   | 25-4-56 | Ditto                   | . | 1 | 0  | 7  | 0 | 6  | 3 | 0 | 0 | 2  | 1  | 7  | 0  |
| Do.   | 3-5-56  | Ditto                   | . | 1 | 0  | 11 | 0 | 6  | 5 | 0 | 0 | 2  | 1  | 7  | 6  |
| Do.   | 8-5-56  | B.P. Powder in cartons  | 1 | 7 | 6  | 0  | 6 | 5  | 0 | 0 | 6 | 1  | 14 | 5  |    |
| Do.   | 18-5-56 | B.P. Powder in cartons  | 1 | 0 | 7  | 0  | 6 | 3  | 0 | 0 | 2 | 1  | 7  | 0  |    |
| U.K.  | 26-5-56 | B.P. Powder.            | . | 2 | 5  | 0  | 0 | 10 | 1 | 0 | 3 | 11 | 3  | 3  | 0  |
| China | 29-5-56 | Ditto                   | . | 1 | 2  | 7  | 0 | 7  | 0 | 0 | 0 | 6  | 1  | 10 | 1  |
| U.K.  | 2-6-56  | B.P. Powder             | . | 1 | 11 | 0  | 0 | 7  | 4 | 0 | 0 | 8  | 2  | 3  | 0  |
| China | 6-6-56  | Ditto                   | . | 1 | 2  | 7  | 0 | 7  | 0 | 0 | 0 | 6  | 1  | 10 | 1  |
| U.K.  | 16-6-56 | Ditto                   | . | 1 | 7  | 6  | 0 | 6  | 4 | 0 | 0 | 6  | 2  | 14 | 4  |
| China | 30-6-56 | Ditto                   | . | 1 | 0  | 7  | 0 | 6  | 3 | 0 | 3 | 5  | 1  | 10 | 3  |

| 1  | 2  | 3                        | 4        | 5                                 | 6      | 7     | 8      | 9      | 10  |
|----|--|--------------------------|----------|-----------------------------------|--------|-------|--------|--------|---|
| 2. | Collector of Customs, Bombay—<br><i>contd.</i> | U.K.                     | 3-7-56   | B. Powder                         | 1 11 4 | 0 7 6 | 0 0 6  | 2 3 4  |   |
|    |  | China                    | 4-7-56   | Ditto                             | 1 3 0  | 0 7 2 | 0 0 1  | 1 10 3 |   |
|    |  | Do.                      | 5-7-56   | Ditto                             | 1 3 0  | 0 7 2 | 0 0 1  | 1 10 3 |   |
|    |  | W. Ger-<br>many,<br>U.K. | 25-7-57  | Ditto                             | 1 5 1  | 0 8 0 | 0 0 6  | 1 13 7 |   |
|    |  |                          | 11-8-56  | Ditto                             | 1 11 4 | 0 7 6 | 0 0 6  | 2 3 4  |   |
|    |  | China                    | 4-9-56   | Ditto                             | 1 1 0  | 0 6 5 | 0 0 6  | 1 7 11 |   |
|    |  | Do                       | 24-10-56 | Ditto                             | 1 1 0  | 0 6 5 | 0 0 6  | 1 7 11 |   |
|    |  | U.K.                     | 9-11-56  | Ditto                             | 1 11 0 | 0 7 4 | 0 0 6  | 2 2 10 |   |
| 3. | Collector of Customs, Calcutta                 | U.K.                     | 30-1-56  | Calcium Lactate                   | 1 3 5  | 0 5 4 | 0 0 3  | 1 9 0  |   |
|    |  | Do.                      | 7-4-56   | Ditto                             | 1 9 10 | 0 7 1 | 0 0 6  | 2 1 5  |   |
|    |  | Do.                      | 19-5-56  | Ditto                             | 1 9 9  | 0 7 1 | 0 0 6  | 2 1 4  |   |
| 4. | Indian Embassy at Ne-<br>therlands, The Hague. | ..                       | ..       | ..                                | 1 3 6  | ..    | ..     | ..     | † This is a quotation<br>received from the<br>Indian Embassy<br>at The Hague. |
| 5. | K. A. Zaveri & Co. Bombay.                     | China                    | 21-5-56  | B.P. Powder in 1 lb.<br>packings. | 1 0 5  | 0 6 2 | 0 0 11 | 1 7 6  |   |