

GOVERNMENT OF INDIA TARIFF COMMISSION

REPORT on THE PRICES OF COTTON YARN AND CLOTH

सन्यमेव जयते

BOMBAY 1962

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REPORT ON THE PRICES OF COTTON YARN AND CLOTH (1962)

SYNOPSIS

Reference, scope and method of inquiry—Historical retrospect—Present Position of the industry—Raw materials—Labour complement—Rationalisation—Financial position—Rehabilitation—Domestic demand—Exports—Distribution system—Controls—Our approach to the problem—Cost of production—Fair return, rehabilitation and modernisation—Price fixation and escalation—Miscellaneous observations and recommendations—Summary of conclusions and recommendations—Acknowledgements.



No. 3(22)-Tex (A)/64-Tex (P) GOVERNMENT OF INDIA MINISTRY OF COMMERCE

New Delhi-2, the 8th July, 1966

To The Secretary, Tariff Commission, Central Govt. Offices Building, 101, Queen's Road, BOMBAY.

Subject: Report of the Tariff Commission on the Prices of Cotton Yarn and Cloth.

Sir,

I am directed to refer to the Report submitted by the Tariff Commission in 1962, on the Fair Prices of cotton cloth and yarn on the basis of an enquiry undertaken by it under Section 12(d) of the Tariff Commission Act, 1951.

The Commission had recommended the fixation of the ex-mill and retail prices of cloth and yarn in accordance with certain formulae suggested by it. As was to be expected in dealing with such a vast industry having numerous varieties of cloth and yarn and with qualities varying from producer to producer, the Commissoin had evolved broad formulae for arriving at prices leaving Governmental agencies (Textile Commissioner and others) to work out the details of prices. The formulae prescribed by the Commission for price fixation had, therefore, to be further worked out for ready application. The recommendations of the Commission for fixation of prices were accordingly referred to a Technical Committee appointed by Government, to advise Government on the working of the Tariff Commission's formulae in detail in such a manner would, without causing administrative complications, enable the fixation of prices of at least the varieties in more common use in the country. Another Panel of well-known textil technologists also studied the report of the Commission.

In the meantime, Government were having under their consideration the question of statutorily controlling the prices of cotton textiles in pursuance of its policy to control

prices of essential commodities. Accordingly, price and production controls over the manufacture and sale of certain varieties of mill-made cloth of mass consumption viz. dhoties, sarees, longcloth and shirting were introduced with effect from 20th October, 1964. The production and price of drill was also brought under control with effect from the 1st December, 1964. The purpose underlying the above steps was to ensure an adequate supply of good cloth of popular varieties at reasonable prices for common mass consumption. A statement outlining the broad aspects of this scheme was made by the Minister of Commerce in Parliament on the 28th September, 1964.

Under the statutory controls scheme, formulae have been prescribed for working out the cost of cotton, the conversion charges for spinning and weaving and the 'processing charges for processes such as bleaching, dyeing, mercerising, etc., which have gone into the making of a piece of cloth of the controlled variety. The price so worked out is stamped on the piece of cloth as the ex-mill price. The retail price of the cloth, the excise duty, the category and description of the cloth, the "tex-mark" of the mill and the words "controlled cloth" are also stamped on such cloth. The formulae for the fixation of prices under the above statutory control scheme have taken into account the recommendations of the Tariff Commission and those of the Technical Committee and the Panel of Textile technologists. This scheme has been in force for the last twenty months, and is working satisfactorily.

I am to add that the reference to the Commission on the fixation of cotton textile prices and the action taken by Government after receipt of the Commissioner's report leading to the introduction of statutory controls on the prices and production of mill-made cloth had already been brought to the notice of the Parliament while answering several Questions on the subject, in both the Houses in addition to a statement laid on the table of both houses on 28th September, 1964. In view of the action already taken by the Government in the matter, Government consider that adequate compliance had been made with the provisions of Section 16 of the Tariff Commission Act, 1951 and that no further action is called for.

Yours faithfully, T. S. KUNCHITHAPATHAM, Deputy Secretary to the Govt. of India.

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REPORT ON THE PRICES OF COTTON YARN AND CLOTH

CHAPTER I

REFERENCE, SCOPE AND METHOD OF INQUIRY

- 1.1.1. The circumstances leading to the present inquiry and its terms of reference are stated in the Government of India,
 Ministry of Commerce and Industry Resolution
 1.1. Reference. No. 3(12)-TEX(A)/60, dated 5th December,
 1960 which is reproduced in Appedix I.
- 1.1.2. The cotton textile industry which was a protected industry was subjected to comprehensive scheme of controls during the war period. Controls were continued thereafter for a few years in order to safeguard the economy against shortages arising as an aftermath of the war. In 1953 controls were lifted and the industry was allowed to operate in a free economy. But textile prices rose subsequently owing to changes in market conditions and the inflationary pressures generated in the developing economy. Consumer demand outstripped supply and stocks with mills reached a low level during the first half of 1956. To establish a balance the Government of India enhanced the excise duty on cotton textiles from 1st September. 1956, the incidence of which was made particularly heavy on fine and superfine varieties. This led to the expected restriction of consumption and fall in prices. There followed at the same time an increased production of coarse dhoties and sarees by mills on account of the lower excise duties on those varieties and the rebate on excise duties on extra production of coarse fabrics. This led at first to restoration of normalcy. But as the mills persisted in producing mainly those fabrics on which the incidence of excise duty was light, stocks began to accumulate. To counteract the tendency a reduction was made in excise duties in December, 1957 and in March 1958, but the situation did not improve. As the position became a little disturbing the Government of India appointed the Textile Enquiry Committee in May 1958 to enquire into the situation and suggest remedial measures. The Committee suggested a reduction and realignment of excise duties in order to make the industry produce on normal lines. As a consequence of the measures adopted by Government on the recommendation of the

committee there was an increased offtake of fabrics and the accumulated stocks with mills declined by the end of 1959. But meanwhile there were other complicating factors which interfered with the sustenance of the economy. The forecast of a poor cotton crop in 1959-60 of led to a rise in the prices of coiton textiles after August 1959. The tendency became aggravated and there was a considerable rise in prices by January 1960. At the instance of Government, the Indian Cotton Mills' Federation (hereinafter referred to as the Federation) issued a warning proposing certain measures to bring down the prices, but it was ineffective. The situation was also affected by the Wage Board Award during this period resulting in a further rise in prices. Even though there wer e contributory factors to such a rise, the prices reached unaccountably high levels by the middle of 1960. As the situation was disquieting, the Government of India urged the Federation to reduce the cloth and varn prices and it agreed to bring down prices to the levels prevailing in October 1959. In the opinion of Government, however, the prices ruling in August 1959 were a better basis for subsequent adjustment and they insisted on the Federation taking the prices of August 1959 as the norm. The Federation agreed and the mills were called upon not to charge more than 25 per cent on coarse cloth, 22 per cent on lower medium, 18 per cent on higher medium, 111 per cent on fine and 9 per cent on superfine over the prices that prevailed in August 1959. Wherever the prices were lower than the stipulated limits. mills were to continue to charge the existing rates. A schedule of prices was also fixed for yarn of counts upto and including 40s mainly spun from Indian cotton. The prices thus fixed were required to be stamped on every piece of cloth. The retail prices were calculated by adding 15 per cent to ex-mill prices.

- 1.1.3. These arrangements, though satisfactory as far as they went, did not fully satisfy Government in respect of their probable impact on the consumer and the large number of persons employed in the handloom sector of the industry who were dependent on mill yarn. Government, therefore, considered that a comprehensive inquiry into the conditions of the industry was desirable and referred the case to us for an inquiry under Section 12(d) of the Tariff Commission Act, 1951.
- 1.1.4. The specific aspects which form the terms of the reference on which we are expected to report are:—
 - (1) the cost of production of the various representative types of cloth and yarn;

- (2) the capital structure, investment and fair return thereon, taking into consideration the need for continuous rehabilitation and modernisation and the fair rate of return over the cost of production that should be allowed to the industry;
- (3) fair ex-mill prices of cloth and yarn;
- (4) the cost of distribution of cloth and yarn and a reasonable basis for determination of fair retail prices; and
- (5) method of periodic price adjustments to cover major changes in cost elements.
- 1.2.1. In accordance with the terms of reference we have to examine the cost of production in the industry and determine fair ex-mill prices for cotton yarn and 1.2. Scope cloth. The capital structure of the industry inquiry. has also to be examined and a fair rate of return recommended taking into consideration the question of rehabilitation and modernisation of the industry. It is also necessary for us to devise suitable methods for periodic price adjustments to provide for major changes in the prices of cotton and other elements constituting the cost of production. Finally, it is also within the scope of the inquiry to investigate the distribution system of cloth and yarn and the overall cost so that the retail prices do not prove a severe burden on the consumer. Having regard to the background of controls and the present reference, we consider that products of industrial consumption, that is, industrial yarns and fabrics of cotton, such as, rope, cord, belting canvas, filter cloth, tarpaulin, etc., do not fall within the scope of our inquiry.
- 1.2.2. On a comparison of the scope of the previous inquiry by the Tariff Board in 1948 it would be seen that the scope of the present inquiry is not only wider in its coverage but also more detailed in character. On the last occasion the inquiry was meant to find out the cost of production of various types of cloth and yarn and to recommend fair ex-mill prices in the context of the standardisation scheme. The Tariff Board had also to devise as suitable method for adjustment of prices to allow for fluctuations in the prices of raw cotton and other elements. In the present reference we consider that the emphasis is on the basis of fixing fair prices; the determination of costs of

production of individual types or varieties will only be a preliminary process or be by way of illustration. The reference has also come up when a voluntary scheme of price regulation by the industry is in force and the question whether or not there should be statutory regulation is left open. The present inquiry should also cover a study of the capital structure of the industry and the pattern of investment. We are also required to determine a fair return on capital keeping in view the vital problems of rehabilitation and modernisation. The distribution system and its costs are also brought within the purview of the present inquiry in order that the retail prices that are ultimately fixed may be reasonable in the interest of the consumer.

- 1.2.3. Subsequent to the Government reference to us there have been further developments which have a bearing on the present investigation. The Federation announced a further reduction in prices which came into effect on 1st January 1961. Yarn prices upto 40s were reduced as part of the scheme. In this scheme of price reduction fabrics were divided into popular and other varieties. The group of popular varieties comprised about 25 per cent of the total production and the reduction of prices was greater by about 3 per cent in their case. Simultaneously the margin between the retail prices and exmill prices was raised from 15 per cent to 18 per cent. also stipulated that new varieties of cloth should not be produced without the approval of the Textile Commissioner. Retail prices were to be advertised for the information of the public. Further, on 17th July, 1962, the Federation announced ceiling prices for varns above 40 counts.
- 1.3.1. The present inquiry commenced in December 1960 with the issue of a letter to all cotton textile mills in the country requesting them to furnish data regarding their installed capacity, production of different counts of yarn and varieties of cloth and year of commencement of production. Simultaneously relevant information available in the office of the Textile Commissioner was also collected. Balance sheets and profit and loss accounts for the year 1948 and for each of the years 1956 to 1960 were obtained from the mills. In January 1961 a detailed questionnaire was issued to the mills. The Federation and the regional associations of millowners were requested to submit comprehensive memoranda on the various problems of the industry. Powerloom factories and their associations as

also the apex-handloom cooperative societies were sent suitable questionnaires to elicit relevant information. Similarly, yarn merchants' associations, cloth dealers' associations, sole selling agents of mills, distributors, wholesalers and chambers of commerce were asked to furnish information regarding distribution arrangements, etc. The Textile Commissioner was requested to submit a comprehensive memorandum on the various aspects of the textile industry. The Coal Controller was addressed for information on the prices of coal, its distribution system and availability to the textile mills. The State governments were requested to supply information regarding acreage under cotton cultivation and output and prices of raw cotton in their respective States. The Indian Central Cotton Committee (I.C.C.C.) was also asked to send data on the prices and availability of imported and indigenous cottons of different staple lengths. Memoranda were also invited from the Cotton Textiles Export Promotion Council and the All India Handloom Board. The National Industrial Development Corporation (N.I.D.C.), the Industrial Finance Corporation of India (I.F.C.) and the State Financial Corporations were requested to furnish information regarding financial assistance extended to the cotton textile industry for development and rehabilitation. The Indian Trade Representatives abroad were addressed for ascertaining the competitive position of Indian cotton textiles in foreign markets. Other interested parties were also invited through a press note to present their views to the Commission. By the time of our public inquiry 317 mills and 39 associations had replied to our questionnaires. Details of the cotton mills visited by us are given in Appendix II.

1.3.2.1. It is obvious that in an industry of the magnitude of our cotton textile industry comprising nearly five hundred units it is not possible to investigate the prob-1.3.2. Design lems and cost structure of all the units indiof inquiry. vidually. Particularly in respect of costing, the adoption of the census method of bringing all the units within our purview is impracticable. Therefore, sample survey is the only alternative and for this purpose proper selection of units for costing and other relevant study with due regard to the diversity of units is the initial problem. We drew upon the advice of the Textile Commissioner's organisation and the Federation for the purpose. The latter at this stage represented to us that the units selected should not be preponderantly the

most efficient and successful units or those having a considerable degree of automation as these will not truly represent the character of the bulk of existing units in the industrry. Taking all factors into consideration we selected 31 composite mills and 12 spinning mills to serve as sample for costing and detailed investigation.

1.3.2.2. The selected units have a coverage of 12.82 per cent of total spindleage in the country which is made up of 9.52 per cent from the composite mills and 3.30 per cent from the spinning mills. The sample has also a coverage of 13.08 per cent of the loomage of the composite sector. These percentages of the coverage are considered adequate for making generalisations about the industry as well as for estimating average costs. The table below shows the number of composite and spinning mills in the country with their capacity and also the number of selected units with their capacity.



	Uait	Units as on 1-1-1961	1961	S	Selected units		Coverage of Selected units	of nits
	No. of units	No. of Spind- units leage	Loomage No. of Spind- units lege	No. of units	Spind- lege	Loomage Spind- les %	Spind- les %	Looms %
1. Composite units .	279 10	279 10,450,332	195,476	16	31 1,285,684	25,571	12.30	13 ·08
2. Spinning units	. 182 3	182 3,059,342		12	12 445,676	:	14.57	:
TOTAL .	. 461 13,	461 13,509,674	195,476	43	43 1,731,360 25,571	25,571	12.82	13.08
Nors: Eight composite mills and ten Spinning mills are not included for lack of data	ite mills and	d ten Spinni	ng mills are	not include	d for lack o	of data.		

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The units selected cover almost all major States except Bihar and Orissa, where the development of the industry is not significant. A table giving the region-wise distribution of the composite and spinning mills in the country and the number of units selected in each region for the sample is given in Appendix III.

- 1.3.2.3. We have also taken care to see that the regional coverage of the selected units in terms of spindleage and loomage corresponds as far as possible with the distribution of spindles and looms in the country. Though the regional percentages may not correspond exactly with the overall percentages, adquate representation is given in the sample to areas of concentration such as Gujarat and Maharashtra. Further, as there is normally a correlation between the size and efficiency of a unit the efficiency factory has to be given adequate representation in the sample by selecting units corresponding as far as possible to the prevailing size groups in the industry. Tables giving details in this respect of the composite mills and spinning mills are given in Appendix IVA and IVB.
- 1.3.2.4. Finally, a few details about the selected units in respect of their operation are necessary for drawing useful inferences germane to cost estimation. Such details in respect of installed capacity, wet processing facilities, average number of shifts worked, average count of yarn produced and the types and varieties of cloth made in the selected units are given in Appendix V.
- 1.3.3. A list of units selected for cost investigation and names of the Cost Accounts Officers who examined their costs is given in Appendix VI.
- 1.3.4. In order to have a comprehensive appraisal of individual points of view, group discussions were held by us with producers and their associations on 18th July 1962, with yarn consumers and with distributors' organisations on 19th July, with representatives of all-India labour organisations as also the Federation and interests closely connected with exports on 20th July. The public inquiry was held on 23rd and 24th July 1962 followed by cost discussions indvidually with the costed units lasting till 31st July 1962 and with the Federation again on 2nd August, 1962. The time taken since the reference

was made to us was not only due to the large number of important price inquiries almost simultaneously assigned to us (sugar, wool, cement, iron and steel) but was due also to the issue of a comprehensive questionnaire by us, the elaborate steps taken after consulting the Federation in regard to the selction of units to be costed, the considerable time taken by the great majority of units to reply to us and above all the magnitude of the unprecedented task involved in costing 43 units, analysing and classifying the data and framing therefrom cost formulae and method of escalation thereon.

1.3.5. A list of those who attended the group discussions and the public inquiry is given in Appendix VII.



CHAPTER II

HISTORICAL RETROSPECT

- 2.1.1. A historical resume will be found useful in appreciating the phases in the development of this old industry.

 Grant of protection at a late stage of its growth and quantitative restrictions on import of textiles from Japan afforded it a sheltered market. Price and production controls which came in later have not been considered as an unmixed blessing.
- 2.1.2. Production of cotton textiles in India dates from antiquity. The fine products of the industry enjoyed undisturbed market supremacy right up to the sixteenth century. Subsequently also when the British first established their rule in India the products of the industry retained a high reputation but deterioration set in from the middle of the eighteenth century and reached its lowest ebb during the first half of the nineteenth century. India then began to supply raw cotton to Britain and imported from there manufactured fabrics on a large scale. The reinstatement of the industry on modern lines in this country commenced about the middle of the nineteenth century. Though the first cotton mill was started under English enterprise in 1818 at Calcutta, the industry had its real beginnings in 1854 when a cotton mill established in Bombay under Indian auspices commenced production. Within a span of twenty-five years the number of cotton mills increased to 56 having a spindleage of 1.45 million and a loomage of 13,000. An important feature of the industry at this stage was predominance of the spinning section. The industry made a headway by the end of the century when there were 193 mills with a spindleage of nearly 5 million and a loomage of over 40,000.
- 2.1.3. In the early stages of its development the industry was concentrated in Bombay island. Of the 82 mills in India during 1883-84, 44 were in Bombay. This may be attributed to the good transport facilities available in Bombay for the acquisition of raw cotton both internally and from abroad and also for the convenience of exporting yarn to countries like China. Besides, availability of capital and entrepreneurial

ability were factors favourable for the concentration of the industry at the early stages in Bombay. This trend continued till the end of the century when upcountry centres like Ahmedabad commenced production of cotton textiles. The dispersal of the industry which became more pronounced subsequently was due to the fact that export markets for Indian yarn, particularly China, disappeared.

- 2.1.4. During the first decade of the present century there were also significant changes in the character of the industry. The predominance of purely spinning units diminished and several integrated units came into existence. Spinning units found it profitable to instal looms and cater to the growing demand in the domestic market. There was a higher percentage increase in looms as compared to spindles during subsequent years. In that period there was an increase of 34 per cent in spindles and 134 per cent in looms. This trend developed during the period of first World War and there was a further increase of 23 per cent in the loomage by the end of the War period.
- 2.1.5. The Indian cotton textile industry has had a chequered career and has been subject to various vicissitudes particularly after the first World War. The years immediately following manifested boom conditions as were prevalent all over the world as an aftermath of war. But this was shortlived and a slump followed soon after.
- 2.2.1. With the onset of depression in the early twenties, the cotton textile industry in Bombay was very seriously affected and at the request of the Bombay Millowner's Association Government appointed tariff inquiries. a Tariff Board in 1926 to investigate the conditions of the cotton textile industry with special reference to the section of industry in Bombay and Ahmedabad and to examine the causes and character of the depression and report whether the industry was in need of protection.
- 2.2.2. The Tariff Board reported in 1927 that the depression in the industry was part of the world-wide slump and was also the effect of severe competition from Japan. It agreed that the industry had established its claim for protection against imports from that country. The Tariff Board also suggested diversification of production to withstand competition both internal and from abroad and recommended that the industry should manufacture goods of superior quality. Though all the

recommendations were not accepted by Government, a measure of protection was granted to the industry by the Indian Tariff (Cotton Yarn Amendment) Act of 1927. The Tariff Board's suggestion regarding mills deversifying their production instead of concentrating on the production of coarse grey cloth was acted upon by the industry and the second Tariff Board of 1932 referred with appreciation to this trend towards diversification. Many of the units added in the meantime equipment for bleaching, dyeing, printing and calendering and were engaged in spinning, weaving and finishing. Protection was extended to cotton fabrics by a two-tier system of duties with effect from 1930. Subsequently, a special inquiry was conducted in 1936 and protection to the industry was continued but at reduced rates. An Indo-British Trade Agreement, which had been under negotiation for some time, was signed in 1939 and the protective duties which had a two-tier basis were continued.

- 2.3. On the eye of the second World War there were 389 cotton mills in India having about 10.06 million spindles and 2.02 lakh looms. But out of this only 8.99 Period of second million spindles and 1.83 lakh looms were World War working indicating that the industry was not then working to full capacity. Later, under the stress of war demands mills and had to work to full capacity and there was also an increase in exports. According to the Millowner's Association exports of mill made cloth which stood at 195 million yards in 1939 reached the peak of 936 million yards in 1942 but gradually came down to 427 million yards in 1945. The output of the industry grew during the war period but there was no increase in either spindleage or loomage, increased production being achieved mainly by working second and third shifts.
- 2.4.1. The year 1947 was significant as it saw the end of protection for the cotton textile industry which had grown 2.4. Withdrawal under its shelter for two decades. The Tariff of Protection and Board that conducted a summary inquiry in subsequent protection that year observed that the industry had failed to substantiate its claim for continuance of protection and recommended that all protective duties should expire on 31st March, 1947. Government gave effect to the recommendation by the Indian Tariff (Amendment) Act, of 1947 but the existing duties were continued as revenue duties.

- 2.4.2. Almost immediately the industry had to face the consequences of the partition of India. Though there was no dismemberment of the industry, since the textile mills were predominantly located in India, there was some dislocation which had to be met as some of the areas producing the best staple cotton passed to Pakistan. According to the Textile Commissioner there were 268 composite units and 88 spining units in India operating in January, 1948, with a total spindleage of 10.07 million and loomage of about 1.93 lakhs.
- 2.4.3. The latest phase in the growth of the industry is the impact of development plans in the country. Under the First Five Year Plan a cloth target of 4,700 million yards was envisaged for the mill sector. The production of mills was to be supplemented by the output of handlooms which was to be progressively increased from the estimated output of 924 million yards in 1951-52 to 1,300 million yards by 1952-53 and 1,700 million yards by 1955-56. The programme of developmen of the mill sector during the First Plan envisaged a modest expansion in the spinning section through establishment of new units and expansion of existing uneconomic units. There was also intensive utilisation of the capacity of the organised sector during the First Year Five Year Plan period. At the same time the problems of unemployment and underemployment in the handloom sector came to the front.
- 2.4.4. By the time the Second Five Year Plan was launched the number of composite units had gone up to 291 and spinning units to 121. Spindleage had risen to 12.05 million and loomage to 2.3 lakhs. Two expert committees had examined and reported on the cotton textile industry in respect of its organised and unorganised sectors. The Kanungo Committee reported in 1954 on all aspects of the industry and the Karve Committee made important recommendations in respect of the unorganised sector of the industry. It was established as a guiding principle that all additional cloth required for consumption should emerge from the handloom andpowerloom sectors. As a consequence production of the organised mill sector was restricted to around 5,000 million vards per annum and certain limits were imposed on the manufacture of those varieties of cloth which were earmarked for handlooms. No increase in loomage was envisaged during the period. However, additional capacity to the extent of 1.57 million spindles was permitted to step up the production of yarn to 1,950 million lbs. There was thus a massive expansion in spindleage particularly to provide yarn for handlooms.

- 2.5.1. The Indian cotton textile industry consists of three sectors which are technically and economically distinct. They

 2.5. Unorganis- are the organised mill, the powerloom and the ed sector and its handloom. It is not merely the scale of operation that distinguishes them from one another. The nature of organisation, the technique of operation and the business methods followed are all characteristically distinct in respect of each of the sectors. In a way they represent stages in the process of evaluation but their development has not followed a logical course. From handlooms the evolution was towards mills and the powerlooms came later, perhaps as an intermediate stage combining the techniques of the two divergent methods of operation.
- 2.5.2. Mills represent the most important and modern sector of the industry. There are composite mills which are vertically integrated. They spin, weave an finish cloth. Some mills are exclusively spinning units. Powerlooms represent the next sector though chronologically they came later. Handlooms represent the third sector which again may vary in its organisation. It is invariably run on the cottage basis though occasionally it may take the form of a factory. The domestic type of handloom is peculiar to only one State, namely, Assam. There the loom is part of the domestic equipment and work on it is essentially for home consumption and rarely to supplement the family income. The inter-relationship between these sectors has developed in an atmosphere of conflicting interests. They are not parts of an organic whole except for the fact that the two minor sectors entirely depend on the major one for the supply of yarn. The products that emerge from the three sectors are not so exclusive in character as to isolate the market. Individuality is a characteristics of some of the expensive handloom products; others have near substitutes from the powerloom sector or even from the mills. Competition being unequal, handlooms have needed the fostering care of the State. Their position has become particularly vulnerable as the consumer is shedding this traditional preferences. The general rise in prices has made the low income buyer less discerning about quality. During the period of inflation and high prices there was always a reshuffling of groups of buyers attached to broad categories of goods in order to conform to a new pattern of family budgets. In this process the handlooms have lost whatever exclusiveness they had in respect of their clientele.

- 2.5.3. Accurate statistics about the unorganised sector are rather difficult to obtain. At any rate it may be established that handloom weaving is a full time occupation. The Fact Finding Committee estimated in 1942 the number of looms at 20 lakhs of which only 17 lakhs were found to be active. Among them 14 lakhs of looms were used in the manufacture of cotton fabrics. The Kanungo Committee in 1954 estimated that 20 lakh looms were working on cotton fabrics out of which Assam had 4.5 lakh looms which were purely domestic in character. Therefore commercial looms were fixed at 15.5 lakhs by the Committee and about 80 per cent of them were considered active. They provided employment to nearly 15 lakh persons. The total unemployment in the weaving community was estimated at 4 lakhs which corresponded to 3.5 lakhs of inactitve handlooms. It is now estimated by the Textile Commissioner that during the Third Plan period the number of handlooms in production will be 20 lakhs which will give an annual output of 2,500 million yards.
- 2.5.4. To make an accurate estimate of powerlooms in the country is even more difficult as it is alleged that their growth has been surreptitious. They freely switch over to artsilk and staple fibre yarn so that it is difficult to say how many are on actual production of cotton textiles. In 1942 the Fact Finding Committee estimated that there were 11,640 powerlooms in the country of which 55 per cent were concentrated in the Bombay Presidency. By the time the Kanungo Committee was appointed the total number of powerlooms increased to 24,071. By 1960, on the basis of the Texmark provided for them the number was found to have increased to 26,421. It is difficult to estimate those that are outside such Texmark regulations. Even after division of Bombay State the concentration in Maharashtra continues. At the public inquiry it was mentioned that 80,000 unauthorised looms have applied for registration and that considerale circumspection would have to be exercised before registering them. Their existence has greatly added to the complexity of the problem of raw material and restrictions on mill production. Their competition, in the context of cotton shortage and the limited availability of extra varn in the short period pending installation of three million additional spindles which have been licensed, will reduce the availability of yarn to the handlooms and powerlooms already authorised. It will also have a tendency to disturb the distribution arrangements for yarn by raising prices even

where regulation might otherwise have been effective. Hence it was emphasised at the public inquiry that handlooms should have priority in regulated yarn supply, the authorised powerlooms coming next for allocation on a rateable basis.

- 2.5.5. The volnerability of the unorganised sector has been reduced by measures like reservation of certain textile varieties exclusively for it and the imposition of a cess on mill-made cloth. The Federation has enumerated certain advantages for the powerlooms as against the mills. In the first place they are not bound by the factory legislation affecting labour to the same extent as the mills. Consequently, the wage cost for them is much lower. Besides they do not have to provide for certain social overheads such as housing of labour, provident fund, Employees State Insurance, etc. The excise duty imposed on them is also substantially lower. They are also free from the restrictions imposed on the mills with regard to varieties of popular fabrics reserved for production by handlooms.
- 2.6. The obvious conflict of interests among the sectors of the cotton textile industry has necessitated Govern-Policy measures ment intervention. Government policy in this and check on un-respect is actuated by certain specific objecregulated expan-tives such as substantial reduction in the prices of cloth and yarn, considerable increase in their poduction so as to raise the per capita consumption and the maintenance of quality consistent with reasonable prices of fabrics for the consumers. The human problem of sustained employment in the decentralised sector is always at the back of policy decisions. In order to attain these objectives without any serious social dislocation the Government have felt it necessary to sustain all sectors of the industry with such technical and financial aid as may be consistent with the maintenance of a free economy. It has also been the intention of Government to accelerate improvement in the production techniques of handloom weavers either by the adoption of improved looms or through a phased conversion of handlooms to powerlooms so that the burden on the consumer is gradually tapered. The problem of finding raw materials for the unorganised sector is to be met by means of licensing extra spinning capacity with a view to making yarn available freely. The corresponding regulation of production warranted by this scheme in the organised sector is to be attained through a scheme of controls.

CHAPTER III

PRESENT POSITION OF THE INDUSTRY

- 3.1. With this brief resume we may now assess the present position of the industry in respect of capacity and output so that our estimates for future may be Number of units. realistic. According to the Textile Commissioner there were 480 mills existing on 1st January, 1962 out of which 285 were composite mills and 195 spinning mills. Composite mills are largely concentrated in the States of Gujarat and Maharashtra which together account for 59 per cent of such mills, while spinning mills are mostly located in the State of Madras, which has as much as 56 per cent of the purely spinning mills in the country. Out of the total of 480 mills, 263 composite units have equipment for wet processing, that is, bleaching, dyeing, finishing and printing. This is a clear indication of the tendency towards vertical integration among the composite mills in the country. development in the right direction and needs encouragement in view of the fact that consumer tastes at present have become more refined. Even more, such a development is needed for improving export potential of the industry.
- 3.2. Installed capacity is generally estimated in terms of spindleage and loomage in the industry. It is also described in terms of technical details regarding spindles Installed capa- and looms. On 1st January, 1962 the industry city. had 13.85 million spindles and 1.99 lakh looms. The composite units accounted for 77 per cent of the total spinning capacity in the country. The distribution of spinning and weaving capacities among the States diverge widely in their concentration as will be seen from the table below:

States	 Spinning capacity	States		Weavin g capacity
 Maharashtra Madras Gujarat Uttar Pradesh All other States 		Maharashtra . Gujarat . Uttar Pradesh . Madhya Pradesh . All other States .		% 41 28 7 6 18
TOTAL	100	Тоты	L	100

Similarly, disparity exists among the installed spindles and looms, which also differ in respect of their types, and reed spaces respectively, details of which are given in Appendix VIII. Data regarding changes in the pattern of looms installed are given in Appendix IX. They indicate that the recent trend is towards the installation of a larger number of automatic looms and looms with reed spaces of 60" and above.

3.3.1. Mills in the country are of varying sizes and over a period their size pattern has not been uniform. On a comparative study of the average size in 1948 and

3.3. Size groups from 1956 to 1961 it is noticed that the size of and frequency spinning units decreased till 1958 and increased subsequently as shown below:

		Spinning	, Mills	a C	omposite M	Iills
Y	car	No. of mills as	Average Size	No. of mills as	Average	Size
		on lst January	Spindles	mills as on lst January	Spindles	Looms
	1	 2	3	4	5	6
1948		88	17,800	268	31,725	719
1956		121	15,350	291	35,030	697
1957		144	15,241	292	35,263	688
1958		175	14,609	295	35,585	682
1959		188	14,934	294	36,050	683
1960	•	186	15,756	293	36,241	683
1961		192	15,919	287	36,957	692

Small spinning units have been licensed since 1948. Spinning sections of composite mills, however, have shown an increase in size. The average size of composite mills in 1961 worked out to about 37,000 spindles and 700 looms.

3.3.2. A convenient method of studying variations in sizes in respect of spindleage and loomage in composite mills is to have a double frequency distribution table. Such a table according to sizes in respect of spindleage and loomage is given in Appendix X. As regards spinning units 183 spinning mills

are arranged in an ascending order of spindleage to find out their frequency distribution. It is noticed that the highest concentration is in the group of 10,000 to 20,000 spindles.

Size Group spindles								No. of spinning mills
0—10,000			•	•		•	•	47
10,001—20,000		•	•	•				84
20,00130,000			•					28
30,001—40,000	. ,	n Es		0				14
40,001—50,000	6		ਣ¦			•		5
50,001—60,000			?					2
60,001—70,000		Mi		Y.	• .	•		0
70,00180,000	· į			7		•		1
80,001 90,000	. {		87			•		0
90,001—1,00,000		सदामे	व ज	यने			•	0
,00,001 & above					•	•	•	2
		TOTAL			•			183

Note:-Nine mills are not included for lack of proper data.

3.4.1. One of the factors determining output, apart from the installed equipment is the number of shifts worked. In fact, as already observed, during the second 3.4. Utilisation World War a greater part of the increased of capacity. Output was secured through pressing into service the existing equipment by working a larger number of shifts. The current tendency also seems to be toward improvement in shifts worked as will be seen from the table below:

No. of mills existing as Average numb on 1st January and spinning s mills worked Spin- Com- Total One Two shift shifts	f mills existing as January Com- Total			Average and spin mills w One		number orked Two shifts	of spinn ions of c Three shifts	Average number of spinning mills and spinning sections of composite mills worked One Two Three Total shifts shifts shifts	~ ~ ~	Average number of Weaving sections worked by composite mills. One Two Three Totshift shift shifts	r of Wes	tving osite Total
	.	4	292	436	22	07.1	228	420	15	168	83	266
		175	295	470	33	182	212	427	19	172	88	259
		188	294	482	22	173	231	426	13	172	89	253
		186	293	479	21	148	267	436	12	166	78	256
		192	287	479	20	121	306	447	10	150	101	261

Source: Office of the Textile Commissioner

3.4.2. At present the installed capacity of the industry is worked at optimum level only in the first and second shifts as may be observed from the table below:

~		city wor		Capacity worked in composite mills								
Year	m spi	mining n	111112 -	Spinni	ng Sec	tions	Weavi	ng sec	tions			
	lst shift	2nd shift	3rd shift	lst shift	2nd shift	3rd shift	lst shift	2nd shift	3rd shift			
1	2	3	4	5	6	7	8	9	10			
	%	%	%	%	%	%	%	%	%			
1957	. 88	81	35	88	85	39	90	85	25			
1958	. 82	2 75	31	84	81	34	88	83	19			
1959	. 83	78	34	85	82	38	88	84	18			
1960	. 87	84	38	87	86	47	90	87	21			
1961	. 88	8 8 5	42	89	88	56	91	89	26			

In the third shift the full potential is not utilised and this is particularly so in the spinning mills where only 42 per cent was utilised in 1961. In the spinning sections of composite mills, however, the utilisation is estimated at 56 per cent. On the weaving side it is as low as 26 per cent. This shows that composite mills find it necessary to work their spinning sections more intensively than even the spinning mills.

3.4.3. Though no generalisation is possible in respect of economics of third shift working it is noticed that three shifts are common amongst new mills. This may be due to their anxiety to spread their heavy overheads over a larger quantum of output. Other mills are generally reluctant to work the third shift. This is because once the operation of the third shift is commenced it cannot be stopped without payment of retrenchment compensation; labour does not also like to have third shift working on a spasmodic basis at the option of the employer. Therefore unless assured of continuance, any hasty

adoption of third shift opertion is considered undesirable. Besides, experience also shows that unit labour cost is higher in the third shift on account of its shorter duration and poorer performance. According to the manufacturers, quality is impaired during the third shift particularly in respect of finer fabrics as labour is not generally at its highest level of efficiency when made to work in the small hours of the morning. Finally, labour also objects to work in the third shift on grounds of health. The industry claims thatoutput can be raised by working seven days in a week with suitable adjustments in the labour complement, but labour interests are opposed to this step. The representatives of the Indian National Trade Union Congress and the All India Trade Union Congress were willing to consider third shift working as a general rule only in a national emergency. But all or most of these objections have to be overruled in the case of a modern mill where expensive machinery is installed and production has to be stepped up. Third Shift as well as seven days working then become a necessity in order to spread evenly the burden of heavy overhead costs. Both steps are left to individual units to settle in consultation with their labour.

3.4.4. Non-utilisation of full capacity and the question of third shift working have been considered by several Expert Committees including the Working Party for the Cotton Textile Industry (Ramaswami Mudaliar Committee-1952). There are various reasons, besides the reluctance of labour and industrial units generally for not operating the third shift, for nonutilisation of full capacity. The Textile Commissioner has adduced certain specific reasons for such non-utilisation. Apart from permanent idle capacity owing to obsolescence and periodical stoppages for routine maintenance, there may be an imbalance in effective capacity between spindles and looms in a mill on a shift-to-shift basis interfering with its maximum performance. Similarly, there may be inadequacy of preparatory machines in a unit in relation to its spindles and looms. These are important technical factors impeding maximum performance. Care has, therefore, to be taken at the stage of planning and layout of the unit that such technical imbalances are avoided to the extent possible or are rectified at the earliest opportunity. Other reasons for such non-utilisation not within the competence of the industry to avoid, are inadequacy in the supplies of coal and inability to rehabilitate dilapidated machinery due to scarcity of foreign exchange.

3.5.1. Factors determining economic size

- 3.5.1.1. While maximum utilisation of capacity is desirable for augmenting supplies, it cannot by itself yield all the economies of production unless the operating 3.5. Economic unit is of an economic size. Efficiency of persize. formance at an optimum level is relatively more important than maximum performance of installed capacity. But the optimum size of the unit is an elusive concept. It would depend in the first instance on the given environment. It would also vary according to the factors that are likely to influence it. An optimum size is defined as one where men and machines are employed at greatest efficiency and where inoperative time is at its lowest, the qualitative results being maintained at a standard level. But the attainment of the above results is affected by several factors such as changes in Cotton mixings particularly when there are too many of them. Further, if counts are too many requiring frequent changes of frames there would be an inevitable loss of time making it difficult to keep the inoperative time at the minimum. Besides, there are also other variables which may affect the size, such as, coarser counts needing lesser number of spindles and looms for an optimum size as compared with finer counts. Apart from these technical details managerial problems may determine the desired size differently. Considerations of general control, quality, overall production and maintenance of efficiency may have varying influences on the size of the unit. From this standpoint a mill which is either too small or too big may not be favourable for efficient operation.
- 3.5.1.2. In spite of these rather irreconcilable factors the Technical Sub-Committee of the Working Party in 1952 came to some general conclusions in respect of the economic (optimium) size. It suggested that a composite unit having 50,000 spindles and 1,000 looms producing approximately 6,000 lbs. in a shift of eight hours could be considered as of suitable size for efficient operation. These standards would obviously vary according to the counts of yarnspun and woven. With coarser counts these requirements would be smaller. Therefore, proportionate variations ought to be made with changes in counts. Details of such variations have been given in the Technical Sub-Committee's report.

3.5.1.3. The Working Group for the Cotton Textile Industry set up in 1959 by the N.I.D.C. also applied its mind to the concept of the economic size. After discussing what is theoretically known as the technical optimum determining the economic size of a unit, it pointed out that if the machinery employed in the blow-room line required a complement of machines and other processes right up to the ring frame stage which could be conveniently expressed in units or multiples thereof they could be together considered as an indivisible factory. In other words, according to the Working Group one blowroom line with its necessary complement may be considered as a minimum economic feed. It was, however, careful to indicate that with technical developments the minimum economic size might change, as for instance, the introduction of the super high draft at the spinning stage. Therefore, it might not be possible to have a fixed norm even in terms of the technical requirements of size. It ought to be flexible and responsive to technological developments. The Working Group also took into account two other vital aspects, namely, supervision and purchase and sale. This indicates that it also considered the managerial factors affecting the optimum size. Managerial factors may even require a larger unit for economy of supervision particularly in respect of the spreading of over heads. Obviously, the unit ought to be larger to satisfy this condition than what may be determined by the technical requirements of economic size. This explains the fact that invariably there is more than one blow-room line in a cotton mill. This is feasible because when managerial factors require a larger size, multiples of the technical optimum can be adopted without interfering with the economies of operation from the technical standpoint. Theoretically the third factor influencing optimum size is the sales organisation required for the manufacturing unit. The unit ought to be sufficiently large to enable it to have its own selling organisation. If this requirement exceeds the technical optimum, the reconciliation is to be effected through a multiplication of the technically minimum size. But wherever the manufacturing unit is divested of the responsibility of sale through a hierarchy of wholesale and retail merchants the size of the concern need not necessarily be increased to reach the economic level. There are of course other factors influencing the optimum size of a unit namely, those concerning the raising of finance and external factors such risks and fluctuations. While financial requirements may warrant a relatively bigger size, risks and fluctuations are not impelling factors influencing size in the present Indian context. In situation of short supply and assured operation through State interference, risks and fluctuations do not play a vital role in determining size.

3.5.1.4. Taking all these factors into consideration the Working Group has pointed out that a spinning unit with 5,000 or 6,000 spindles would prove an uneconomic unit. This is an indication that such a unit falls short of even the technical optimum. According to the Working Group a mill with 12,000 spindles will be an economic unit from the technical standpoint. However, it is also stated that mills with less than 12,000 spindles sometimes show good results while other which may conform to the objective standards of an economic size have been faring badly. This is evidence to prove that unless adequate weight is given to several criteria it would be difficult to determine the minimum economic size. It may appear paradoxical to find in our country certain units operating very efficiently in spite of the fact that they do not conform to the normal standard of economic size. Such a paradox is due to the fact that varying tests are applied to judge efficiency of performance. It financial results are applied as a test of efficiency, some units which are not of an economic size may occasionally appear to be prosperous. But the real test of an economic (optimum) size is the cost of the production and not profin tability of the concern. An optimum sized unit is the lowest cost unit and not a high profit unit. It need not also be the highest labour productivity unit. In terms of physical output labour productivity may be at its highest in a unit but its cost of production need not be at the lowest level. Even though the financial performance of a unit may be satisfactory, it must be raised to the economic size if it falls short of the tecnical optimum. Thus a reconciliation of differing optima is necessary to reach the economic size. It must be clear from the foregoing discussion that this problem of economic size bristles with difficulties. In spite of such imponderables the Working Group has offered its suggestions in respect of the minimum economic size and has expressed the view that a unit with 12,000 spindles and 300 looms can be considered to be of an economic size under present conditions. It has further added that it can go to the level of 18,000 spindles and 400 looms and progressively reach even a further stage of 25,000 spindles and 500 looms. This indicates that optimum performance is not necessarily confined to any particular stage even when all the economies at that level of operation are secured. At higher levels of operation further economies may be available. That is the rationale of suggesting more than one stage of operation as an economic level. As further reason adduced in favour of such higher levels of size is the present tendency of the industry in the country to go in for finer counts.

- 3.5.2. Uneconomic units.—With the above norms it may be possible to categorise certain units as uneconomic. This can be done with the help of a table showing the frequency distribution of mills according to size groups in respect of spindles and looms with group intervals of 6,000 spindles and 300 looms. A table prepared on these lines is given in Appendix XI. It is noticed that 10 out of 283 composite mills and 63 out of 183 spinning mills belong to the category of uneconomic units. With a higher multiple of 12,000 spindles and 300 looms it is found that 109 composite units have adequate loomage to balance their spinning capacity but 151 mills have excess spindleage and 13 mills have excess loomage. The correction of imbalances in composite units will, over a long period, reduce their operation costs.
- 3.6.1. The aggregate output of cotton fabrics in the country is composed of contributions from the mill sector and the 3.6. Unorganised unorganised sector. The latter consisting of handlooms and powerlooms has made a sector-output sizeable contribution to the total output which potential. has been on the increase during recent years. Between the years 1951 and 1961 its contribution increased by 157 per cent as compared with an increase of only 26 per cent by the organised sector. The share of the unorganised sector in the total output has correspondingly increased from 19.8 per cent in 1951 to 33.5 per cent in 1961. The Third Plan contemplates an even higher contribution from it. Out of the targeted production of 9,300 million yards by the end of the Third Plan period 3.500 million yards or 37.6 per cent is the expected contribution of the unorganised sector. Of this 2,800 million yards are expected to come from handlooms. To achieve this expectation the total yarn supply has to be greatly augmented. It is estimated that 76 per cent of the yarn supply for this sector is to be absorbed by handlooms, 14 per cent by powerlooms and 10 per cent by the non-textile requirements. An unofficial estimate however places the effective handlooms (omitting Assam which has 4.5 lakh domestic looms) at 24 lakhs and their output at 1,000 yards per annum at 2,400 million yards. The

balance could then easily be made up by existing powerlooms. This more or less corresponds to the estimates of the Textile Commissioner referred to in paragraph 2.5.3.

- 3.6.2. The Federation has raised certain objections to the assessment of the probable contribution by the handloom sector. Its main contention is that the bulk of the output of the unorganised sector is likely to accrue from powerlooms. According to the Federation the unorganised sector is contributing approximately 2,165 million yards, out of which only 800 million yards are received from handlooms, and the balance of 1,365 million yards from powerlooms. Its calculations are based on an estimated yarn consumption of 481 million lbs. which, at 4.5 yards per lb., yields the current output of the unorganised sector.
- 3.7.1. It is a matter of gratification that in the decade ending 1961 production of yarn and cloth in the country increased by 45.7 per cent and 26.1 per cent respectively. 3.7. Production nattern—varn and A statement showing the production of yarn and cloth for the years 1951 to 1961 is given in Appendix XII. The bulk of production of the mill sector consists of varn below 40 counts and of cloth belonging to coarse and medium varieties. A large proportion of a yarn is now spun from Indian cotton. It was as high as 85 per cent during the years 1956 to 1959 but a mixture of foreign cotton to a greater extent became inevitable during 1960 and 1961 owing to scarcity of indigenous cotton and larger imports of foreign cotton. Production of processed goods has been continuously on the increase since 1956. In 1961 about 37 per cent of cloth was bleached, 17 per cent dyed and 13 per cent printed. The corresponding percentages for 1956 were 32, 13 and 9 respectively.
- 3.7.2. Since the last inquiry in 1948 the pattern of production by mills as well as consumer preferences have shown marked changes. There has been a fall in output of yarn of counts 11s to 20s and an increase in the group of 21s to 40s

which indicate production of more fabrics of higher medium category. Consumer tastes are also shifting towards finer counts and bleached, dyed, printed and mercerised varieties of cloth. Mixed fabrics and processed goods have registered greater demand. Larger production of poplins, crepes, voiles, prints, drills, etc., also indicates changes in dress fashion and demand. It is also stated that these lines of production are more profitable.

- 3.8.1. Out of the Third Plan target of 9,300 million yards the mill sector has been assigned 5,800 million yards and towards achieving the increased production of 3.8 Plans for 800 million yards Government have provided future expansion. for the allotment of 25,000 automatic looms. To meet the target of cloth production and demand for hosiery varn, etc., the target for varn production has been fixed at 2,250 million lbs. For this purpose provision has been made for an increase of active spindleage to 16.5 million as compared to 12.7 million at the end of the Second Plan period. Out of 4 million spindles to be allocated, 2 million are to be earmarked for the States, 1 million for balancing purposes at the rate of 3,000 spindles or 5 per cent of the existing capacity, whichever is higher; the balance of 1 million spindles is to be considered for allocation only in the third year of the Plan period. Further, out of the 25,000 looms to be allocated, 10,000 are meant for new units which are expected to export 75 per cent of their production. The allocation of looms will be done on the basis of 500 looms with 25,000 spindles to match.
- 3.8.2. The implementation of the above long term expansion plans as well as the fuller utilisation of existing idle capacity which has been indicated earlier depend entirely on the raw material position. In fact, the Federation has stated that the industry reaching or exceeding the Plan target for which it has the potential, will depend on the availability of cotton.

3.9.1. We cannot close this chapter without a brief statement of the position of our cotton textile industry in the international field. This is shown in the statement below:—

try in the international field.

			Cap (1	acity 960)		luction 960)	I.	abour
Countries	3		pindles illions)	Looms (Lakhs)	Yarn (Million Lbs.)	Cloth (Million yds.)	force employ- ed in textile industry	% labour employed in cotton textile industry to total s) labour industrial establishments
1			2	3	4	5	6	7
India			13.55	2.00	1,737	5,043	0.66	39
U.S.A.			19 · 98	4.16	3,624	9,328	0.94	6
U.K.			13 · 78	1 · 49	596	1,294	0 · 14	1
Japan			7 75	3 · 77	1,216	*3,853	0 · 29	3
West Ger	man	у	6 · 13	1 · 53	697	*1,673	0.23	3
Pakistan			1 · 94	0 · 30	411	641	N.A.	N.A.
U.S.S.R.	•	•	N.A.	N.A.	@2,468	6,720	N.A.	N.A

^{*}Figures in million sq. yds.

@Figure for 1959.

India ranks third in respect of spindles and looms installed and has by far the highest percentage of labour complement. In the sphere of production of yarn and cloth India ranks next to the U.S.A. and the U.S.S.R. After the second World War our country which used to import a large quantity of textiles emerged as a self-sufficient country with even sizeable exports.

3.9.2. Significant changes have also taken place in the international field which have affected our industry. most important characteristic of the change is that the productive importance of the U.K. has diminished while there has been an expansion of the industry in the U.S.A. and Canada. Another important feature is that the industry is developing in underdeveloped areas like Latin America, Far East and Africa. France, Spain, Portugal and even Central European countries have now emerged as exporters, while in the East, China and Hongkong are competing even with Japan. Either low labour cost or very high productive efficiency has become a desideratum for a thriving industry. Countries like U.S.A. Canada, France and West Germany are able to hold their position in the export market despite high labour costs only because of their productive efficiency. On the other hand, China and Hongkong have challenged India's position on account of their low labour costs. Underdeveloped countries installing their own textile industries as a first stage in their economic development are now causing a shrinkage of export trade in cotton textiles. As a country still deficient in indigenous cotton for its full requirements and needing substantial imports of long staple cotton, India's position has vulnerable. Tireless pursuit of efficiency and economy alone enable our textile industry to retain the foothold in international market and cater for our domestic needs.

सत्यमेव जयते

CHAPTER IV

RAW MATERIALS

- 4.1.1. The essential raw material for the industry is cotton. It forms the major part of the raw material cost in 4.1. Cotton: Indi- the industry and actually accounts for nearly genous and 70 per cent of the cost of yarn and 50 per Foreigen. cent of the total cost of fabric.
- 4.1.2. India has the largest area under cotton cultivation in the world, being 23·2 per cent of the total acreage. U.S.A. and China follow next with 18·7 and 18·0 per cent respectively. There was an increase in the area under cotton cultivation in India. It moved up from 14·5 million acres in 1950-51 to 20·0 million acres in 1955-56. It was then steady at about 19·9 million acres till 1958-59. Subsequently, the area under cotton cultivation dropped to 18·8 million acres in 1959-60 and 1960-61. The latest official forecast for 1961-62 indicates a slightly lower figure of 18·7 million acres.

4.1.3. Production: Varietywise and staplewise

- 4.1.3.1. Of the total world production of about 58 million bales of cotton in 1960-61, 5.4 million bales (9.3 percent was) estimated to the contribution of India. U.S.A. claimed 30.2 per cent of the contribution and China and the U.S.S.R. followed with 15.9 per cent and 14.4 per cent respectively. In spite of the largest acreage under cotton cultivation India occupies only the fourth place in production. This is accounted for by the meagre output per acre.
- 4.1.3.2. Cotton is classified into five main quality groups namely, extra long staple, long staple, superior medium staple, medium staple and short staple. These different varieties are utilised normally fo different qualities of yarn and fabrics known as superfine, fine, medium and coarse. Production of extra long staple ($1\frac{3}{8}$ " and above) and long staple ($1\frac{1}{8}$ " to $1\frac{3}{8}$ ") cotton formed only 1/8th of the total world output in 1959-60. These varieties are grown mainly in countries like United Arab Republic (U.A.R.), U.S.S.R., U.S.A. and Sudan.

- In 1959-60 U.A.R. claimed 43.8 per cent of the world's production of extra long staple and 30.6 per cent of long staple cotton. It was followed by U.S.S.R. which claimed 22.3 per cent of the world's output of extra long staple and 14.8 per cent of long staple variety. Sudan produced 23 per cent of extra long staple cotton, while U.S.A. had to her credit 14.4 per cent of the world's output of long staple cotton. Since her coutribution in respect of these varieties is negligible, India has to depend on imports for her requirements of superior varieties of long staple cotton. A table indicating the staplewise production of cotton in our country since 1955-56 is given in Appendix XIII.
- 4.1.3.3. Apart from the above classifications on a international basis, indigenous cotton is also classified on the basis of trade descriptions like Jarillas, Bengals, Americans, Virnar, Oomras, Vijay, Jayadhar, Laxmi, Surti, Cambodia, Karunganni and Sea Island Andrews. A statement giving the area under cultivation of the several varieties and their production is given in Appendix XIV.
- 4.1.4. Yield per acre.: Production of cotton is a function of area and yield per acre. Among the major cotton growing countries U.S.S.R. was reported to have the highest yield of cotton per acre namely, 600 lbs. in 1960-61. Egypt came next with 542 lbs. per Among other countries having a high vield. Peru, Mexico and the U.S.A. It is disquieting to note that the yield of cotton in India was as low as 111 lbs. per acre. However, it is a matter of gratification that though slow there has been a steady increase in the output of cotton per acre during the last decade. From 91 lbs. in 1951-52 it increased to 100 lbs. in 1956-57 and to 111 lbs. in 1960-61. Attempts are being made to increase further the yield per acre. In irrigated tracts in the Punjab and Madras the yield has been relatively high. The Third Five Year Plan has fixed the target for cotton production at 70 lakh bales and has placed special emphasis on increasing the yield of cotton per acre to 125 lbs. by 1965-66. It is proposed to attain 53 per cent of the increase in output by bringing new areas under cotton cultivation, for example, in the canal area in Rajasthan where climatic conditions are suitable and also by extending irrigation. The balance of the increase is expected to be attained through the use of fertilizers, plant protection, inter-crop planning and other measures. The representative of the I.C.C.C.

who attended our inquiry stressed that the expansion of output through higher yield per acre by use of irrigation facilities, fertilizers, better strains of cotton, etc. depended on adequate availability of funds from Government. He also expressed the view that the target of 70 lakh bales was rather optimistic and that it would be realistic to work on the basis of 64 to 65 lakh bales of cotton production by the end of the Third Five Year plan.

- 4.2. Serious attempts are being made not only to increase the overall supply of indigenous cotton but also to obtain a larger percentage of long staple Supply of indicotton of 7.8" and above within the country. It genous cotton. Appendix XIII that will be seen from production of long staple cotton increased from 38 per cent in 1958-59 to 48 per cent in 1959-60 but declined to 45 per cent in 1960-61 and 42 per cent in 1961-62. The output of medium staple cotton declined from 44 per cent in 1958-59 to 35 per cent in 1959-60 but increased to 41 per cent in 1960-61 and 40 per cent in 1961-62. The output of short staple cotton went down from 18 per cent in 1958-59 to 17 per cent in 1959-60 and to 14 per cent in 1960-61; it however, rose to 18 per cent in 1961-62. According to the I.C.C.C. the supply position of indigenous cotton has been satisfactory during the past five years except in owing to unfavourable weather conditions. То meet emergency caused by a shortfall in output the quota system of distribution was introduced in December 1959 and is till in force. Under this system quotas are fixed for individual mills based on their consumption of cotton in previous years. Varietal distribution to mills has also been introduced to ensure equitable allocation.
- 4.3. As stated earlier the Third Five Year Plan has set a target of 2,250 million lbs. of yarn output for the country. It is estimated that this would require about 66 lakh bales of raw cotton, which represents an increase of 13 lakh bales over the mill consumption in 1960-61. As it is simultaneously contemplated that the consumption of foreign cotton should be progressively reduced to 3 lakh bales by 1965-66, the consumption of Indian cotton should increase by 16 lakh bales. This works out to an average rate of increase of 3.2 lakh bales per annum.

- 4.4. Imports of foreign cotton in previous years are set out in Appendix XV. India draws its supplies of extra Imports of cot- long staple cotton mainly from U.A.R. ton: sources and and Sudan. Long staple cotton is imported from the U.S.A. and East Africa. On an average imports during the years 1956 to 1961 were 7.26 lakh bales per annum. Out of that cotton stapling over 1-3'16" constituted 28 per cent. The bulk of imports was of cotton stapling 1-1/16" and above. Cotton stapling 1" and below was received under P. L. 480 during 1960 like indigenous cotton the distribution of imported cotton has been placed under a quota system since 1957-58. With the introduction of the export incentive scheme in 1959 import of cotton has been linked to export performance. In other words, exporters of fabrics or yarn can import foreign cotton against a proportion of foreign exchange earned by them through their exports. In 1959-60 the quota for imports was fixed at 12.6 lakh bales. It was reduced to 11.1 lakh bales in 1960-61 owing to good crop in India. For the 1961-62 season, the Textile Commissioner announced an import quota of 8.9 lakh bales.
- 4.5.1 Since 1947-48 there has been a steady rise in the consumption of cotton by the industy. It moved up by 18 per cent in 1955-56 and showed thereafter a fluctuating trend finally rising by 28 4.5. Consumption and stocks. cent in 1960-61. An important feature of cotton consumption during this period is the increase in the a percentage of consumption of indigenous cotton from 68 per cent in 1947-48 to 88 per cent in 1955-56 and to 91 per cent in 1958-59. It declined to 87 per cent in 1959-60 and to 79 per cent. in 1960-61. Simultaneously, there was a decline in the consumption of foreign cotton from 32 per cent in 1947-48 to 12 per cent in 1955-56 and 9 per cent in 1958-59 but it picked up again in 1959-60 and 1960-61 rising to 13 per cent and 21 per cent respectively.
- 4.5.2. There are certain outstanding features in the pattern of cotton consumption during this period, the most important among them being the decline in the consumption of short staple cotton. The trend is in keeping with changes in demand for cotton textiles. The consumption of long staple cotton showed an increase from 13 per cent in 1947-48 to 49 per cent in 1959-60 but it declined to 36 per cent in the next year. Medium staple cottons came in for greater use during the period. They ranged from 44 per cent to 48 per cent

between 1955-56 and 1958-59, but went down to 33 per cent in 1959-60 owing to a shortage of the variety in that year. They, however, increased in 1960-61 mainly due to imports of such varieties. In the interest of fair distribution, the Textile Commissioner has imposed a limit of 5 months' stocks for cotton allocation to the mills.

4.6.1. Controls on cotton

- 4.6.1.1. The dislocation caused by the war situation in the supply and demand position of cotton led to a spurt 4.6. Controls on in cotton prices in 1942-43 season. To stop cotton prices and speculation in cotton prices the futures market their impact on speculation in cotton prices the futures market in raw cotton was closed till the end of supplies. October 1943. At about the same time Government announced the floor and ceiling prices for cotton and since then prices have been kept continuously under control except for a short period in 1948 when control was lifted. The object of these measures was to ensure reasonable prices to growers of cotton and stability of prices for the mill industry. At present the Cotton Control Order, 1955 (S.R.O.2308 dated 13th October 1955) is operative and each year the ceiling and floor prices for different cottons, subject to certain exceptions, are fixed in relation to those for the basic variety, namely, "Jarilla Fine".
- 4.6.1.2. Distribution of cotton to mills is governed by a quota system. It was introduced in 1949, abolished in 1955 and again enforced since 1959-60. Certain supplementary measures were also introduced such as prohibition of purchase of kapas by the mills unless they owned ginning and pressing factories and quality survey of all marketed cotton. Attempts are made to ensure the maintenance of prices within the ceiling by requisitioning cotton at random. Monthly reports are also called for from the ginning and pressing factories.
- 4.6.2. Impact of controls on supplies.—The main purpose of controls on cotton prices is to stabilise prices and to encourage production. The increase of ceiling prices for Jarilla fine in 1950-51 and 1951-52 achieved the desired effect. The area under cotton increased from 14.5 million acres in 1950-51 to 20.0 million acres in 1955-56. The corresponding production

figures for these years were 29.71 and 40.01 lakh bales res-The Textile Commissioner claims that controls have stabilised prices and kept them within prescribed limits. They give advance information to the grower asto what his cotton would fetch and have also the effect of maintaining the acreage under cotton cultivation against other cash crops. Floor prices for Indian cottons were raised in 1961 and ceilings in May 1962 for encouraging output. In doing so Government have declared that they have taken note of the prices already paid by the industry during the last few years and consider that increases need have no effect on the present return to the mill industry. Both the I.C.C.C. and the Federation have suggested that the price policy in respect of cotton should take account of the prices of competing crops like groundnuts which are not controlled and the manner in which it affects the interests of the agriculturists and the consumers of cotton.

- 4.7. Millowners generally have their own agents stationed at different purchasing centres to buy cotton from dealers or cotton ginning factories, actual purchases Buying system and being limited to their quotas. There have prices of cotton. been wide fluctuations in the prices of cotton even under a regime of price control which proscribes the ceiling and floor prices. During the years 1955-56 and 1956-57 average spot prices were 6 to 7 per cent below ceiling. But between 1957-58 and 1958-59 they were 13 to 14 per cent below ceiling. In 1959-60, however, the spot prices of raw cotton were at the ceiling level and the trend was not reversed in 1961-62, During this period Indian mills have also switched over to greater use of Indian cotton for manufacture of finer counts and even for export varieties. This has resulted in higher demand for Indian cotton and its prices have therefore been ruling at a high level in spite of the quota system.
- 4.8. Raw cotton forms the largest single item in the manufacturing costs of cloth and therefore any economy value of cotton in the purchase of cotton would help to mate price of the finished product. The Federation suggests that in the interests of economy in the purchase of cotton, mills should have experts to choose the time of purchase and the variety most suitable for their purpose. It has contended that very often lack of credit is an impediment and hence creation of credit facilities would go

a long way in easing the situation and providing opportunities for economical purchases of raw cotton. It has stressed that cotton should be used economically by spinning it to the highest count possible through the installation of modern machinery which reduces process wastage.

- 4.9. Waste of cotton in the process of manufacture is a normal feature of prodcution. It is classified into soft waste and hard waste according to the stages Cotton waste and production from where they emerge. its utilisation. About 52 per cent of the soft waste and 7 per cent of the hard waste were consumed within the mills during 1960. By reprocessing, the rest was disposed of for non-textile purposes. The Federation is of opinion that it would be possible to utilise a larger proportion of waste cotton more advantageously if mills were permitted to produce cloth with warp and west having counts of 8s and below which are now reserved for handlooms. It also feels that if mills are permitted to do waste spinning, some more of the waste materials can be recovered and used for manufacture of ropes. etc. This requires sympathetic consideration by durries. Government.
- 4.10.1. Other essential raw materials of the industry are chemicals and dyes. The demand for these has a tendency to rise in proportion to the installation of 4.10. Requireprocessing plants in the mills. As the recent ments of chemicals and dyes. trend has been towards an increase in processing of fabrics, the demand for chemicals and dyes is likely to rise in future. It is estimated that in terms of value the total demand for dyes by the industry would be of the order of Rs. 29 crores and that for chemicals Rs. 18 crores per annum. This is based on the assumption that the whole of the textile production is to be processed which is not true at present. But if export levels are to be stepped up larger production of processed goods would be necessary. According to the Textile Commissioner, the overall availability of chemicals and dyes for the industry is satisfactory, but the market prices are high.
- 4.10.2 The Federation has enumerated the difficulties experienced by mills in respect of chemicals and dyes. It has urged that frequent changes in the import policy in respect of these items are not conducive to the interests of the industry.

The quality of indigenous products is poor. While the grant of import licences for dyes as an incentive for exports has increased availability, the scramble for imported dyes and possible speculation therein have spiralled prices.

- 4.11. Coal and furnace oil are the main fuels used in the textile industry. One of the main difficulties in the acquisition of coal by mills is the concentration of the sources of supply and the dispersal Requirments of coal. of the mills that have to acquire it. The cotton textile industry which was allowed to draw half of its quota in selected 'B' grade and the other half in grade II coal is now expected to take its entire requirements in grade I (noncoking) coal. The main reason for the inadequacy of coal supplies has been shortage of rail transport. There has always been a big gap between the quota fixed for the industry and the actual movement of coal. In view of these difficulties the Coal Controller has suggested a revised quota of coal supplies for textile mills taking into account the availability of transport. The use of furnace oil in factories situated far away from coal fields has also been suggested. But owing to higher prices of cil and the modification in plant required for oil firing, the switch-over has not, except in certain areas, been popular. Rise in coal costs has also generated sympathetic increase in cost of power purchased by mills. In respect of power charges there is considerable disparity between States.
- 4.12. Having dealt with raw materials and fuel, we shall now turn to labour which is the next most significant factor.

CHAPTER V

LABOUR COMPLEMENT

- 5.1.1. The cotton textile industry in India is labour intensive. At the initial stage, like the low price of Indian cotton, the relatively lower wages in the country was an advantage of the industry. Lower wages were perhaps also responsible for the employment of excess labour by the industry. The position has now changed considerably. Labour costs form the largest single element of the manufacturing expenses. In view of this labour loads assume considerable importance in measuring the overall efficiency of a mill.
- 5.1.2. In the textile industry the labour force can be separately examined for spinning and weaving by taking the average labour employed per 1000 spindles and 100 looms. It must be stated that the labour complement figures thus derived cannot be interpreted as indicators of labour efficiency for they are not weighted for quality differences in output, machine-efficiency, etc.
- 5.2.1. The Textile Commissioner has provided data for 418 spinning mills including spinning sections of composite mills regarding the average labour employed 5.2. Spinning per 1000 spindles in the spinning and preparasector. tory departments during October 1961. The calculations made with these data show striking variations in regional labour complement figures. A study of such regional differences is of significance as it would reveal extraneous factors affecting efficiency in different areas. Ahmedabad has the lowest labour complement with 8 persons per 1000 spindles. The other extreme is Bihar which employs twice that number. Next to Ahmedabad are Bombay, Madras and the rest of Gujarat with labour complements of 9, 10 and 10 respectively. It is also noticed that regions of high capacity concentration are those where labour saving is achieved to the greatest extent. But in this respect the rest of Maharashtra

seems to be an exception as it employs 13 persons per 1000 spindles, which is 45 per cent higher than the Bombay figure. The regional labour complement figures are presented in the following table:

No. of persons em-

Regions						spindles spinning	per 1000 worked in and pre- bry depart-
						Simple average	Range
1. Ahmedabad City	•				•	8	5-12
2. Bombay City.		5	20	10		9	5-16
3. Madras	. <	ēķ:			>.	10	323
4. Rest of Gujarat						10	6-16
5. Punjab		do	1			11	6—15
6. Kerala	•	71	146	K.		11	7—18
7. Mysore	•	giá.		77.77		11	7-20
8. Orissa	•					12	
9. Madhya Pradesh		1				12	7—17
10. Delhi	•	सह	ग्मन व	144	-	12	11-13
11. Pondicherry .	•	٠		•		12	1113
12. Andhra Pradesh		•	•	•		12	7-27
13. West Bengal .	•	•	•	•		13	423
14. Rest of Maharas	htra		•	•		13	621
15. Rajasthan .		•	•	•	•	14	624
16. Uttar Pradesh	•	•				15	828
17. Bihar .	•	•	•	•	•	16	1418
	Cos	sted u	nits	•		10	7-23

The above table shows that inter-mill variations within a region are at their highest in Madras, Andhra Pradesh and Uttar Pradesh.

- 5.2.2. Labour complement and size of mills. Among the various factors that are likely to influence the labour complement the size of the mill is of considerable importance. In order to determine the correlation, if any, between labour complement and the size of the mills, a study was undertaken with a sample of 116 mills which is about 24 per cent of the total number of mills in the country. It should, however, be stated that there cannot be an equal regional representation in the sample owing to the non-existence of certain sizes in particular areas. The mills taken as sample were grouped according to the spindle classes given below:
 - (1) Below 24,500 spindles
 - (2) 24,500 to 48,499 spindles
 - (3) 48,500 to 72,499 spindles
 - (4) 72,500 spindles and above

These four classes constitute 24, 41, 17 and 18 per cent respectively of the all-India spindleage. The simple average and the range of labour complement figures of the mills in these four classes are as follows:

Capacity class	No. Unit	3	per 10 in sp	000 s innin	pindles g and p tments.	orepara-
				ple rage		Range
	A	В	A	В	A	В
1. Below 24,500 spindles .	30	11	13	15	4—24	823
2. 24,500 to 48,499 spindles	30	21	10	10	5—21	7—14
3. 48,500 to 72,499 spindles	30	6	9	10	616	7—13
4. 72,500 spindles and above	26	5	10	11	5—17	9-14
Total .	116	43	•		_	

A—relates to sample of 116 mills.

B-relates to costed units.

The above table shows that small size mills with less than 24.500 spindles are at a relative disadvantage in respect of their labour complement. Regions which have more than 50 per cent of their capacity represented by this class of mills are Bihar (100%), Andhra Pradesh (82%), Rajasthan (80%), Kerala (78%) and Punjab (50%). While it may be that Bihar, Andhra Pradesh and Rajasthan suffer from high labour requirements on account of smaller size of their mills it is notable that Kerala and Punjab, though suffering from the same disadvantage, are regions of low labour complements. Mills having spindles ranging from 48,500 to 72,499 have the lowest labour complement. In this class, regions which have a fair percentage of their capacity are Bombay (32%), Uttar Pradesh (30%), rest of Maharashtra (24%) and Madhya Pradesh (22%). Of these regions, only Bombay has low labour complement. The two other classes, namely, mills with 24,500 to 48,499 spindles and with 72,500 spindles and above, which together account for 59 per cent of all-India capacity, have the same labour complement of 10 persons per 1000 spindles. Low labour complement regions like Ahmedabad (which has the lowest labour complement of 8 persons), Madras and the rest of Guiarat belong to this group.

5.2.3. Average labour complement.—The simple average of labour complements of the mills for which data are available has been used to assess deviations of the labour complements of individual mills from the average for the industry. The study reveals considerable variations among the mills. The simple average of the labour complement figures of the purely spinning mills and the spinning departments of composite mills working in October 1961 works out to 10.49 persons per 1000 spindles, the range of variation being 3 to 28 persons per 1000 spindles. It is found that 174 mills, which form 42 per cent of the total, have a labour complement higher than the average, most of them falling within the range of 10.50 to 15. A table showing frequency distribution of mills (classified according to persons employed per 1000 spindles) is given below:

Persons em	ploy	ed pe	er 100	00 spi	ndles			No. of mills
Below 3·01					•	•	•	3,
3.01-6.00								27/

Persons employe	ed p	er 1 0 0	0 spir	idles			No. of mills
6.01— 9.00							145
9 · 01 — 12 · 00							127
12.0115.00							68
15.01—18.00							29
18 · 01 — 21 · 00							10
21 · 01 — 24 · 00							4
24 ·01—27 ·00							2
27 · 01 — 30 · 00			•				3
		•					418

About 210 mills which represent 50 per cent of the total employ either the average number or less than the average number of workers with labour complements ranging from 6.01 to 10.49. Thus most of the mills in the labour intensive class have from 10.50 to 15 persons and most of the labour efficient mills have labour complements ranging from 6.01 to 10.49.

- 5.2.4. The Bombay section of the industry has on technical considerations accepted as normal certain standards of employment per 1000 spindles. According to these standards the average number of persons to be employed for coarse and medium yarn is 8.18 per 1000 spindles, for fine and superfine counts it is 6.50 per 1000 spindles. Taking an overall average we get 7.34 per 1000 spindles. Against 7.34 accepted by the Bombay section of the industry the actual average employment per 1000 spindles in the country is 10.49. It is also noticed that only 100 mills out of 418 examined worked with 734 or less number of workers per 1000 spindles. Thus from the industry's standpoint spinning mills (including spinning sections of composite mills) in the country are mostly uneconomical in respect of their labour complements.
- 5.3.1. Average labour employed per 100 looms.— A study in respect of weaving sections of the mills in India similar to what has been attempted above in respect of spinning has also been done. The Textile Commissioner has provided data in respect of the number of persons employed in the weaving and preparatory departments per 100 looms among 246 mills working in October 1961.

5.3.2. Regional comparison in labour complements.—From the simple averages that are given in the table below it is found that West Bengal is most labour intensive with 87 persons per 100 looms while Kerala has the lowest labour complement with 49 persons. Bombay has 71 persons per 100 looms which is more labour inensive than Ahmedabad with only 65 persons. The inter-mill variations within a region are highest in West Bengal and lowest in Kerala. Bombay mills show a wider range of variation than the mills in Ahmedabad.

Region			oloyed per	-	Percentage of automa- tic looms to total
4		22 H 19.55	Simple average	Range	looms installed in the region
1	An ac	Â	2	3	4
1. Kerala 2. Madras 3. Punjab 4. Uttar Pradesh 5. Pondicherry 6. Ahmedabad city 7. Delhi 8. Rest of Gujarat 9. Bihar 10. Bombay city 11. Andhra Pradesh 12. Madhya Pradesh 13. Rajasthan 14. Rest of Maharashtra 15. Orissa 16. Mysore 17. West Bengal	सवारे	1 · · · · · · · · · · · · · · · · · · ·	49 50 51 59 63 65 67 70 71 76 79 79 81 85 86	60—77 53—89 33—97 70—82 52—92 56—93 63—117 	23·6 50·0 18·2 1·1 24·5 5·6 42·5 1·4 1·2 7·8 6·0 2·4 0·0 0·5 0·0 29·1 5·6
Costed U	nits	•	65	33—92	

From the above table it is also clear that there is no direct relationship between the labour complement and installation of automatic looms in a region. Mysore, for instance, with about 29 per cent of its capacity as automatic looms, has the second highest labour complement. Kerala, on the other hand

has only 24 per cent, and yet has the lowest labour complement. Again, Ahmedabad with a lower percentage of automatic looms, is less labour intensive than Bombay. An explanation given for this is that the number of auxiliary aids for a weaver who is supposed to attend to 12 automatic looms are higher.

5.3.3. Labour complement and size of mills.—As in our study of labour complement in the spinning sections we have also attempted a study of labour complement (as given below) in relation to size in the weaving sections of the industry. A correlation, if any between the two would establish the fact that the labour complement required would vary with the size of the manufacturing unit. This study is based on a random sample of 131 units (46 per cent of the total number composite mills) covering different capacity classes from all regions for which labour data in the weaving and preparatory departments per 100 looms were available:

Capacity class	No. of units			d in we	oyed per 10 eaving and lepartment	prepara-
			Simpl avera		Rang	ge
	A	В	जयनेA	В	A	В
1. Upto 500 looms	46	12	73	67	36—135	4283
2. 501 —1,000	48	11	69	68	45—95	4592
3. 1001 —1,500	20	3	71	60	43—90	43—90
4. 1,501 —2,000	10	3	68	6 8	50—83	56—8 3
5. 2,001 —2,500	5	2	59	46	33-91	33—58
6. 2,501 —3,000	2		65		54—76	
-	131	31				

A-relates to sample.

B-relates to costed units.

From the above table it is found that mills, having upto 1500 looms, which class represents more than 75 per cent of the country's loomage, have the highest labour complement. Among these the least economical in respect of labour employed are the small mills having upto 500 looms which represent 15 per cent of the total capacity. This class constitutes a good percentage of the capacity in Kerala (100%), Rajasthan (79%), Madras (54%), Rest of Gujarat (42%), Mysore (34%), West Bengal (33%) and Bihar (30%). Within it, West Bengal, Mysore, Rajasthan and Bihar suffer from high labour requirements, while Kerala and Madras carry lowest labour complement. From the point of view of labour complement the two advantageous sizes appear by and large to be mills with 1501 to 2000 looms and those with 501 to 1000 looms. The former size is not common in most of the regions except Delhi where 44 per cent of the regional capacity is represented by this size group. Mills with 501 to 1000 looms account for a fair percentage of regional capacities in Andhra Pradesh (100%), Orissa (100%), Punjab (74%), Bihar Ahmedabad (69%), and rest of Gujarat (58%). But even in this Group only Punjab, Ahmedabad and the rest of Gujarat have derived the advantage of low labour complement.

5.3.4. Average labour complement.—Similar to the average labour complement calculated earlier for the spinning sector, the average labour complement has been estimated in respect of the weaving sector and it works out to 69.75 persons per 100 looms. The range of variations is from 32.57 to 135.00 persons per 100 looms. Out of 246 mills, about 115 employ more than the average of 69.75 persons. They are concentrated in the class having labour complements between 69.76 and 92.00 persons per 100 looms. A table showing frequency distribution of mills (classified according to number of persons employed per 100 looms) is given below:

Persons employ per 100 looms		No. of mills	Persons empl per 100 loom			No. of mills
Below 42.01		8	92·01 to 102·00			10
42 · 01 – - 52 · 00		20	102·01 to 112·00			2
52 · 01 62 · 00		38	112.00 to 122.00			1
62 · 01 72 · 00		81	122.01 to 132.00		-	Ī
72.0182.00		52	132.01 to 142.00			ī
82 · 01 92 · 00		32		-	-	
	 					246

- 5.3.5. The Bombay section of the industry has considered as normal a labour complement of 68 persons per 100 looms for coarse and medium fabrics and 66 persons for fine and superfine fabrics. An average of 67 persons per 100 looms may be taken for all varieties. It is found that the actual average labour complement in the industry is higher than the standard mentioned for Bombay though the difference is much less than in the case of spinning mills. From an analysis of the data of the 246 mills it is seen that about 100 mills work with 67 persons or less. Therefore, judging by the standards set by the industry, nearly 60 per cent of the mills seem to be working with higher labour complements.
- 5.4. The study is of interest as it can be used to analyse the labour complement in the units selected for costing. Their pattern of labour employed is shown in the earlier tables for comparison with the relevant overall figures. While on the one hand their conformity to the overall pattern shows that the sample is representative, the fact that some of them also carry high labour complements indicates how far the projected price formula may carry a higher element of labour costs, which must eventually go down with progress of rationalisation.



CHAPTER VI

RATIONALISATION

- 6.1.1. The fundamental implication of rationalisation in its reference to industry is the elimination of waste both in effort and material. The ultimate purpose 6.1. Implication of rationalisation. of it is to economise costs in the production processes. The achievement of these objectives depends not only on the adoption of certain specific measures. but also on a re-orientation of the mental approach to business. Rationalisation is therefore, both an attitude and a process. Among other things rationalisation would involve scientific utilization of labour through an accurate study of work-loads and working conditions. The immediate problem in India in this respect consists of proper assignment of work to labour on the basis of the existing machinery rearrangement of work-loads on the installation of modern machinery. In other words, there ought to be rationalised work-loads accompanied by improved working conditions.
- 6.1.2. In India the following guiding principles for the adoption of rationalisation were laid down by the Fifteenth Session of the Indian Labour Conference in 1957:
 - 1. There should be no retrenchment or loss of earning of the existing employee, that is, the existing complement should be maintained barring cases of natural separation or wastage.
 - 2. There should be an equitable share of gains of rationalisation as between the community, the employer and the workers.
 - 3. There should be a proper assessment of workloads by experts mutually agreed upon and also suitable improvements in working conditions.
- 6.1.3. The Textile Enquiry Committee (1958) has pointed out that reduction of labour through natural wastage is a long term process and to make rationalisation depend entirely on such reduction would not yield sufficient benefit to the industry particularly in these centres where the margin of

excess labour is large. It suggested therefore the appointment of rationalisation committees for creating the preconditions for any scheme of rationalisation. The Wage Board on the Textile Industry endorsed the above suggestion. The Textile Commissioner has stated that a Committee on Rationalisation has been set up with regional committees. It is expected to act as liaison between labour and management. The Working Group of the N.I.D.C. was of opinion that the natural wastage of labour would offer only minimum scope for rationalisation. It would be of the order of 15 per cent of the total labour force during a six year period. Where a greater measure of rationalisation was involved the Working Group suggested compensation by agreement for retrenched labour. It also recommended licensing of new capacity in place of units which should be scrapped voluntarily or compulsorily so as to facilitate absorption of surplus labour. But as a general principle it was not in favour of confining such allocation only to areas of surplus labour as such a policy would ignore the efforts already made elsewhere by the industry in rationalising and reducing its labour complement.

6.1.4. The Federation has in its written memorandum pointed out that since lack of finance, including foreign exchange, is a limiting factor the process of rationalisation must be slow and as such there may not actually be much unemployment due to this. Besides, those mills that are working two shifts may employ more labour by working third shift continuously after modernisation. In view of all these considerations the Federation has pressed for some elasticity particularly in respect of the cotton textile industry in the adoption of the conditions laid down by the Fifteenth Session of the the Indian Labour Conference because of the imminent need for modernisation. Otherwise there would be no incentive for rehabilitation and modernisation of the industry. It feels that unless the mills are permitted to reduce labour by payment of retrenchment compensation it may not be worthwhile to modernise at high capital cost. It has also stated that the existing opposition to the installation of automatic looms is not reasonable. Any little unemployment that may result from such steps would be more than compensated by higher wages. According to the Federation unless a liberal and realistic attitude is adopted about the profitability rationalisation there is not much scope for its progress.

- 6.1.5. According to the Textile Commissioner the "decasualisation" scheme which is in operation in some centres offers scope for rationalisation with the co-operation of labour, as labour rendered surplus in some mills is pooled together for employment in other mills in the same centre.
- 6.1.6. The industry complains that even where working conditions have been improved, there has been resistance by labour to the adoption of rationalised work-loads, while labour representatives aver it is not so and the unsympathetic attitude and lack of efficiency of management hold back proper rationalisation. Workers' representatives urge that work-loads are inequitable, managements do not create proper working conditions and despite larger profits as a result of sizeable economics, adequate benefits have not been passed on either to labour or to consumers.
- 6.1.7. The Working Group of the N.I.D.C. indicated that the unit labour costs in India were very high as compared to the U. K. and Japan. The Federation has pointed out that labour cost has increased further owing to the implementation of the Award of the Wage Board, the incidence of which exceeds Rs. 14 crores or 3 per cent of costs. It has stated that the wage cost per unit of output in India is perhaps the highest in the world. The Wage Board had emphasized that minimum standards of work-loads should be achieved and be integrated with the grant of higher wages. The Federation has pointed out that while higher wages have been granted not much progress has occurred in the realisation of scientific work-loads. As a consequence productivity is at its lowest as compared with countries like Japan, U. K. and the U. S. A. The representative of the I.N.T.U.C. however urged that the labour norms were as high as they could be in Bombay and Ahmedabad in the present context of working of plant and machinery and contended that management efficiency left scope for improvement.
- 6.2.1. Rationalisation has not made much headway so far. The higher production targets for the Third Plan which 6.2. Scope for necessitate expansion of both spindleage rationalisation in and loomage in the industry should now the Third Plan. offer greater scope for effecting proper rationalisation. There is a mistaken belief among some that only the installation of automatic machinery constitutes rationalisation. Based on this apprehension labour too holds the

view that rationalisation would spell unemployment. Rationalisation involves improved techniques which, while they would be labour-saving in the sense of reducing fatigue, need not necessarily cause unemployment. By elimination of wasteful utilisation of labour, without reducing the overall labour complement, higher productivity and larger output could be achieved.

6.2.2. Rationalisation in the wider sense is inseparable from productivity. We have seen the interesting report of the Productivity Team of the National Productivity Council on the Cotton Textile Industry. Many useful suggestions have been made in that report which remain to be implemented even by the more progressive units in the industry. The correct attitude towards productivity is not merely to assign heavier work-loads but to carry out machine assignment on proper job evaluation. The management must lead in the productivity drive and be prepared to share the fruits with labour. Work studies, schemes for rewards and simplification of schedules would help productivity. Above all, in Indian conditions what is needed to get more output from labour is improvement in the structure and layout of machine mechanisation of handling, proper atmospheric control for healthy working, preventive maintenance to avoid breakdowns interrupting production, etc. efficiency needs to be helped by preparation of proper plans, quality control of output and helpful budgetary control to avoid wastes. All this will be in addition to introduction of new production machinery and techniques like use of standard mixings, big hoppers, one process blow-room, stripping in cards, installation of high speed warping and winding machines and improvements in looms. The Team has also impressed upon the industry the advantage of giving training to workers and setting up a productivity centre for giving advice to mills. The representative of Machinery Manufacturers' Association who headed the productivity team has estimated that it would be possible to step up production of textiles with the existing machinery by 10 to 15 per cent.

CHAPTER VII

FINANCIAL POSITION

- 7.1.1. A principal term of reference requires us to examine the capital structure of the industry, investments and fair return thereon, bearing in mind 7.1. Scope of the need for continuous rehabilitation study. modernisation. While we shall deal with the question of return when considering fair prices, we will now attempt a survey of the financial position of the industry with a view to assessing the adequacy and deployment of reserves not only for regeneration and modernisation of production assets but also for raising output. For such a study we have considered it advisable to use the data collected by regular agencies doing such surveys periodically like the Reserve Bank (R.B.I.). We have also assessed the position of 39 of the 43 costed mills for which proper data could be gathered. Besides, the accounts of a large number of other mills, which have furnished their balance sheets and profit and loss accounts, have also been studied.
- 7.1.2. A study of the finances of the cotton textile industry for the period 1956-60 has been undertaken with the help of information obtained from two sources. The principal source is the R.B.I. analysis of the finances of 211 selected companies in the cotton textile industry. The second is the study made by the Federation in connection with our inquiry covering 294 companies. The R. B. I's coverage of 211 companies as measured by the percentage of their installed capacity to the total capacity of the industry as on 1st January 1961 worked out to 64.3 per cent of total spindleage and 71.2 per cent of total loomage. The coverage of 294 companies included in the Federation's study accounted for 81.7 per cent of installed spindleage and 83.2 per cent of loomage in 1959. The coverage of 39 costed companies worked out to 12.4 per cent of the total spindleage and 12.9 per cent of total loomage in the industry in 1961. In study of trends and growth the base year assumes great importance. For the study undertaken we have adopted 1956 a comparatively normal year, as base and prepared indices thereon.

7.2.1. Income.—The following table presents the income derived by the mills from cotton textiles:—

	(Rs. in crores)
(Index	: Base year $1956 = 100$)

			Sales	income	of mills	from Co	tton Text	iles
Ye	ar		R.B.J.'s 2		Federati 294 comp		39 comp. (selected costin	for
			Amount	Index	Amount	Index	Amount	Index
1955.			373	99	426	95	N.A.	N.A.
1956.		•	378	100	448	100	77-3	100
1957.	•		381	101	449	100	76.9	99
1958.			399	106	467	104	81 · 1	105
1959.			437	116	517	115	89.5	116
1960.	•		481	127	N.A.	N.A.	102 · 2	132

(N.A. - Not available)

The trend has been one of steady improvement in sales income. The growth in income gathered momentum from 1958 due to improvement in output and rise in cloth prices.

7.2.2. Expenditure.—A rising trend in expenditure (cost of production) may be observed from the table below:—

(Rs. in crores)
(Index: Base year 1956=100)

			Ex	penditu	re of cott	on tex	tile mills	
Yea	r		R.B. I.'s 2 Companies		Federation 94 Compa		39 co (selected ting	
			Amount	Index	Amount	Index	Amount	Index
1955.			334	90	385	87	N.A.	N.A.
1956.	•		374	100	444	100	76.78	100
1957.			394	106	465	105	79.49	104
1958.			387	104	457	103	80 · 77	105
1959.			403	108	483	109	86.71	113
1960.	•	•	463	124	N.A.	N.A.		131

Expenditure recorded a slight fall in 1958 due to lower production consequent on accumulation of stocks. This trend was reversed from 1959 onwards.

7.2.3. Elements of cost of production

7.2.3.1. The major expenditure items recorded, on the whole, a continuous rise during the period under review as may be seen from the table on the next page. There are, however, considerable divergences with regard to individual cost items. The index numbers for the important cost items show comparable trends.



Elements of cost of Production of cotton textile mills

										in in	Rs. in crores. Index : Base	ics. Se year	Rs. in crores. Index: Base year 1956=100	00
	Year		Raw materials and manufa- cturing ex- penses	erials nufa- ex-	Salaries and wages	s and	Other over- heads	ver-	Interest	rest	Depreciation	ation	Total cost of production	ost of tion
			Amount Index	ndex	Amount]	Index	Amount Index Amount Index		Amount	Index	Amount Index Amount Index	Index	Amount Index	Index
	_		7	m	4	5	9	7	80	6	01	Ξ	12	13
A. For R.B.I.'s 211 Companies	8.L's 211	Com	panies.		₁ zui		舞儿							
1955	•	•	217 (65·0)	90	88 (26-3)	90	15 (4.5)	8	3 (0·9)	87	(3·3)	96	334 (100·0)	90
1956	•	•	242 (64 · 7)	100	98 (26·2)	200	18 (4·8)	100	(I-1)	9	12 (3·2)	100	374 (100·0)	8
1957	•	•	258 (65·5)	107	102 (25.9)	<u>5</u>	18 (4·6)	100	6 (1·5)	151	10 (2·5)	68	394 (100·0)	106
1958		•	248 (64·1)	103	104 (26·9)	106	19 (4·9)	102	7 (1·8)	185	9 (2·3)	80	387 (100·0)	<u>\$</u>
1959	•	•	255 (63·3)	105	110 (27·3)	113	20 (5·0)	107	7 (1.1)	184	11 (2·7)	96	403 (100·0)	108
1960		•	292 (63·1)	121	124 (26·8)	126	(4·8)	122	7 (1·5)	194	18 (3·8)	151	463 (100·0)	124

			-		74	m	+	8	16	-	æ	٥	01	==	12	13
m	For Fee	derati	om's 2	200	For Federation's 294 Companies											
	1955		• .	•	242	98	≅ (3	86	25	81	4 8	87	13	8	385	87
	1956	•	•	•	5 28 F	100	(7-97) (113	8	5 86	8	; ; ;	001	ο • Σ •	100	3 2 2 4 3 3 4 3	100
	19957	. •	. •	. •		106	(5.2) 117	5	<u> </u>	105	(i.e)	143	(3.F) (3.F)	\$	465	105
	1958	•	.•	•		100	(7.C) 118 188 18	105	(A)	100	رن و و و	175	(2) (2)	76	(186.U) 457	103
	1959	•	•	•	394 (62:3)	901	(25.8) 128 (26-5)	113	(6-6) (6-6)	114	5 5 6 6 6	179	2 2 5 5 5 5 5 7	92	(100.0) 483 (100.0)	109
υ	For 39.	Gomi	panies	setec	C. For 39 Companies selected for costing.	sting.	नयने				100					
	1956		•	•	50.43	100	19.85	160	3.72	160	0.91	8	1.87	91	76.78	100
	1957		•	•	52.25	103	888 888 888	103	186 2003	88	98°	143.	2.4 2.13 3.13	114	79.49 29.49	104
	1958	•		•	\$2.57 (65.57)	इ	22.33	108	9.7.5 e.m.5	8		169	2.5 28.5	<u>\$</u>	86.75 86.75	105
	1959		•		86.95	113	25.25 25 25.25 25 25 25 25 25 25 25 25 25 25 25 25 2	112	3.61	76	1.58 2.83	174	7.7.5 54.5	131	86.71 86.71	113
	1960	•	•	•	88.8 8.63.9 4.63.9	132	8.25 9.25 9.25	125	4°.4 48€	107	1.67	18 4	3.22	172	(186.0) (186.32) (186.0)	131
															(2.22)	

Note: Figures in brackets indicate percentages of each element of toos to total expenditure.

- 7.2.3.2. Raw materials and manufacturing expenses accounted for more than 60 per cent of total expenditure. This item, according to R. B. I., showed an increase of 7 per cent in 1957 and after recording a slight decline in 1958 and 1959 it rose in 1960 to 21 per cent over the 1956 level. In the case of costed companies the data showed that there was a continuous rise under this head which in 1959 was 13 per cent and in 1960 was 32 per cent over the 1956 level. Rising prices of cotton, including larger imports, mainly accounted for this trend.
- 7.2.3.3. With regard to salaries and wages, an item which represents a little over 25 per cent of the total expenditure, there is greater similarity in the upward trends. The R. B. I. data showed an increase of 13 per cent in 1959 and 26 per cent in 1960 while for the costed companies the trend is almost identical. The rise is largely due to the implementation of the Wage Board Award during the period.
- 7.2.3.4. A significant development is the big leap in interest charges—a near two-fold rise—due to a larger share of working capital financed from borrowings on account of higher output and inventories. As against this, depreciation and other overheads showed little variation till 1959. Provision for higher depreciation in 1960 was probably due to observance of statutory liability under the Companies Act and in a small measure to fresh additions to fixed assets.
- 7.3.1. Gross profits.—The financial results of the working of an industry are revealed by its profit margin—gross 7.3. Gross pro: profits (that is, profits after providing for fits and their app. interest charges and depreciation) earliest in repriations. main business as percentage of sales likeome: Judged by this criterion, 1956-60 has been a period of marked

fluctuations for the cotton textile industry as will be seen from the following table:—

entage c	fits as perce ales income	Gross Pros					
companie selected		I's 211 companies		ar	Yea		
4	3	2		l 	1		
		1	5				
N.A.	7.0	7.3	C. S.	•	•	•	1955
5.6	6.2	6.9		•	•	•	1956
0.2	0 · 1	0.8	Wi	. •	•	•	1957
()0·9	0.6	1.5		•	•	•	1958
1.7	2.9	3.6		•	•		1959
5.8	N.A.	जयते 7-5	सद्यमे				1960

High profits were earned in 1955 and 1956 on account of de-stocking; 1957 and 1958 were, however, years of considerable stock accumulation and hence lower profit margins. The position improved in 1959 and 1960. The rise in profit margin has been significant in 1960, that is, after the regulated prices were introduced.

7.3.2. Appropriations.—For a study of the appropriation policy of the industry it would be useful to express the various appropriation amounts as percentages of the annual gross profits. The table on next page shows gross profits earned by the industry and their appropriation towards managing agents' commission, tax provision, dividends and retained profits expressed as percentages of gross profits.

	G	ross prof Approriat	its in cro	percentag	ipees jes	
Items	1955	1956	1957	1958	1959	1960
1	2	3	4	5	6	7
4. For RBI's 211	companie	e s				
1. Gross profits	3 29·18 (100)	28·22 (100)	5·96 (100)	9·25 (100)	22·26 (100)	39·81 (100)
2. Managing agents' re- muneration	19	14	27	19	10	8
3. Tax provisi-	20	16	253, 105	74	37	32
on . 4. Dividends .	29 29	36 29	105 109	74	43	30
5. Retained pro-	_		103	5	75	-
fits.	23	21	-141	64	10	30
B. For Federation	s 294 co	mpanies				
1. Gross profits	32·19 (100)	31· 5 9 (1 0 0)	5·87 (100)	7·80 (100)	24·02 (100)	N.A.
2. Managing	•	100				
agents' re-	10	Main Sign	3845	24	11	N.A.
muneration	19	14	32	25	11	м.д.
3. Tax provi-	30	37	117	95	35	N.A.
4. Dividends .	27	30	118	88	41	N.A.
5. Retained pro-			- 44			
fits	24	19	167	-108	13	N.A.
C. For 39 Costed	compani	es				
1. Gross pro- fits	N.A.	5·11 (100)	1·20 (100)	N.	3·16 (100)	7·82 (100
2. Managing agents' re-		,				`
muneration	N.A.	14	29	••	11	
3. Tax provi-	N.A.	36	103		27	2
4. Dividends.	N.A.	28	98	••		2
5. Retained pro-		20	20	••		_
fits	N.A.	22	-130	••	11	4:

⁽N.A.—Not available)
(N—Negligible)

It is not possible from such a short period analysis to draw any far-reaching conclusions. The comparative inflexibility of the tax provision and the maintenance of the level of dividend payments accounted for the large withdrawals from reserves that units in the industry resorted to during the lean years 1957 and 1958. On a comparison of the years 1955, 1956, 1959 and 1960 when the industry had some amounts to put by in reserves we note that the dividend policy adopted by the industry has not been one of excessive prudence. From the point of view of an old industry claiming rehabilitation on the grounds that depreciation was not adequate and profits were low, this drain on reserves for maintenance of dividends was not justified.

7.4.1. By projection we have estimated the capital em-7.4. Capital em- ployed in the industry during the period 1955 ployed. to 1960 and the results are set out below:

				M		in the n	of capita aill section of coveri	l employed or on the age of
Y	caț		-	स्था स्था	87/	RBI's 211 companies	Federa- tions's 294 companie	39 costed companies
1955				•	•	279	280	N.A.
1956						344	341	357
		•				383	380	435
1957						379	377	435
1957 1958		•						
		•				378	375	431

Note.—For purposes of this study capital employed is taken as net block plus working capital.

The estimates arrived at on the smaller coverage of 39 costed companies are on the high side as compared with those based on the wider coverage of R. B. I. and the Federation. Capital employed in the industry rose from about Rs. 280 crores in

1955 to Rs. 420 crores in 1960, that is, by 50 per cent. The large increases in 1956, 1957 and 1960 reflect mainly higher output and to some extent accumulation of stocks and consequent rise in working capital. Considering the current performance of the industry, average capital employed during 1961 and 1962 may be estimated to be of the order of Rs. 450 crores. As regards the structure of capital employed the R.B.I. analysis revealed that net block which constituted 45 per cent of capital employed in 1955 improved to 53 per cent in 1959 but declined slightly to 50 per cent in 1960.

As for financing capital employed, net worth (paid-up capital and reserves) formed the bulk throughout the six year period 1955-60. Although its share declined from 69 per cent in 1955 to 54 per cent in 1958, it recovered slightly to 56 per cent in 1959 and 1960 on account of retention of profits in the business.

7.4.2. We have received figures of average capital employed for 259 companies. The following table shows the frequency distribution of these companies and of 39 costed companies according to the size of capital employed in 1960.

Size capital e (Rs. in	mploy]	For 259 co	mpanies	For 39 co	ompanies costing
	Range	2		Nos.	%	Nos.	%
0 25			•	44	17.0	4	10.3
26— 50			•	55	21 · 2	3	7 · 7
51— 7 5		•	•	31	12 · 1	7	17.9
76—100	•		•	33	12.7	8	20 · 5
101—150	•	•	•	45	17 · 4	5	12.8
151-200	•	•	•	21	8 · 1	4	10.3
201—500	•	•	•	26	10.0	5	12.8
501 & abo	v¢	•	•	4	1.5	3	7.7
	Tor	TAL	•	259	100.0	39	100 · 0

Of the 259 companies, 63 per cent employed up to Rs.1 crore, 25.5 per cent between Rs. 1 crore and Rs. 2 crores and 11.5 per cent over Rs. 2 crores. As against this, out of the 39 costed units, 22 units or 56.4 per cent employed up to Rs. 1 crore, 9 units or 23.1 per cent between Rs. 1 crore and Rs. 2 crores and the remaining 8 units or 20.5 per cent more than Rs. 2 crores.

- 7.4.3. The relationship between capital employed and turnover is of significance when considering return on capital. During the six year period 1955-60 the average ratio of sales income to capital employed worked out to 1.66.
- 7.5.1. Gross capital formation (gross fixed assets forma7.5. Capital for- tion plus inventory accumulation) in the cotton mation. textile industry during the period 1956-60 as revealed by the analysis of R.B.I. data is detailed below:—

सन्यमेव जयन

Items	1956	1957	1958	1959	1960	Total Amount	%
I. Gross Capital Formation							
A: Gross fixed assets	23.94	24.29	18.23	18.53	24.53	109.52	68.9
(i) Land	0.25	0.07	0.08	0.12	0.27	0.79	0.5
(ii) Buildings	3.97	3.19	2.76	2.28	3.27	15.47	9.7
(iii) Plant & machinery	19.28	20.49	14.59	15.53	19.87	89.76	56.5
(iv) Others	0.4	0.54	08.0	0.60	1.12	3.50	2.2
B. Inventories.	29.04	13.58	13.58 (—)11.75 (—)7.80	()7.80	26.31	49.38	31.1
(i) Raw materials	4.04	(-)3.88	()3.88 ()7.56	10.37	7.65	10.62	6.7
(ii) Finished goods & work-in-progress	22.50	15.93		()5.70 ()18.15	17.68	32.26	20.3
(iii) Others	2.50	1.53	1.51	1.51 (—)0.02	0.98	6.50	4.1
C. Gross capital formation (A+B) .	52.98	37.87	6.48	10.73	50.84	158.90	100.0
D. Rate of gross capital formation (%)	16.8	10.3	1.6	2.6	12.0	:	:

Items							
	1956	1957	1958	1959	1960	Total Amount	%
II. SOURCES OF FINANCE	i						
A. Internal resources	20.00	20.00 (—)1.57	2.83	12.98	29.79	64.01	40.3
(i) Reserves (less investment)	11.93	(−)9.51	()5.78	3.06	13.17	12.85	8.1
(ii) Depreciation	8.07	7.94	8.61	9.92	16.62	51.16	32.2
B. External resources	32.98	39.44	3.65	(—)2.25	21.05	94.89	59.7
(i) Capital issues	3.41	2.68	3:27	1.13	1.12	11.74	7.4
(ii) Borrowings	26.61	31.67	98.0	()5.82	14.42	67 · 74	42.6
(iii) Trade dues & other current liabilities.	2.96	5.09	()0.48	4.	5.38	15.41	9.7
TOTAL (A+B)	52.98	37.87	6.48	10.73	50.84	158.90	100.0

The rate of gross capital formation which stood at 16.8 per cent in 1956 declined to 1.6 per cent in 1958, but recovered to 12.0 per cent in 1960. For the quinquennium 1956-60 which corresponds to the Second Plan period, gross capital formation for 211 companies amounted to Rs. 158.90 crores. This works out to an annual average rate of gross capital formation of 8.7 per cent. On the basis of above coverage, gross capital formation for the entire industry during the Second Five Year Plan period may be estimated at Rs. 235 crores (consisting of Rs. 160 crores of gross fixed assets and Rs. 75 crores of inventories).

- 7.5.2. Of the gross capital formation amounting to Rs. 158.90 crores for the five year period 1956-60, gross fixed assets accounted for Rs. 109.52 crores or 68.9 per cent. Plant and machinery constituted 82.0 per cent of gross fixed assets. The annual rate of expansion of gross fixed assets declined from 11.6 per cent in 1956 to 6.8 per cent in 1959 but recovered slightly to 8.4 per cent in 1960. The average rate of expansion of gross fixed assets during the five year period worked out to 8.9 per cent.
- 7.5.3. For the financing of the gross capital formation of Rs. 158.90 crores, external sources provided for Rs. 94.89 crores or 59.7 per cent, out of which capital issues amounted only to Rs. 11.74 crores or 7.4 per cent, and borrowings to Rs. 67.74 crores or 42.6 per cent. Internal resources accounted for Rs. 64.01 crores or 40.3 per cent, most of which was represented by depreciation provision. The industry resorted to borrowings on a large scale and also depended upon depreciation provision for financing gross capital formation. This was mainly due to depletion of internal resources on account of low profits in 1957 and 1958.
- 7.6.1. For facility of comparing data provided by the R.B.I. and the Federation in respect of the financial position of the industry, we attach a detailed statement on pages 69 and 70 showing both sets of figures in the form of a combined balance sheet.

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Combined Balance Sheet for the Cotton Textile Industry

(Rs. in Crores)

Capital and		Reserve	Reserve Bank (211 Companies)	11 Сотр	anies)		Indian	Indian Cotton Mills' Federation Companies)	Mills' Fede Companies)	deration es)	(294
Liabilities	1955	1956	1957	1958	1959	0961	1955	1956	1957	1958	1959
A. Paid-up Capital	79.95	83.36	86.04	89-31	90.44	91.69	87 - 66	99.78 104.84 108.16 110.62 111.96	108·16	110 -62	111-96
1. Ordinary .	67.38	70.41	67.38 70.41 72.98 74.79	74.79	75-37 76-79 83-22 88-08	62-91	83 - 22	88 · 08	66.06	93.22	94·01
2. Preference	12.57	12.95	13.06	13.06 14.52	15.07 14.90 16.56 16.76	14.90	16.56	16.76	17 - 17	17-40	17-95
B. Free Reserves & Surplus.	74-31		86-45 76-54	70-52	73.60 87.85 79.88	87.85	79.88	91 · 38	79.41	70.46	73-81
3. Capital reserve 9.23	9.23	9.40	9.72	8.87	8· 8	10 62	11.14	11.83	11.88	11 · 10	11 - 14
4. General and Other free reserves.	65.08	77.05	66 ·82	61 · 65	64 - 70	77-23	68 · 74	79.55	67 - 53	59.36	62.61
C. 5. Taxation reserve.	18·13	19.54	18-13 19-54 18-62 17-96 16-45 22-33 20-14 18-80 18-19 17-60 15-43	17.96	16.45	22 - 33	20 · 14	18.80	18 · 19	17 - 60	15-43

29·15 54·30 1·03 1·32 1·64 2·12 3·65 3·63 23·63 24·34 45·99 48·11		78·08 2·90 2·56		70.02 83.89		_	90.94	90.32	80.40
2 4	3.01 2.50 4.36 48.54				•		4.44		1
2 4	2.50 4.36 28.17 48.54			3.52	1.92	2.43	•	4.51	5.19
2 4	4·36 28·17 48·54		3.55	3.71	2.98	5.32	6.70	8 · 72	9.39
	28.17	4.54	5.24	5.40	4.71	4.77	5.41	6.03	7.14
ŀ	48.54	30.16	30-31	30.32	34.50	36.75	42.20	44 - 74	44 · 58
	49	51.32	59.78	68.59	52.34	57.35	58 · 69	95 19	72.73
2.13 3.05	3.04 40.0	2.94	50 M. S.	SSSERION	01-0				5.38
279.61 326.22		350.29	355.63	400-44	337-76	391 - 71	419.17	419.61	426.10
28.59 25.53	24.57	25.49	25.43					26.36	26.28
26.57 26.50	21.85	20.13	20.69	21 -93	23.65	23 - 33	18 · 94	16-79	17 - 32
21.14 26.27	33.15	33.75	31 · 61	31.68	24.19	29.15	35.71	36.78	34.45
23.70 21.70	20.43	20.63	22-27	23 · 49	22.62	20.76	19.55	20.07	21 -95
00.001	100.00	100 001	100 00	100 001	100 00	100.00	100 00	100 ·00	100 .00
	3 3.05 326.22 326.22 7 26.50 1 26.27 0 21.70	3 3.05 3.04 3 3.05 3.04 3 3.6.22 350.16 2 26.50 21.85 1 26.27 33.15 0 21.70 20.43	3 24.34 28.17 30.16 48.11 48.54 51.32 3 3.05 3.04 2.94 326.22 350.16 350.29 25.53 24.57 25.49 7 26.50 21.85 20.13 1 26.27 33.15 33.75 0 21.70 20.43 20.63 100.00 100.00 100.00	3.26.22 3.04.57 4.54 30.16 30.31 48.11 48.54 51.32 59.78 3.26.22 3.04 2.94 2.94 25.53 24.57 25.49 25.43 26.50 21.85 20.13 20.69 1 26.27 33.15 33.75 31.61 2 1.70 20.43 20.63 22.27 1 100.00 100.00 100.00 100.00	3.24.34 28.17 30.16 30.31 30.32 48.11 48.54 51.32 59.78 68.59 3.05 3.04 2.94 2.94 3.14 326.22 350.16 350.29 355.63 400.44 25.53 24.57 25.49 25.43 22.90 4 26.50 21.85 20.13 20.69 21.93 26.27 33.15 33.75 31.61 31.68 21.70 20.43 20.63 22.27 23.49 100.00 100.00 100.00 100.00 100.00	3.24-34 28-17 30-16 30-31 30-32 34-50 48-11 48-54 51-32 59-78 68-59 52-34 326-22 350-16 30-31 30-32 34-50 326-22 350-16 350-29 3-14 3-90 48-11 48-54 51-32 59-78 68-59 52-34 326-22 350-16 350-29 3-14 3-90 25-53 24-57 25-49 25-43 22-90 29-54 26-50 21-85 20-13 20-69 21-93 23-65 1 26-27 33-15 33-75 31-61 31-68 24-19 2 21-70 20-43 20-63 22-27 23-49 22-62 1 100-00 100-00 100-00 100-00 100-00 100-00 100-00 100-00 100-00	3.24.34 28.17 30.16 30.31 30.32 34.50 47.11 47.11 48.11 48.54 51.32 59.78 68.59 52.34 57.35 326.22 350.16 350.29 355.63 400.44 337.76 391.71 25.53 24.57 25.49 25.43 22.90 29.54 26.76 26.27 33.15 33.75 31.61 31.68 24.19 29.15 21.70 20.43 20.63 22.27 23.49 25.62 20.76 100.00 <td< th=""><th>3 24:34 28:17 30:16 30:31 30:32 34:50 36:75 42:20 48:11 48:54 51:32 59:78 68:59 52:34 57:35 58:69 33:05 3-04 2:94 2:94 3:14 3:90 5:17 5:03 326:22 350:16 350:29 355:63 400:44 337:76 391:71 419:17 25:53 24:57 25:49 25:43 22:90 29:54 26:76 25:80 26:50 21:85 20:13 20:69 21:93 23:65 20:15 33:75 100:00 100:00 100:00 100:00 100:00 100:00 100:00 100:00</th><th>24.34 28.17 30.16 30.31 30.32 34.50 36.75 42.20 48.11 48.54 51.32 59.78 68.59 52.34 57.35 58.69 3.05 3.04 2.94 2.94 3.14 3.90 5.17 5.03 326.22 350.16 350.29 355.63 400.44 337.76 391.71 419.17 26.50 21.85 20.13 20.69 21.93 23.65 23.33 18.94 26.27 33.15 33.75 31.61 31.68 24.19 29.15 35.71 21.70 20.43 20.63 22.27 23.49 22.62 20.76 19.55 100.00 100.00 100.00 100.00 100.00 100.00 100.00 100.00 100.00</th></td<>	3 24:34 28:17 30:16 30:31 30:32 34:50 36:75 42:20 48:11 48:54 51:32 59:78 68:59 52:34 57:35 58:69 33:05 3-04 2:94 2:94 3:14 3:90 5:17 5:03 326:22 350:16 350:29 355:63 400:44 337:76 391:71 419:17 25:53 24:57 25:49 25:43 22:90 29:54 26:76 25:80 26:50 21:85 20:13 20:69 21:93 23:65 20:15 33:75 100:00 100:00 100:00 100:00 100:00 100:00 100:00 100:00	24.34 28.17 30.16 30.31 30.32 34.50 36.75 42.20 48.11 48.54 51.32 59.78 68.59 52.34 57.35 58.69 3.05 3.04 2.94 2.94 3.14 3.90 5.17 5.03 326.22 350.16 350.29 355.63 400.44 337.76 391.71 419.17 26.50 21.85 20.13 20.69 21.93 23.65 23.33 18.94 26.27 33.15 33.75 31.61 31.68 24.19 29.15 35.71 21.70 20.43 20.63 22.27 23.49 22.62 20.76 19.55 100.00 100.00 100.00 100.00 100.00 100.00 100.00 100.00 100.00

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Combined Balance Sheet for the Cotton Textile Industry—(contd.)

(Rs. in Crores)

Aécote		Reserv	Reserve Bank (211 Companies)	11 Сотр	anies)		Indian	Indian Cotton Mills' Federation (294 Companies)	Mills' Fe	deration (294
212607	1955	1956	1957	1958	1959	1960	1955		1956 1957	1958	1959
G. Gross, Fixed Assets.	205.72	229.66	253-95	272 - 18	290-71	315-24	205-72 229-66 253-95 272-18 290-71 315-24 243-78 272-73 304-59 328-50 351-07	272-73	304 · 59	328 - 50	351 -07
1. Land	3.93	4.18	4.25	4.25 4.33	4.45	4.72	4-45 4-72 5-25 4-91 4-96 4-94	4.91	4.96	4.94	5.19
2. Buildings.	46.87		54.03	86.79	59.07	62.34	50.84 54.03 56.79 59.07 62.34 56.86	61 - 73	61-73 65-60	69.55	75·20
3. Plant and Machinery.		169:56	190.05	204-64	220-17	240 :04	150:28 169:56 190:05 204:64 220:17 240:04 175:39 198:54 224:16	198 - 54	224 16	242:89 261-80	261 · 80
4. Otishu	4 2	5.08	4.64 5.08 5.62 6.42 7.02 8.14	6.42	7.02	8 - 14		6.28 7.55 9.87 11.12	6.87	11.12	8.88
5. Legs: Depres: 120.28 128.34 136.29 144.90 154.82 171.44 140.23 151.93 162.74 173.08 185.16 ciation	120.28	128 - 34	136.29	144 - 90	154 · 82	171-44	140 - 23	151-93	162 - 74	173 · 08	185-16
H. Net' Fixed Assets.		101 332	117.66	127 28	135.89	143:80	85-44 101-32 117.66 127-28 135-89 143-80 103-55 120-80 141-85 155-42 165-91	120 ·80	141 ·85	155-42	165-91

I. Stocks and stores 108.87 137.91 151.49 139.73 131.95 158.25 127.41 162.20 178.52 163.71 155.52	108 ·87	137-91	151-49	139.73	131.95	158-25	127-41	162.20	178-52	163.71	155-52
6. Raw materials	44.88	48.92	45:04		47.85	55.50	36.56	55-91		52.28 40.98	52.40
7. Finished goods and work-in progress.	46.59	60.69	85.02	79.32				83 - 39		95.99	
8. Offiers	17:40	19-96		212:93	21-43 212-93 22-93 23-90 19-90	23.90	19-90	22.90	25:16	26:74	27.40
J. Recaping bles	33-95	40.76		40-41 43-21	49-52	49.52 57.38	42.95	52.54	51.76	55-87	61.23
K. Investments .	17-14	17.35	16.95	16.72	16-73	17.81	24.74	24.71	23.19	22.86	21 - 67
L. Advance of In- come-tax.	11.93	12.14	13-23	11.30	8.67	NISZUKSC	10-52 13-11	10.49	12 · 17	10.18	8.36
M. Other Assets	1.84	1.85	1.40	1.55	1.53	1.77	0.36	0.35	0.33	0.38	0.48
N. Cash and Bank balances	20.44	14.89	9.05	8.90	11.34	11.34 10.91 25.64	25-64	20.62	11-35	11.19	12.93
9. Fixed deposits	4.53	2.28	1.19	1 · 84	1-14	68.0	6.63	5-47	2.35	2.68	3.24
10. Other balan-	14.41	10.83	6.34	6.44	8.47	8.02	17-13	13-01	7.19	9-65	19.1
11. Cash-in-hand	1.50	1.50 1.78		1.49 1.62	1:73	2.00	1.88	1:73 2:00 1:88 2:144 1:81	1.81		1.86 2.02
GRAND TOTAL .		279-61 326-22 350-16 350-29 355-63 400-44 337-76 391-71 419-17 419-61 426-10	350.16	350.29	355-63	400-44	337 - 76	391.71	419.17	419.61	426.10

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36.50 38.94 s 9 19.47 1959 100.00 (Rs. in Crores) Indian Cotton Mills' Federation (294 1958 37.04 39.01 5.45 18.50 100.00 100.00 Companies) 1957 33.84 42.59 18.04 5.53 Combined Balance Sheet for the Cotton Textile Industry—(contd.) 30.84 41 - 41 100.00 100.00 100.00 100.00 100.00 100.00 100.00 100.00 100.00 21.44 6.31 1956 39.89 37.10 39.51 37.72 30.66 7.32 24.30 1955 20.14 35.91 4.44 1960 4.70 38-21 19.99 1959 Reserve Bank (211 Companies) 36-33 4.77 19.01 1958 43.26 33.60 4.84 18.30 1957 31.05 42.23 5.32 21.40 1956 38.93 30.55 6.13 24.39 1955 Percentages to the total: I. Not Fixed As-IV. Other current assets. II. Inventories III. Investments TOTAL Assets

- 7.6.2. The total gross assets of the 211 companies covered by R.B.I. increased from Rs. 400 crores in 1955 to Rs. 571 crores in 1960, that is, by 43 per cent. Their total net assets recorded an increase of about 43 per cent from Rs. 280 crores in 1955 to Rs. 400 crores in 1960. Net fixed assets improved from Rs. 85 crores in 1955 to Rs. 144 crores in 1960, that is, by 68 per cent. Current assets, on the other hand, slightly declined in importance, although they still represented nearly 60 per cent of total net assets. Investments outside showed continuous downward trend from 6 per cent in 1955 to 4 per cent in 1960. Cumulative appropriations for depreciation stood at Rs. 171 crores at the end of 1960, that is, about 54 per cent of gross fixed assets.
- 7.6.3. On the liabilities side, net worth improved by 17 per cent from Rs. 154 crores in 1955 to Rs. 180 crores in 1960, but as a percentage of total liabilities it dropped from 55 per cent in 1955 to 45 per cent in 1960. Borrowings, on the other hand, went up from 21 per cent in 1955 to 32 per cent in 1960. Though banks continued to be the important lender the industry has been able to obtain increasing help from the I.F.C. and N.I.D.C.
- 7.6.4. The I.F.C. has informed us that since the setting up of the N.I.D.C. loan applications to it from textile units have declined. Loans sanctioned by the N.I.D.C. during 1955-61 were about Rs. 14.5 crores. In addition, about Rs. 1.5 crores have been sanctioned as loans by State Finance Corporations. Compared to the financial help for the industry expected from such bodies, as assessed by the Working Group (1960), this is a bleak prospect.
- 7.6.5. The trends observed from our study are that since 1955 (a) gross as well as net fixed assets have risen substantially by 53 and 68 per cent respectively; (b) depreciation accumulations have grown by 42 per cent; (c) the level of free reserves has been maintained and has risen in 1960; (d) other investments have not changed materially; (e) inventories have gone up since 1955 without corresponding rise in output; and (f) total borrowings have more than doubled, particularly bank borrowings. As the issue of share capital has not been significant, the industry appears to have met its increased capital requirements primarily from borowings; and it has still substantial resources available from reserves, as less than a moiety of depreciation accumulations seems to have been ploughed back.

- 7.7.1. We have referred in paragraph 7.3.1. to the profit margin as a percentage of the sales income. There are other ratios of equal practical importance for 7.7. Rates of ret- measuring the profitability of a company. urn earned by the The ratio of gross profit (i.e. profit including indutry. managing agents' remuneration and taxation excluding interest charges and depreciation) to capital employed (net block plus working capital) and the ratio of gross profit to gross block are also indicators. The ratio of net profit (i.e., profit after providing for managing remuneration and taxation) to net worth measures the profitability of equity capital. In addition, the ratio of dividends to net worth shows the actual return earned by share holders. The several ratios are not strictly comparable over time in view of (i) the different methods of depreciation adopted by companies, (ii) the various modes of raising capital required for running the business (i.e., whether the business is run mostly with borrowed capital or on own funds), (iii) differences on account of type of management that is, whether managed by Managing Agents, Secretaries and Treasurers or by Board of Directors etc., and (iv) changes in the system of corporate taxation from time to time. Another measure of profitability for inter-company or inter-industry comparisons will be the return on total net assets which is indicated by the ratio of gross margin to total net assets employed in business.
- 7.7.2. The following statement sets out the rates of return earned by the industry during the period 1955-60 as measured by the various ratios mentioned above. For the sake of comparison, the rates of return earned by 1001 selected companies in all industrial groups covered by R.B.I. have been included in the statement. The trend of these ratios for the cotton textile industry was the same as noticed in profit margin on sales income referred to earlier. There was a setback in 1956 and 1957. The next two years were marked by recovery and in 1960 the level of 1955 was almost reached.

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Statement Showing Rates of return earned during the Years
1955 to 1960

Items	Year	For 211 compa- nies (R.B.I.)	For 294 compa- nies (Fe- deration)	For 39 costed compa- nies	For 1001 companies in all industrial groups (R.B.I.)
		%	%	%	%
I. Return on total net assets:					
	1955	16.4	15.5	N.A.	13.5
	1956	13.6	13.0	13.3	12.4
	1957	5.7	5.0	5.4	10.0
	1958	16.8	5.8	4.3	10.5
	1959	10-1	9.3	8.5	12.5
	1960	16.0	N.A.	14.2	13.5
II. Return on ca- pital emplo- yed:					
•	1955	14-5.	13•1	N.A.	12.8
	1956	स्योग	न्यते 9.8	9.7	11.4
	1957	1.1	0.1	0.3	7.7
	1958	2.4	1.0	(—)1•5	8-1
	1959	6.1	4.8	2.8	10.4
	1960	12.6	N.A.	9.9	11.0
III. Return on gross block:					
·	1955	13.3	12.3	N.A.	12.5
	1956	11.3	10.1	9.8	11.5
	1957	1.1	0.1	0.3	7.6
	1958	2.2	0.9	(—)1.4	7.7
	1959	5.4	4.2	2.6	9.6
	1960	11.4	N.A.	9-4	10.2

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Statement Showing Rates of return earned during the Years 1955 to 1960

Items	Year	For 211 compa- nies (R.B.I.)	For 294 compa- nies (Fe- deration)	For 39 costed compa- nies	For 1001 companies in all industrial groups (R.B.I.)
IV. Profit margin on sales:	%	%	%	%	
	1955	7.3	7.0	N.A.	8.2
	1956	6.9	6.2	5.6	7.8
	1957	0.8	0.1	0.2	5.5
	1958	1:5	0.6	()0.9	5.8
	1959	3.6	2.9	1.7	7.2
	1960	7.5	N.A.	5.8	7.4
V. Return on net Worth:			P		
	1955	10.2	9.7	N.A.	8.9
	1956	8.0	6.9	6.5	8 · 1
	1957	()3.5	()5·1	()5·1	4.7
	1958	()1·8	()4·1	()7.5	5.6
	1959	3.6	ते 2∙4	2.4	7.1
	1960	12.6	N.A.	11.5	9.6
VI. Dividend as percentage of networth:					
	1955	5-4	4.9	N.A.	5 • 2
	1956	4.9	4.8	4.3	5.2
	1957	4-0	3.7	3.7	4.9
	1958	4.1	3.8	4.5	5-1
	1959	5.8	5.2	5.4	6.5
	1960	6.6	N.A.	5.9	6.7

^{7.7.3.} From the ratios for all industries, it is evident that the experience of the cotton textile industry was not unusual. The overall ratios for all industries also suffered a decline during 1956 and 1957, from which they gradually recovered

to the level of 1955 during the next three years. The years 1957 and 1958 were bad for the textile industry. But since 1959 the profit trend improved and the general results have been better for cotton textiles than for all industries as a whole.

7.7.4. The following table shows the frequency distribution of companies according to the rate of return earned on average capital employed during 1960 and is worked out on the basis of data furnished to us by 246 companies:—

Range of rates of re capital employ		ao			Numbe compa		Percentage
Less than (—)10	•	. 5	grang)			7	2.8
()10 to 0.	1	234	28)			19	7.6
0 to 4 .	16					57	23.2
4 to 10 .					•	44	17.9
10 to 20 s		THE		W.	•	75	30.5
20 to 30 .	·.	14	y 4.6	3	•	24	9.8
30 and over .	. 1			23A	•	20	8.2
	1		87			246	100.0

Out of these, 26 companies or 10.4 per cent showed negative rates of return because of losses incurred during the year; 57 companies or 23.2 per cent earned low returns ranging between 0 and 4 per cent and 44 companies or 17.9 per cent earned returns varying between 4 and 10 per cent. The largest number of companies (75 companies or 30.5 per cent), however, fell in the group 10—20 per cent. As many as 44 companies or 18 per cent showed high profit ratios i.e., over 20 per cent, of which 20 companies recorded returns above 30 per cent.

CHAPTER VIII

REHABILITATION

- 8.1.1. The cotton textile industry stands in need of rehabilitation owing to the severe strain it had to undergo over a long period particularly during the second 8.1. Need for re- World War and immediately thereafter, when habilitation. even well-managed mills found it difficult to obtain the necessary spare parts and components required for proper maintenance of machinery. Independent bodies which had investigated the conditions of the industry such as the Working Party for the Cotton Textile Industry (1952) and the Working Group of the N. I. D. C. (1960) had given it as their verdict that the unsatisfactory state of the industry was the result of neglect by large sections regarding maintenance of machinery and their timely replacements. financial results of the industry had not been unfavourable despite fluctuations in its fortunes; but internal resources which should have been carefully garnered for replacement and regeneration of assets have not been so used but partially frittered away by way of high dividends. The industry, however, has urged before us that its proper rehabilitation has been impaired by its meagre earnings on account of its being under control over a long period. On the other hand labour organisations have contended that the funds earmarked for rehabilitation have not been properly used for this prupose. We have thus been confronted with conflicting claims.
- 8.1.2. The necessity for rehabilitation has to be considered as a problem affecting the economy and output of an essential industry independently of the criticism of the performance of large sections of it. A study of the accounts of some of the larger units shows satisfactory trends. Many of them have since 1948 greatly expanded their capital investment and output. Apart from increasing share capital and/or debentures they have ploughed back their reserves into the industry in the shape of fixed capital assets. Side by side the requirements of working capital which have increased with larger production have been met; profit levels have also been maintained. The large extent of replacement of assets which

has taken place over the last fifteen years has been achieved not merely by the installation of completely modern plant and machinery with better output and operating economies, but also by judicious modifications and alterations of the existing plant and machinery so as to improve them. The latter which is a process of 'continuous rehabilitation' has been adopted by a large section of the industry. Substantial expansion has also taken place by way of establishing new spinning mills and by expanding composite mills so as to avoid imbalances.

8.1.3. The cotton textile industry in India consists several establishments of varying levels of efficiency. It is stated that there are as many as 100 units which are uneconomic owing to their out-dated equipment. Their sustenance in the present conditions is a greater burden on society in the long run than the expenditure it might involve to rehabilitate them. There is also an urgent necessity to reduce cost of production in the industry by increasing productivity. The internal consumer has been bearing the burden of inefficiency through higher prices of the finished products. Further, the industry has been subjected to an export obligation the fulfilment of is feasible only by improving its overall efficiency. It is not possible to earmark only certain establishments for export purposes. All of them must be made export-minded and that would be possible only by a comprehensive scheme of rehabilitation covering export requirements also. It is also necessary to bear in mind that the initial advantages of the industry in under-developed areas owing to favourable labour costs are fast disappearing. The only method of meeting it is by increasing technical efficiency. Otherwise it would be difficult for the industry to survive in a free market when the existing foreign exchange scarcity may disappear and imports may have a tendency to flow in. The pattern of our export trade is also undergoing a change and with the disappearance of special treatment that India has enjoyed in some foreign markets the industry may be unable to withstand competition unless it sets its house in order. Finally, the raw cotton position within the country has also not been very encouraging during recent years. If the internal deficiency is to be made up by imports the industry must be prepared to face higher raw material costs. Therefore, unless the industry is in a position to make an efficient use of imported raw materials and reduce its conversion costs it would be priced out of external markets.

- 8.1.4. The Working Group estimated that the industry, if its equipments were new, might need about Rs. 800 crores for its normal rehabilitation and modernisation. This estimate had to be scaled down to make it conform to the possibilities of a planned rehabilitation of the industry during the Third Five Year Plan. The Working Group's estimate. of the cost of rehabilitation and modernisation of the industry were based on data furnished by the mills and by the Cotton Textile Loan Advisory Committee of the N. I. D. C. It also had the benefit of the estimates made by the Standing Committee on Textile Based on these data the Working Group estimachinery. mated the requirements for rehabilitation, which would involve a minimum amount of modernisation, at Rs. 180 crores. Out of this the industry was expected to raise about Rs. 60 crores, and with some further efforts it might be able to find about Rs. 80 crores in all. The balance of Rs. 100 crores would have to be found from external sources. But as the possibility of raising further equity capital was considered rather limited, this amount of about Rs. 100 crores would have to come from loans from either the N. I. D. C. or the I. F. C. In the course of our discussions the Federation has submitted that the industry over the last six years has already used over Rs. 100 crores of internal resources in raising its productive assets and that it now stands in need of Rs. 250 crores for rehabilitation over the next few years.
- 8.1.5. Rehabilitation requires new equipment and this may either be secured from indigenous manufacturers of textile machinery or be imported. But the internal availability is limited by the capacity of the indigenous machinery industry which in turn depends for about 25 per cent of value of its output on critical imports. The Working Group calculated that it would be necessary for the cotton textile industry to import from abroad equipment for rehabilitation to the tune of Rs. 60 crores. To that extent foreign exchange would have to be found for this industry.
- 8.1.6. According to the Textile Machinery Manufacturers' Association the requirement of cotton textile machinery during the Third Plan period would be of the order of Rs. 281.35 crores, that is Rs. 131.07 crores for rehabilitation and Rs. 150.28 crores for expansion. The licensed capacity for machinery manufacture is Rs. 33 crores per annum which is likely to rise to Rs. 44 crores by 1965-66. Production which

was only about Rs. 13 crores in 1961 may rise three-folds by 1966 and during this period textile machinery worth Rs. 130 crores might be produced. But this depends on importation of a large number of components not yet made in the country the value of which will exceed 20 per cent of the value of machinery produced. Despite the industry now being able to produce new items like blow room equipment, speed draw frames, high draft conversion system, combers, automatic looms, dobbies, drop boxes, pneumafils, etc. and even. some processing machinery, the availability will be less than one half the overall requirements of the textile industry. At present textile machinery worth Rs. 20 crores is imported every year and if there is a cut in imports on account of foreign exchange shortage the pace of rehabilitation may slow down. These circumstances must be kept in mind when determining the finance necessary for rehabilitation.

- 8.1.7. We have made a careful assessment of the above estimates and we consider that the extent to which rehabilitation can be financed and carried out during the Third Plan period will not exceed the Working Group's estimate and might even be at the lower level of Rs. 130 crores envisaged by the Committee of Experts (Natu Committee) which recently went into this question.
- 8.2.1. The Federation is of the view that as internal resources, namely, reserves and depreciation, would not be suffise. Element in cient, a major part of the financial requirements price for rehabilifor rehabilitation should be found by means tation. of loans. The industry might have to carry the loan burden until it is able to wipe it off by its subsequent performance. The Federation, therefore, expects a liberal attitude in the polily of the Government in respect of price determination and return for the industry. It considers that the return should be such as to provide not only for the interest on these loans but also for their amortization over a reasonable period of time. The Federation has therefore, suggested that there should be a special element in the price to augment its resources for rehabilitation.
- 8.2.2. As regards depreciation, the Federation has offered its opinion in respect of the basis for calculating it as an element of cost. It has suggested that in respect of machinery which has still some economic life left, depreciation should be calculated on the replacement cost basis and the amount required spread over the residual useful life of the machinery.

In respect of the obsolete machinery it has suggested that the difference between replacement cost and the original cost must be spread over a number of years. For the sake of convenience the five years of the Third Plan are taken as a suitable period for spreading out the difference. If the amount of depreciation calculated on the above basis is in exceess of the amount admissible under the Income-tax Act, the taxable portion should be allowed after grossing it up for taxes. It is recognised by the Federation that these suggestions may encounter certain practical difficulties in their implementation, since the various units in the country differ in respect of their equipment. Accordingly it has suggested as an alternative, that the average remaining life of the entire block of the industry be taken as 12 years and the replacement price of the equipment spread over on the straight line method. The amount thus arrived at should be added as an element of cost. The Federation emphasises that the incidence of this alternative method may be relatively less than what it might be according to its earlier suggestion as the residual life of the equipment in the industry would in its view be much less than 12 years. It has also drawn our attention to the fact that the financial burden of its proposals would be very much less than under the method recommended by the National Council of Applied Economic Research in their publication entitled 'Replacement Cost in Industry'.

- 8.2.3. The Federation has suggested that all new equipment installed by the industry should not be construed as expansion. Such of the machinery that may be purchased for securing a balance between the preparatory and the spinning and weaving departments or for diversification will not constitute expansion but rehabilitation. Consequently, for the financing of such capital expenditure which should be technically interpreted as rehabilitation a special element should be included in the cost of the output.
- 8.2.4. It is difficult to make a precise distinction between rehabilitation and expansion as the former often involves an element of expansion and modernisation. Still the two may have to be kept apart as far as possible. Modernisation and some amount of expansion are generally associated with rehabilitation because when old, worn-out and obsolete machinery is replaced by new machinery, improved or modern techniques are simultaneously introduced. In some cases these may

yield increased output also. Such factors may have to be taken into account in assessing any shortfall in the depreciation provision for rehabilitation or replacement of assets.

8.2.5. So far as pure expansion of the industry is concerned for which similar financial assistance is sought the Federation has not made any commitment as it does not know what part of the additional capacity would be secured through expansion of existing units and what part through the setting up of new establishments. In any circumstances the capital cost of expansion, since it builds up new assets for the producer, must be borne by him and the incidence of it cannot be transferred to the consumer.



CHAPTER IX

DOMESTIC DEMAND

- 9.1.1. Having considered the factors which affect supply and output in the industry, we now turn to the question of assessment of demand for textile products 9.1. Consumption for the future. Cotton yarn is required for of yarn. consumption internally by the mill sector and the decentralised sector comprising of handlooms and powerlooms. The relative demand from these sectors for yarn has varied over time. While the demand from handlooms has increased in recent years owing to the impetus provided by direct State encouragement, the offtake by mills for weaving purposes has been affected by overall ceiling on cloth output. However, the total increase in yarn consumption within the country has been more than 50 per cent between the years 1951 and 1961. Consumption in the decentralised sector increased from 247 million lbs. in 1951 to 576 million lbs. in 1961 recording thereby an increase of 133 per cent. The corresponding offtake of yarn by mills during the same period rose from 987 million lbs. in 1951 to 1244 million lbs. in 1961, thus showing. an increase of 26 per cent. This has altered the relative importance in terms of yarn consumption and consequent production of cloth of the decentralised sector and the mill sector. The share of the decentralised sector in total varn consumption increased from 20 per cent in 1951 to 32 per cent in 19561. This may be taken as an indication of the success of the measures adopted by Government to sustain the decentralised sector at a fairly high level in order to increase its employment potential.
- 9.1.2. The internal availability of cotton yarn depends on internal production, exports and imports. In recent years exports of yarn have been fluctuating widely while imports are negligible. To meet the internal demand for yarn, production has been steadily on the increase and is estimated to be of the order of 2040 million lbs. in 1962. Composite mills contribute about four times as much as the output of purely spinning mills in the country. In 1962 the composite mills are estimated to produce about 1630 million lbs. and the purely spinning mills 410 million lbs. But a greater part of

the yarn produced in the composite mills is utilised by them in their weaving sections. Only a small part of their yarn is available to the decentralised sector. In 1962 the mill sector is expected to consume 1330 million lbs. out of 1630 million lbs. produced by the composite mills leaving a balance of 300 million lbs. This together with the 410 million lbs. of yarn produced in the spinning mills makes a total of 710 million lbs. of yarn available for internal consumation and exports. Out of this, 620 million lbs. are expected to be available for the decentralised sector and the balance for export.

- 9.2.1. In estimating the total availability of cloth for internal consumption it is necessary to take not only the output of cloth from the various sectors of 9.2. Consumption the industry but also imports minus exports. In 1961 the total cloth available for internal consumption in the country was 7,096 million yards as compared with 4,269 million yards in 1951. Although these figures do not represent the quantity of cloth actually consumed, they would however provide a rough indication of the trend of consumption of cloth in the country over a decade, This indicates an increase of 66 per cent during the period 1951-61 working out to an annual average of 4.7 per cent. Imports during this period were, however, negligible. Exports of cloth have no doubt been significant though not as much as might have been desired. They fluctuated between 602 million yards and 877 million yards. On the basis of the current performance of the mill sector as well as the decentralised sector it is estimated that the output of cloth in 1962 will be of the order of 8,100 million yards. Towards this total the mills are likely to contribute 5,340 million yards and the decentralised sector may have a share of 2,760 million yards. In respect of exports of cloth from the country we may proceed on the basis of the ten year average of 733 million yards per annum. Accordingly, the available cloth for internal consumption for 1962 is likely to be 7,367 million vards.
- 9.2.2. While the total availability of cloth has been on the increase the per capita consumption has varied owing to the influence of other factors, like growth of population. In 1951 the per capita availability of cloth was as low as 11.77 yards. By 1956 it rose to 15.58 yards recording an increase of 32 per cent over 1951. During the subsequent years, namely,

1957 and 1958 there was a smaller offtake of cloth owing to the imposition of the excise duty and the consequent restriction of consumption. In 1959-60 cloth output was also affected by the failure of the cotton crop. The cotton crop improved in the subsequent year and output of cloth picked up once again in 1960 raising the per capita availability of cloth to 16.23 yards in 1961. Taking an overall view of the position it is found that mong the entire period 1951-61 the availability of cloth per capital view of the position it is found that mong the entire period 1951-61 the availability of cloth per capital view of about 3 per cent.

- 9.3.1. The Planning Commission estimated the domestic demand in 1960-61 at 7,000 million yards though the actual 9.3. Consumption availability of cloth was slightly lower at and export tragets 6,750 million yards. This shortfall does not fixed by Planning however, reflect the actul demand for cloth Commission. during that year, as evidenced by the high prices of cloth prevailing in the market at that time. According to the Planning Commission the domestic requirements of cloth at the end of the Third Five Year Plan period will be 8,450 million yards and the probable exports 850 million yards. Taking the two together a target of 9,300 million yards has been fixed for the Third Five Year Plan. The Planning Commission has provided under domestic consumption for an increase of 20 per cent over 1960-61. This is on the basis of an annual increase of 2 per cent in per capita consumption and aims at a per capita availability of 17.5 yards by 1965-66.
- 9.3.2. To meet the demand the Planning Commission has allocated 5,800 million yards and 3,500 million yards as the respective shares of the mills and the decentralised sector for the Third Plan as against the production of about 5,000 million yards by the mill sector and 2,350 million yards by the decentralised sector in 1960-61. However, no precise targets are fixed within the decentralised sector, though as stated earlier the Textile Commissioner has given us an estimate of 2,500 million yards as being within the effective capacity of the handloom sector. The Planning Commission has also estimated that the targeted output of cloth along with what is needed for the hosiery sector, etc., would require 2,250 million lbs. of yarn.

CHAPTER X

EXPORTS

- of yarn and cloth. At the present juncture when our export earnings are falling, the question of stepping up exports by grant of better incentives and even by compulsory measures has assumed importance.
- 10.1.2. Export of yarn has not been a significant feature of the industry in recent years. Increased offtake of yarn within the country and restricted availability of raw cotton have together reduced the prospect of exports of yarn on a substantial scale. Till July 1958 there were quantitative restrictions on exports of yarn; exports reached the peak of 31 million lbs. in 1958 but after 1959 there was a downward trend inspite of the removal of restrictions on exports of yarn. This downwards trend is attributed to the high prices of yarn. With regard to the direction of export trade it has remained steady in respect of countries like Burma, Ceylon, British West Africa and the U.K. It has increased in the case of certain countries like Ethiopia and Afghanistan and decreased in the case of others.
- 10.1.3. India's performance in respect of her cloth exports has been better. She became an exporting country for cotton fabrics during the second world war. High hopes were held regarding the maintenance of her exports and at the time of the Buxton Conference India was allotted an export quota of 1,000 million yards. But, of late, the industry has been facing competition in international markets from Japan, Hongkong, China, the U.S.S.R. and some East European countries. Consequently, our exports had an erratic trend till 1959 and they declined in 1960 and 1961. While exports of cloth from India to the U.K., Canada, Afghanistan and the U.S.A. have been increasing, there has been a significant decrease in exports to traditional markets like Aden, Burma, Indonesia, Malaya and British East Africa. Our competitors in these areas are mainly Japan, Hongkong and China, while in Western countries there is competition even from Spain and Portugal.

- 10.1.4. The vulnerability of India in export markets is due to the character of her exports. About 62 per cent of the export of cloth from this country is in the grey stage. substantial quantity that the U.K. takes for further processing and sale is likely to meet in future the impact of that country's proposed entry into the European Common Market. Recently there has been a shift in demand in some markets from grey to printed and processed fabrics. Therefore, any reliance mainly on grey cloth to sustain the exports of the country has serious limitations. It is disquieting to find that printed goods form only 4 per cent of Indian exports. India has held a place in the export market because of the near monopoly she has in growing short and medium staple cotton, and nearly 95 per cent of her exports are in the coarse and me dium categories. But even here the rise in prices of our cotton and the lower costs of production of East Asian countries are seriously undermining our position in foreign markets.
- 10.1.5. The prospects of future exports are disquieting. The Textile Commissioner has adduced certain reasons for the fall in exports. Some of them are due to factors over which the country has no control while there are others which throw a challenge to the industry. There has been severe competition in international markets. Apart from this, textile mills are being set up in certain Asian and African countries which were traditional buyers of Indian cotton fabrics. In view of the general tendency for under-developed countries to attempt their industrial transformation with the establishment of the cotton textile industry there has not been any expansion of international trade in cotton textiles. The factors mentioned so far are beyond the control of any individual country and much less its industry. But there are other factors threatening the loss of foreign markets such as high prices of our fabrics owing to the use of outmoded machinery. Another handicap is the inability of producers to change their pattern of output readily in conformity with the changing consumer preferences abroad. These are a challenge to the industry which should well be taken up. Finally, there seems to be a general demand all over the world for synthetic and mixed fabrics. This is a trend that can be met and not arrested. It is a matter for serious consideration how far the manufacture of mixed fabrics could be encouraged in the country particularly for purposes of export.

- 10.2.1. Taking note of the declining trend of cotton textile exports Government asked the Textile Enquiry Committee to make inter alia a special study of 10.2. Export incenthe causes of fall in exports and to suggest tive scheme. appropriate measures. On the recommendation of this Committee an intergrated scheme to promote exports was introduced. Under this, exporting mills are permitted to import cotton, dyes, chemicals and textile machinery in proportion to their export performance. The underlying idea of the scheme is that the profits made on such imports will enable the exporter to sell his goods at competitive prices in international markets. It will also enable the import of machinery to produce flawless cloth which is a pre-requisite for success in competitive markets.
- 10.2.2. The Export Promotion Council is of opinion that the export incentive scheme has been generally successful. But the Federation has stated that the grant of import entitlements is slow and the scheme does not adequately cover the special needs of the export potentialities of specific markets.
- 10.2.3. The Export Promotion Council has suggested that certain conditions ought to be created for reaching the Third Five Year Plan export target of 850 million yards. In the first place additional capacity should be established, an exportable surplus created and the incentive scheme operating at present continued. There should be a rebate on excise duties on chemicals, dyes and furnace oil and on local levies on commodities used in production of export goods. There should also be a rebate on import duties levied on accessories for ready-made garments and knitted fabrics. Further, it is also necessary to make raw materials and accessories easily available to the industry. Railways should offer concessional rates for export goods and if possible Government should give tax remission in respect of export ear-The Council has also suggested that exports of finished fabrics should as far as possible take the place of grey goods and that cotton textiles ought to be included as an exportable item under all international trade agreements. market research for overseas trade should also be undertaken.
- 10.2.4. The Federation lays emphasis on fiscal measures for enabling the industry to succeed in international competition. Such fiscal measures may take the form of adjustment of income-tax and corporation tax in regard to export earnings.

It is also of opinion that rationalisation to improve competitive efficiency ought to be accorded top priority. It has emphasised that modernisation of the processing capacity of the industry is of paramount importance in view of the changing consumer preferences in international markets. Taking an overall view it has urged the need for speedy modernisation of the textile industry for reducing its cost and improving the quality of its fabrics.

- 10.2.5. The Federation apprehends a loss to the industry in view of the smaller realisation in the foreign market, as it considers that only 70 per cent of the price realised in the home market can be obtained through exports. It further contends that since the benefits accruing from the export incentive scheme do not fully cover this difference, it should be made up by suitably raising the internal prices.
- 10.2.6. We feel that the claim for adding an element in the fair prices may not be practicable as the quantum of exports to be achieved, the prices in foreign markets or the average loss for the industry as a whole cannot be accurately foreseen. Besides, the very process of adding an element to the internal price would tend to widen the present gap, necessitating further adjustments from time to time. It would, therefore be desirable that any losses incurred on exports are compensated by the incorporation of further incentives in the export promotion scheme which seems feasible rather than by transferring the burden, which is uncertain, to the internal consumer. Alternatively, as it may be possible to notify prices on our recommendations only some months after our Report submitted, Government may consider at that time the question of incorporating a special element determined on the Easis of proved loss that the industry has suffered on exports. Such an element could be reviewed from time to time on the basis of changing conditions and data. It appears to us that the industry would not be averse to this suggestion.

CHAPTER XI

DISTRIBUTION SYSTEM

- 11.1.1. We are also required to inquire into the distribution system of cloth and yarn in the country with reference to all relevant factors including the pattern 11.1. Selling Sy- of sales adopted by different units and devise stem.

 a reasonable basis for determining retail prices of cloth and yarn. For this purpose we make a survey of the prevalent system of distribution.
- 11.1.2. Distribution system of yarn.—In the yarn trade there are wholesalers and retailers. Individual weavers buy their requirements generally from retailers. On the other hand, master-weavers and co-operative societies purchase their varn either from wholesalers or directly from mills. Even when varn is supplied through co-operative societies, weavers are free to buy additional requirements from the open market. The margin on cloth originally allowed to the trade was 14 per cent of ex-mill prices during the early control period but was later reduced to 123 per cent. No such margin has been prescribed for the sale of yarn. By an arrangement with the Southern India Millowners' Association apex handloom weavers cooperative societies in Madras get yarn at ex-mill prices and they are allowed to charge a margin of 1 per cent on sales to weavers in the co-operative fold or outside. In regard to other areas, some mills supply directly to appex co-operatives on a small margin including freight but when sales take place through their regional agents there is no restriction on margins State Governments and powerloom weavers' associations have complained that consumers of varn do not get it at fair rates or in proper qualities. On the other hand. the co-operatives by and large seem to be satisfied with the distribution arrangements. Yarn dealers have asked for margins to be prescribed for wholesalers and retailers. In the interest of yarn consumers it appears to be necessay not only to fix margins for retail prices but also to ensure that mills and their agents exercise proper control over their distributors. Yarn consumers have complained that they are not able to get varn from mills of their choice and sometimes have to take

counts not specifically asked for. It has been explained on behalf of the industry that no individual producer whose yarn is in great demand can afford to give his output exclusively to some parties; mills have generally to produce yarn suitable to the cotton they are allotted and cannot always distribute yarn according to consumers' choice. The Textile Commissioner is, however, of opinion that the present selling system in respect of yarn ensures an even supply of various counts and has been operating successfully.

- 11.1.3. Distribution system of coth.—In the cloth trade traditionally a variety of persons intervene between mills and consumers. They are not only large in number but very often ill-defined in respect of their functions, with the result that they are not easily amenable to any rational classification. Their functions often overlap. Obviously, the system has grown without strictly conforming itself to any set principles. Still its performance appears to be smooth. It has been urged that any interference in the existing distribution system may not be in the interest of the industry. However, we consider that the really superfluous elements in the structure can be profitably weeded out or left to get their share within regulated margins of the main functionaries.
- 11.1.4. In the hierarchy there are wholesalers and semiwholesalers. Cloth is sold in bales or lots by mills to wholesalers generally and/or semi-wholesalers and from them it passes on to retailers. Wholesalers have to make substantial investments, enter into forward contracts with mills, pay cash on delivery, keep goods in their godowns and pass them on to semi-wholesalers and/or retailers, allowing them credit. They also have to pay initially the excise duty and freight on cloth consignments. We are told that Bombay and Ahmedabad mills have also wholesalers operating in up-country centres since these mills account for the bulk of the output of the industry and their products have therefore to be distributed all over the country. With a minimum capital of Rs. 3 lakhs a wholesaler may expect a turnover of five to six times his investment. Expenses of wholesalers are stated to be about 2 to 2½ per cent of the turnover. This covers godown and shop expenses, handling charges and interest on borrowings, etc. Allowing additionally an element for return, in 3 to 3½ per cent on their turnover will be an adequate margin for wholesalers.

- 11.1.5. Semi-wholesalers are stationed at either manufacturing centres or up-country places. They buy their requirements either from wholesalers or from mills. Unlike wholesalers who sell only in bales, the semi-wholesalers sell in pieces to retailers. They perform various functions such as providing credit, carrying stocks and running risks. Their annual turnover is stated to be between Rs. 3 lakhs and Rs. 5 lakhs and their expenses are estimated at about 3 per cent of turnover. Inclusive of an element of return their margin may be placed at about 4 per cent.
- 11.1.6. Retailers acquire goods from either wholesalers or semi-wholesalers. The main risk of having unsold goods, is carried by them and they also bear the recurring expenses of running their shops and pay freight charges. Another function performed by them is to convey information regarding consumer preferences., A substantial part of the margin has to go to them for these services though their investment and turnover may not be large.
- 11.1.7. Other functionaries in the field are sole selling agents, commission agents and brokers. The responsibility of sole selling agents is to ensure fulfilment of sale contracts and to see that the mills' production is sold at a good price The mills usually give them discounts ranging from 1 to 11 per cent on sales. Wholesalers are also appointed by the sole selling agents. The industry has pleaded for the continuance of the system as otherwise an elaborate departmental organisation may have to be kept. It is doubtful whether such an agency which is not a general feature should necessarily exist in the hierarchy. Commission agents mainly act as intermediaries, buy at production and important distribution centres on behalf of up-country clients, provide credit charge about ½ per cent for their services. In view of their position in the distribution channel, their remuneration should come out of the share of the other principal intermediaries whom they serve. Occasionally there are dalals or guarantee brokers or indentors. They are supposed to guarantee payment by wholesalers. Some mills have also direct dealings with retailers by approinting them as their authorised retailers. Finally, there are also area stockists who distribute goods to semi-wholesalers. The remuneration of some of these agencies could well come out of the share of one or the other of the main functionaries whom they brings together and serve.

- by a few mills through their mill shops where goods are sold at retail prices. One leading mill has told Direct Sales. us that such depots cost them 7 to 10 per cent on the turnover. While dealers's associations are opposed to mills entering into retail trade, the existence of such mill shops is, in our view, a facility to buyer and provides a moral check on profiteering by distributors.
- 11.3.1. The Textile Commissioner has pointed out that the margins charged by the trade are not uniform. They are higher on popular varieties and lower on 11.3. Margin of slow moving goods. Still the average margins follow a pattern. During the period of the last statutory control the margin was 20 per cent. Later it was lowered to 14 per cent. This provided reasonable returns to the trade. Under the present scheme of voluntary regulation the margin was initially fixed at 15 per cent, and has now been raised to 18 per cent. This margin is calculated on ex-mill prices excluding excise duties.
- 11.3.2. On the question of margins there is a chorus of complaints. The trade as a group demands a higher margin ranging upto 30 per cent or even 40 per cent. Retailers' associations have represented that as the last link in the chain they get only what is left after wholesalers, semi-wholesalers, etc. have appropriated their margins, that their risks are more onerous and that 8 per cent margin will barely cover their expenses. Distributors suggest that while calculating the margin of profit, excise duty should be added to ex-mill prices because capital is locked up in the shape of excise duty till cloth is sold. This becomes particularly significant in respect of fine and superfine cloth. It is not possible in principle to accept a tax levy as a cost incidence. A variable levy will not have an incidence which is uniform. Its impact will also differ according to the turnover of individual dealers.

CHAPTER XII

CONTROLS

- 12.1. In Chapter I the circumstances leading to the present reference and the nature of voluntary control that has been introduced by the Federation are briefly indicated. At the time of the previous inquiry by the Tarifi Board in 1948 there were controls not only over the prices of cotton textiles (cloth and yarn) but also over their production and distribution. There was also then a system of rationing for consumers.
- 12.2. In July 1953 when controls over prices and distribution of cotton textiles were removed certain statutory controls still continued. There was no change in the control over raw cotton. The powers regarding control of production and issue of directives to the mill industry exercised by the Textile Commissioner also continued under the Cotton Textiles (Control) Order, 1948.
- 12.3. There is no statutory control over prices of cotton textiles now. At present a voluntary scheme of price control introduced by the Federation in consultation with the Textile Commissioner is in operation. As stated in paragraph 1.1.2. the prices prevalent in August 1959 have been adopted as norms for the purpose of this scheme and certain percenatge increases allowed thereon to take account of the increased costs due to raw materials, stores, Wage Board Award, etc. Initially mills were called upon by the Federation not to charge more than 25 per cent on coarse cloth, 22 per cent on lower medium. 18 per cent on higher medium 11½ per cent on fine and 9 per cent on superfine over the prices that prevailed in August Wherever the prices were lower than the stipulated 1959. limit, mills were to continue to charge the existing rates. A schedule of prices was fixed for yarn of counts upto and including 40s mainly spun from Indian cotton. The prices thus fixed were required to be stamped on every piece of cloth. Retail prices were to be arrived at by adding 15 per cent to exmill prices. In January 1961 the Federation effected a further reduction in prices which was steeper in the case of popular

varieties constituting about 25 per cent of the total output The revised scheme of prices showing percentage increase over the level of August 1959 is as follows:—

	Categor	yс	of cloth	1		Popular varieties	Others
						 %	%
1.	Coarse .		•			17	20
2.	Lower medium			•		14	17
3.	Higher medium					10	13
4.	Fine					6 <u>1</u>	81
5.	Superfine .	8	25		2	4	6

The margin for retail sale was simultaneously raised from 15 to 18 per cent. Revised yarn prices were also announced as under:

D. Marian	Net ex-mill price
Court - Court of the Court of t	for single hank yarn
Count group	of a bundle of 10 lbs. of Indian cotton yarn
renina ami	or managed yate

				सम्य	विज	पते			
								Rs.	
6s.	(manı	ufactu	ired fr	om co	otton	waste))	13.03	
6s.		ining		moi	cottor re tha			15·12	
10s.	•	•	•	•			•	17.04	
128.	•	•	•	•			•	17· 7 6	
14s.	•	•	•	•		•		18·72	
16s.	•	•	•	•	•			20.30	
18s	•	•	•	•			•	20.54	
20s.	•	•			•			20· 7 5	
21s.	•	•	•	• 	•			21.02	_

		Cou	nt gro	oup				Net ex-mill prices for single hauk yarn of a bundle of 10 lbs. of Indian cotton yarn
22s.				,				Rs. 21·31
24s.								24 · 47
268.								23 · 70
28s.								24 · 28
30s.					٠	•		24.80
32s.		•						25.58
36s.				•				27 · 25
40 s.	•	•		Sil		12	a.	28 · 25

12.4. In July 1962 the Federation announced the following ceiling prices for yarn counts over 40s as well which had till then not been regulated and these came into operation from 1st August 1962. It is specified that in respect of existing contracts the price to be charged for deliveries from 1st August 1962 will be the contract price or the new price whichever is lower.

		सत्यमेव जयते				N7-4
	Count group				Net ex-mill prices for hank yarn of counts above 40s. (per bundle of 10 lbs.)	
					_	Rs.
60s.	Indian carded					47.00
	Indian combed	•				52.00
	American carded	•	•	•	•	50.50
	American combed					55.50
	African carded					52.50
	African combed					57.50
80s.	Egyptian/Sudanese	carde	d			72.85
	Egyptian/Sudanese			•		78.75
100s.	Carded					87.75
	Combed .	•	•			93.75

The method of calculating the prices for the intermediate counts and mixed yarn, as also the differentials to be added for cone yarn and double yarn were also announced. The prices are stated to have been notified in consultation with the Textile Commissioner and allowed as an *ad hoc* arrangement pending our recommendations. We have received complaints against these prices that they are in many cases higher than the market prices prevailing in July 1962.

- 12.5. The introduction of new qualities by mills is subject to the approval of the Textile Commissioner. Regional Committees have also been appointed to supervise the operation of the scheme. An important difference between the scheme of prices under the statutory control and under the voluntary control is that whereas prices under the former were based on constructional particulars without taking quality differentials into accounts, prices under the latter scheme are linked to market prices prevailing during the basic period. The advantage claimed for this is that mins which have a reputation for quality and whose products command a premium in the market are able to realise higher prices, even though their cloth may be of identical construction with that of mills which have no such market preferences.
- 12.6. We give a brief indication of the reaction of the different interests concerned with the texile industry on the success or otherwise of the present system of voluntary controls. In its evidence before us even the Federation which initiated the scheme, stated that it did not expect or claim complete success for it. In its view even statutory controls were never a full success. This arises from the fact that although ex-mill and retail prices are stamped by mills neither the Federation nor the producing units generally have taken any responsibility for looking into the proper working of the chain of distribution so as to ensure that the consumer was not mulc-According to the Federation the best solution to meet the situation is to step up production and reduce costs. Towards these obectives it has suggested that there ought to be an expansion of the productive equipment, an assurance of supply of raw materials particularly cotton and assistance to the industry to rehabilitate, modernise and rationalise and to make fair stabilised profits. With adequacy of supply there would be competition and smooth distribution. The Federation, the commercial bodies and the labour representatives

have stated that there is now no evidence of scarcity necessitating controls and that controls are not easy to implement and to be really effective should cover the entire range from ex-mill to the consumer end.

- 12.7. The Federation has stated that in a market where 33 per cent of the supply flows from the decentralised sector(handlooms and powerlooms) which is free from all controls, strict implementation of restrictions on the balance of the supply is not feasible. Further, if the grey cloth which is processed outside the mills-it is estimated at about 17 per cent of the output-is also taken into account, the proportion of the market supply exempt from control will be as high as 50 per cent. The processors, some of whom have modern equipment and run a highly profitable business, do not re-stamp the prices before the processed cloth is sold. Thus, a comprehensive scheme of controls becomes impossible. If in spite of these limitations a price fromula is to be laid down, the Federation suggests that there should be an upper limit and a lower limit to the permissible deviation of prices from the fair price line. Within this margin the prices may be allowed to fluctuate without any interference.
- 12.8. There is no unanimity of opinion regarding the voluntary scheme in operation. The distributors of cloth and the dealers' associations have condemend it as a failure. are of opinion that it has not helped in bringing down the prices to benefit consumers. According to them prices would have come down at least by 10 per cent if there was no stamping. It is stated that the entire scheme is in the interests of the mills as it is not based on any cost examination. It has induced larger production of profitable varieties, causing thereby a shortage of popular varieties in the market. High prices are deliberately stamped and when found unsaleable the goods are sold at a discount. Certain specific complaints are also made by the dealers such as the charging of premium on popular varieties and the insistence on clubbing the supply of cloth which is difficult to sell along with popular varieties. On the whole the scheme is stated to have eliminated healthy competition among the mills. The mill industry has repudiated this charge and has stated that preference for and the availability of popular brands or varieties are such that all trade requests cannot be fully met.

- 12.9. Though the scheme provides for approval of prices and varieties of cloth by the Textile Commissioner, in spite of the directives issued by him not to introduce more than one variety per 200 looms, there has been undoubtedly a spate of new varieties introduced for sidetracking voluntary price control. By a mere nominal change of reed and pick, substantial increases in price of cloth have been obtained which are at present not strictly relatable to weaving costs of the structure or the quality of the cotton or yarn used.
- 12.10. A complaint recently made was that the mills have opposed a suggestion for broadening the composition of cloth panels to represent other concerned interests. Estimates Committee of Parliament also observed in criticism of this voluntary scheme that "the controlled themselves were the controllers."
- 12.11. As required by Government we are indicating in this Report the basis for fixation of fair ex-mill prices as well as retail prices taking note of the fair margin for the chain of distributors. We would, however, like to observe that if ex-mill prices are controlled and retail prices are stamped, there should be a guarante; that the consumers at large are able to get their requirements at the stamped retail prices. This is the ultimate test of the success of controls. discussed in the previous chapter the distribution system. Mills do not exercise any supervision over the links in the distribution chain. As they have direct relationship, they can exercise effective control on their wholesalers who in turn can exercise similar check over semi-wholesalers retailers. The Federation has expressed its unwillingness to shoulder any responsibility in this behalf though agreeing with it in principle. We emphasise that if statutory controls exist they should be properly enforced. Unless local authorities take effective steps against parties found guilty of malpractices mills and distributors exercise proper checks over the different tiers of the distribution system and consumers are vigilant about their rights, no system of price control, voluntary or statutory, would have the desired success.

CHAPTER XIII

OUR APPROACH TO THE PROBLEM

- 13.1. Our terms of reference require us inter alia to determine fair ex-mill prices of cloth and yarn and devise a reasonable basis for the determination of their fair retail prices. The question whether there should be statutory control over the prices of cotton textile and varn or whether the prices should be allowed to be regulated as now on a voluntary basis by the industry has not been specifically referred to us. We refrain, therefore, from taking any recommendations this aspect of control. At the same time we cannot help remarking that control, to be successful, must be comprehensive and thorough. It should embrace the entire range from producers of cloth and yarn to the utlimate consumers. Any system of control which fixes fair prices only for the organised sector of the industry cannot really protect the consumer against exploitation by dealers and middle-men and also from high prices of substitute products from the decentralised sector.
- 13.2. A reference to the importance of the cotton textile industry in our economy and the place of our industry in the international field has already been made. Although our position is third amongst world's producers of cotton textiles. our exports have been going down since 1959 and countries like Japan, France, West Gerany, Holland, Portugal, Egypt and China have in the meantime improved their position. As stated earlier, the spokesmen of the industry have attributed the decline to the higher cost of production on account of the rise in prices of our raw cotton, increased labour cost and higher expenditure on fuel and stores. We are, however, not fully statisfied with the explanation, as it appears to us that many of the mills are not earnest in securing economies by reducing wastages of cotton, mill stores, etc., and that it should be possible, even with the existing machinery, to achieve reduction in costs by improving efficiency and raising output. The representatives of the industry admitted before us that there are a number of units which are not capable of being rehabilitated in the ordinary way. We have also referred in

- paragraph 3.5.2. to the number of units that must be considered as uneconomic according to accepted principles. In addition, there are units which are in urgent need of rehabilitation. The continuance of these units cannot but be a drag on our economy and the sooner they are enabled to attain economic working, the better. Further, the existence of an expanding internal marker, the relative case with which goods are sold at stamped prices regulated by the industry itself and the high profits earned by the balk of the industry since 1959 have, it appears to us, generated a sense of complaceacy amongst the majority of producers and turned their minds away from applying sound teachniques of production and management control.
- 13.3. The determination of fair prices for the industry has various facets, each claiming its share of importance. Where control is imposed in conditions of scarcity, the price must also be such as will encourage growth of output, since it is only from greater production that the disequilibrium of demand and supply will ultimately be removed. The price fixed must, therefore, be fair to the producer so as to cover his costs, including up-keep of his production apparatus in full trim and afford adequate return on his investment. Private enterprise and investment being dependent on profit motive, an industry which lies entirely in the private sector should find the return element in the price not only comparable with that of other industries but also attractive enough for sustained growth of output and capital resources.
- 13.4. Prices of raw cotton, which account for about 50 per cent of the value of the finished product, should be sufficiently attractive to the grower in order to raise his output and improve quality. Therefore, adequate provision should also be made for fluctuations in raw cotton prices in future in any scheme of price fixation for the industry. Further, the costs of conversion are by no means stable over time and since mills differ in their equipment and relative efficiencies, it becomes extremely difficult to determine an acceptable rate of manufacturing costs for all. The costs of labour, power and fuel and transport vary even during short intervals. With so many imponderables it is impossible to establish an invariable set of prices for the products of the industry for a long period. Prices can also by no means be absolutely fair for all interested parties. While uniform prices forvarious

mills producing particular types of cloth or yarn are to be fixed under a workable formula, it may not be possible for any recommending authority to mete out absolute justice.

- 13.5. As regards yarn, prices of particular count groups will have to be determined on the basis of fair average of the costs of production among the units in the sample with due regard to the cost on mix in each producing establishment. As mixes vary from mill to mill and also from time to time in a mill, they may not be easily amenable to standardisation. But the range of variation of the mixes should be within certain technical limits and on the basis of this, the average cost of the raw material can be determined. We have attempted a wider coverage for yarn than what was done by the Tariff Board in 1948.
- 13.6. For the determination of cloth prices it is not possible to take all the innumerable varieties that are being manufactured at present and recommend a fair price for each. We have, therefore, to relate the price of a fabric to the nature of its construction or specification. A formula conceived on this basis would be applicable to all varieties of cloth. With changes in construction, cost ingredients would vary and so also prices. No other method of price fixation is feasible as the varieties in existence are innumerable and freely lend themselves to change. In this context it will be germane to discuss a suggestion put forward by the Federation that the fair prices fixed for the products should admit of some degree of flexibility, so that there may be room for incorporating an element for quality differentials and market reputation of the producers, apart from strict requirements of the formula based on the construction of the fabric. It was urged that for pruposes of flexibility fair prices should carry both a ceiling and floor. Thereby producers would be able to get differential prices depending on such imponderables as quality differences and market reputation. In a situation of short supply ceiling prices tend to become fair prices and floor prices cease to have validity. We are of opinion that the desired flexibility of return can exist even within single fair price. For an efficient producer who is entitled to the advantage of quality differentials and market reputation, there is a twofold margin available for acquiring larger return on his turnover. Firstly there is a margin between his cost of production and the fair price. This margin is flexible and it is within his competence to make it wider according to

his efficiency of production. Secondly, his products having a a high reputation would have quicker sales owing to the quality differentials resulting in a larger turnover. These two ought to offer the necessary flexibility desired by the industryo.

- 13.7. These considerations must count along with other features of the mill industry, such as the existence of a majority of old units with old and worn-out machinery standing in need of proper rehabilitation. Rehabilitation modernisation, which are tied up have to go on continuously and the price structure and return must be sufficiently stable to enable basic needs to be covered. The fact that the mill sector has so far worked up to Plan targets must not be forgotten when making any appraisal of additional targets it can be trusted to fulfil. The assessment of under-utilisation of capacity in the mill sector shows that only additional facilities for balancing equipment and expansion, larger share of raw material allocation and flexibility in production can help to improve its economies. By achieving economies, the mill sector being the price leader, can influence and stabilise at proper levels prices in the decentralised sector, which are not under control.
- 13.8. Finally, the organised sector of the industry has to carry the brunt of export targets so essential now for maintaining the country's economy. On best performance in the past, about 15 per cent of output has been exported. With new restrictive forces operating in world markets the need arises for lowering prices and even reducing profit margins. The requirements of our economy demand that the burden should be fairly shared by the producer, the exporter and the internal consumer. It is only by keeping these points in view that a basis for price fixation can be evolved which will comply with the requirements of our terms of reference.
- 13.9. As stated earlier the distributive process involves all the participants from the mill to the wholesaler and the retailer. The functions of the distributive machinery are the holding of stocks, the supply of credit facilities, the spread of information, and the transportation of yarn and textiles from the point of production to the point of consumption. Price controls may tend to alter the relative importance and responsibilities of the functionaries concerned. Such a situation is apt to be exploited by the trade to the detriment of the consumer. Hence, side by side, there should be effective

external checks on sharing the fair margin by the links in the distribution chain. The necessary sanction for this could be built into business agreements. The introduction of competitive agencies like mill shops and fair price shops would prove even more effective.

- 13.10. It should not also be forgotten that a simple comparison with the margins obtaining in highly developed countries with free economies is likely to give misleading results since the conditions under which traders function in a controlled economy are different. We have given in Chapter XI the data regarding costs of distribution by wholesalers, semi-wholesalers and retailers, and estimated fair margins for them. As a rigid fixation of individual shares is not possible or practicable, we have attempted to determine the maximum spread between the ex-mill price and the retail price, leaving the share of each link in the chain of distribution to be settled by negotiation or wholesome trade practice.
- 13.11. Within the terms of our reference, we have also taken note of Government's great concern to hold the price line in respect of essential commodities like textiles. However, we have to allow for the rise in prices induced by cost factors which are beyond the control of the producer. At the same time in respect of conditions which are within the control of the producer such as his efficiency, productivity, appropriation of profits, etc., we have to apply suitable norms in determining fair prices.

CHAPTER XIV

COST OF PRODUCTION

- The sample selected for cost examination and its representative character have been discussed in paragraph 1.3. Costs were examined for 43 units out of which 12 were spinning units and the rest composite units. They were costed for the latest period (1960-61) for which audited accounts were generally available. The names of the units and the periods for which the costs were examined are given in Appendix VI. Out of the above units, the data relating to the two units belonging to Bombay Dyeing and Manufacturing Co. Ltd., Bombay and Sri Meenakshi Mills Ltd., Madurai, were not considered for purposes of determining the cost of yarn and grev fabric as it was felt that the equipments and the processes employed in these units which are highly automatised, would not be representative of the conditions prevailing in the industry at large. We have for similar reasons excluded costs of super high draft spinning and automatic loom output, as at present they account for only a fraction of the industry's production. In regard to processing and finishing costs, however, we have taken note of Bombay Dyeing's costs as they were comparable to those of other units.
- 14.2.1. Our Cost Accounts Officers have ascertained the unit costs for each of the processes involved in spinning, weaving or subsequent processing, as far as it was possible to do so from the data made available. These unit costs were applied to determine the costs of several varieties of yarn and fabrics at each factory.
- 14.2.2. Depreciation has been calculated at normal income-tax rates on written-down values of assets, with an allowance for double shift wherever applicable. The depreciation so calculated has been apportioned among the different processes, as far as it was possible to do so with the data availables The costs worked out for the different units were discussed with the representatives of the units concerned and modified, wherever necessary. At a separate meeting with the representatives of the Federation, the general principles adopted for determining costs were discussed.

The points raised by them, where found justified have been taken into account in the final dermination of costs. On the basis of the data collected by our Cost Accounts Officers, we have attempted to build up ex-factory costs of yarn and fabrics for the industry as a whole. The methods adopted are briefly discussed in the following paragraphs.

- In its relation to cost of production of yarn, cotton has two aspects, namely, (1) price per lb. and (2) net input of cotton-mix required per lb. of 14.3. Raw mate- Generally the break-up of the costs of various rial-cotton, kinds of cotton used in mixes between the invoice prices and the other elements such as freight, etc., were not made available by the units. Only cost of cotton as delivered to the mills was furnished and could be checked. In some cases, the detailed composition of mixes was also not furnished but aggregate quantities were shown. question of net input of cotton is directly linked with waste arisings and the credit for such waste. The waste factor depends on the quality of the cotton used in the mixes as well as the machinery and operating efficiency of the factories. For both these factors, it is necessary to classify mixes used by different units according to the ranges of counts that were spun.
- 14.3.2.1. The varieties of cotton used for manufacture of yarn are fairly large in number. The use of such terms as 'Indian Mixes' and 'Foreign Mixes' appears to be misleading for quite often the mixes used contained a proportion of both indigenous and foreign cotton. There are varieties of foreign cottons whose prices and waste arisings are comparable with those of Indian cottons. For example, in one unit, the delivered cost of Uganda' cotton ranged between nP. 139.7 and nP. 148.4 per lb. which was comparable with the prices of certain varieties of Indian cotton, like 'Cambodia'. Only when the cost per lb. of the mixes exceeded nP. 200 per lb. could it be stated that the mix contained predominantly foreign cotton.
- 14.3.2.2. It was observed that no two factories used the same types of cotton in their mixes for spinning yarn in the same count-range. In the costed units, about 200 types of mixes were found. While some of the mixes were used for spinningonly one count of yarn, there were others from which

varns covering a wide range of counts were spun. The count ranges spun by different units from different mixes also overlapped. For example, some companies used mixes which covered the count range from 26s to 32s while others used mixes covering 28s to 38s. The experts consulted by us, while furnishing information regarding cottons generally used for spinning different counts or count groups (see Appendix XVI), expressed their inability to lay down standard mixes different ranges of counts. The Federation also put forward this view. Though technological performances for types of cotton are known and published by the I.C.C.C., there are admittedly climatic, zonal and agronomic factors which also affect the potential for spinning cottons of any trade description. Availability of varieties, past usage of mills and nature of their equipment and the product mix certain limits.

14.3.3.1. From any mix for a particular count range, yarn of a lower Count can always be spun; but normally a unit will resort to such a practice only when it is desired to obtain yarn of a special quality or when cotton suitable for the lower count is not available. On the other hand, to spin a count of yarn higher than the range for which a mix is suitable, would involve undue loss of efficiency resulting in higher costs and even deterioration in quality. Most of the mixes are multi-mixes. We have, therefore, attempted to determine the range of counts that can be spun from a mix according to the actual performance of the costed units. In doing so we have assumed that the higher limits of the range of counts spun by the different units from the respective mixes represent their maximum spinnability. After tabulating the mixes according to the maximum spinnability determined as above and taking into account the average costs of the respective mix, the mixes used by the costed units could be broadly classified as under:-

					Count Range
A. Carded					
(i) Upto				•	14s
(ii) Upto				•	26s
(iii) Upto	•	•	•	•	42s

							Count Range	
(iv)	(a) Up	to	•			60s		
•	(b) Up	to				60s	(predominantly	foreign)
(v)	Above	•			•	60s	(predominantly	foreign)
B. Combed								
(vi) (Jpto		•	•	•	60s		
(vii) A	bove				•	60s	(predominantly	foreign)

The costs of the individual mixes falling under each of the carded groups, (i), (ii) and (iii) were comparable. We are also informed by official experts that for groups (ii) and (iii) the range is too wide and different proportions of Indian cotton will figure in the higher and lower ranges of these groups. In the costed period of six months and on the data available no specific demarcation was found possible. But we have taken note of this point when estimating costs for the future. The costs of mixes used for carded yarn upto 60s were sharply divided into two groups-depending on predominant usage of foreign cottons—for one the costs were above nP. 200 per lb. while for the other they were much lower. Hence, we have divided this group [A (iv)] into two sub-groups as shown above. Although we have designated sub-group (iv) (b) as 'predominantly foreign', mixes with foreign cotton costing (less than nP. 200 per lb. have been taken under sub-group (iv)(a). In the combed varieties, the costs of mixes used for yarn upto 42s and those for yarn upto 60s were not materially different and hence all of them have been put under one group, namely, "upto 60s"

14.3.3.2. Some of the mills might have actually spun yarn of a lower count from mixes grouped under a higher category, say, counts below 26s from mixes grouped under "27s to 42s". For the purpose of finding the normal costs of yarn for the industry as a whole we have, with due regard to

the usage shown by the sample, assumed that the average of mixes classified above would be utilised to spin the following ranges of counts:—

Mix Grou	p	Range of counts		
A. CardedGroup	(i)	8s to 14s		
	(ii)	15s to 26s		
	(iii)	27s to 42s		
	(iv) (a) & (iv) (b)	43s to 60s		
	(v)	61s and above		
B. Combed—Group	(vi)	28s to 60s		
	(vii)	61s and above		
	CZ: (VSQ-4)	22305/GH257		

Where in acutal practice a factory uses a superior cotton mix for any count of yarn to those shown above in order to impart a particular quality to the yarn, suitable adjustments may have to be made where necessary. The weighted average delivered costs of the purchased cotton used in the above mixes were as under:—

	सद्यमेव जयते	Weighted average nP. per lb.
A. Carded—Group	(i)	105
	(ii)	123
	(iii)	137
	(iv)(a)	161
	(iv)(b)	218
	(v)	230
B. Combed—Group	(vi)	157
	(vii)	251

Simple averages of the costs were also found to be not materially different. The costs shown above for purchased cotton included in a few cases purchased waste also. The actual mix, however, included a proportion of the milis' own waste either from the same mix or from mix of a higher group. For reasons mentioned earlier, though we have given the prices for the spinning range as abroadly noticed, we consider that groups (ii) and (iii) also should be sub-divided when adopting a price for the cotton mix while determining base prices and affording escalation thereon.

- 14.3.3.3. Since most of the costed units did not furnish the break-up of the costs of purchased cotton between actual cotton price, freight and other incidental charges, it has not been possible to ascertain the exact rates at which different varieties of cotton had been purchased. In some cases, the exact proportions of different kinds of cotton used in the mixes were also not available and they were admittedly varying from time to time according to prices and availability of cottons. But comparing the overall cost per lb. as given above with the ceiling prices of those varieties of cotton which usually go into such mixes it appeared that cotton had been purchased generally during the costed period at about the ceiling prices. We have referred to the trend of cotton prices in paragraph 4.7 but the costed period which was selected as the latest for which financial accounts were available was not truly representative for cotton purchase prices or buying practice, being influenced by the shortage of 1959-60 cotton crop. For the period 1956-57 to 1960-61, excluding 1959-60, the average prices of standard varieties like Jarilla, Jayadhar and Laxmi were about 8 per cent below the ceiling.
- 14.3.4.1. The net cost of input in terms of the price of purchased cotton in the mix, after allowing for waste arisings and credits therefor, should determine the cost of cotton in yarn upto spindle point. This will be the proper accounting method though we found some misapprehension of this on the part of the Federation which felt that the results would be different. According to it a mill's own waste is

re-cycled and as such it should not be taken into account at all. The correctness of our method is illustrated below:—

		Commission's method		ition's
	Qty.	Value	Qty.	Value
1 - Francis	Lbs.	Rs.	Lbs.	Rs.
1. Input				
(a) (say) African Cotton @nP. 222 per lb	. 95	210.90	95	210 - 90
*(b) Own waste @nP. 222 per lb	. 5	11 · 10		
(c) Total input	. 100	222 · 00	95	210.90
2. Credit for waste (a) Visible waste		à		
*(i) Usable waste @nP. 2	22	30		
per lb	. 🤝 5	11.10		
(ii) Saleable waste @ say nP. 22 per lb	. 9	1 · 98	9	i ·98
(b) Invisible waste .	. 2.5		2 · 5	
(c) Total credit .	. 16.5	13.08	11 · 5	E-98
3. Net cost of cotton .	III SELECTION OF THE PARTY OF T	208 - 92		208 92
4. Net output of yarn.	. 83 · 5		83 • 5	
5. Net cost of cotton mix per lb. c input	of			
(a) 208 92÷100	•	2.0892		
(b) $208.92 \div 95$				2 · 1992
6. Input of mix required per lb. o	of			
(a) 100÷83 5	. 1 · 1976			
(b) 95÷83⋅5			1 · 1377	
7. Cotton cost per lb. of yar	n			
(a) 1.1976×2.0892 .	•	2 · 5020		
(b) $1 \cdot 1377 \times 2 \cdot 1992$.				2 · 5020

Note.—*Own waste has been valued here at the cotton rate as according to the Federation there is no difference between the own waste from the same mix used and the virgin cotton. However, any value reasonable in the circumstances can be used so long as the debits and credits are at the same rate.

It is true when a mill uses its 'own waste' from the same mix, the ultimate costs of cotton per lb. of yarn, ignoring used waste, works out to be the same figure, and it may seem that it is immaterial which method is used for developing costs. But the Federation's method is quite unsuitable for development of unit costs in the different processes or for determining even the costs of cotton in cases where waste from one mix (a superior mix) is used in another mix (an inferior mix) as is usually the case. Further, to develop the unit cost in any mill department, such as, 'blow room', it is necessary to take into account the total quantity handled in that department and such quantity should be the gross weight of cotton including own waste. Again, when waste from one mix is used in another mix, our method will yield more reliable cost of cotton.

14.3.4.2. Credit for Saleable waste has been taken at the actual rates of realisation for the different units. The credits and debits for usable waste have been taken at the same rates as were either adopted by the units for their own purpose, or considered as reasonable in the circumstances. As regards own waste, unless otherwise identified, it has been assumed that the waste used is from the same mix. For purposes of arriving at the net input of cotton in terms of the price of the purchased cotton used in the mix, we have determined the ratio of the net rate of cotton mix to that of purchased cotton in the mix and multiplied it by the gross input of the mix per lb. of yarn. Thus, in the example given in the previous paragraph, the ratio of the net rate of cotton mix to that of the purchased cotton is 0.941 which multiplied by the gross input of the mix per lb. of cotton, namely, 1.1967 yields 1.127 lbs. as the net input in terms of the price of the purchased cotton. It will be seen that this figure multiplied by the rate of purchased cotton, namely, Rs. 2.22 per lb. works out to the net cotton cost per lb. of yarn, namely, Rs. 2:502.

14.3.4.3. Figures of net input of cotton have been tabulated in terms of purchased cotton for all the mixes, referred to in paragraph 14.3.3.2. The group-wise averages are shown below:—

Net input factor to be applied on the value of	f purchased cotton to arrive
at the net value of cotton in a lb, of	yarn at spindle point

Mix Group							Weighted average
A. Carded:							
(i) 8s to 14s							1 · 18
(ii) 15s to 26	s .						1 · 15
(iii) 27s to 42s	s .	~ 5	E E				1 · 15
(iv) (a) 43s to	60s.	rich.					1 · 14
(b) 43s to	60s (pr	redom	inantl	y fore	eign)		1.15
(v) 61s and a	bove (p	redon	inant	ly for	eign)		1 · 14
B. Combed:		W	M	ř			
(vi) 28s to 60s		11	199	do			1 - 25
(vii) 61s and a	bove (p	redon	inant	ly for	eign)		1 · 30
	- 1	BUILTING		200			

It is noticed that the weighted averages are not materially different from the simple average figures or the medians. It may appear anomalous that input figures in respect of Indian cottons for the range of counts 43s to 60s should be lower than those for the foreign cotton. One of the reasons for this is that saleable value of waste does not materially differ whether it arises from foreign cotton or from Indian cotton and hence the ratio of such value to the price of the cotton is lower in the case of foreign cotton which is costlier. The net input in terms of purchased cotton appears to increase in the case of foreign cotton. For similar reasons the net input figures for combed yarn from foreign cotton are more than those obtained from Indian cotton.

14.3.4.4. The Tariff Board in its Report (1948) as also the Federation have indicated the cotton requirements in terms of recovery percentages. Reciprocals of the figures of net input (vide table in paragraph 14.3.4.3.) in terms of the

value of the purchased cotton give the recovery percentages in terms of the value of purchased cotton. The following table shows the recovery percentages, derived from the table given above, compared to the recovery percentages adopted in the 1948 inquiry and those indicated by the Federation.

		Recovery percentages					
	Mix Group	As arrived at by us		As indicated by the Federation			
A. Carded	:	20.					
(i)	8s to 14s	84 · 7	82	82			
(ii)	15s to 26s	87	82/83	82/83			
(iii)	27s to 42s	87	84/85	84			
(iv)	(a) 43s to 60s (b) 43s to 60s (pre—dominantly foreign)	. 8 7 ·7 . 87	 90				
(v)	61s and above (predominantly foreign)	87 · 7	90	• •			
B. Combed	d: सद्यमेव	जयत					
(vi)	28s to 60s	80	79	76			
(vii)	61s and above (predominantly foreign)	76.9	79	76 / 75			

It will be seen that for all counts upto 42s the recovery percentages as arrived at by us are about 3 per cent higher than those adopted by the Tariff Board. The Board had not given recovery percentages for Indian mixes above 42s. It indicated, however, a recovery percentage of 90 for 60s and finer from carded Egyptian cotton while the figure obtained by our Cost Accounts Officers for predominantly foreign mixes is about 88. For combed varieties upto 60s, the Board had given recovery percentage for only Egyptian cotton at 79. In the sample taken by us the combed varieties upto 60s were often obtained from mixes which were made up

predominantly of Indian cotton and/or such varieties of foreign cotton the prices of which were not materially different from those of the Indian varieties. The recovery percentage arrived at by us is comparable with that adopted by the Tariff Board. namely, 79. In the case of predominantly foreign mixes for combed yarn of 61s and above, the recovery percentage obtained by us is about 2 per cent lower than that adopted by the Tariff Board. The recovery percentages now arrived by our Cost Accounts Officers upto 42s are generally higher than those adopted by the Board in 1948 and indicated by the Federation in its memorandum. The representatives of the Federation contended that the mixes in general did not include waste from the other mixes. We found, however, that the majority of the mixes for instance in Group A(i) (8s to 14s) included substantial proportion of wastes from other mixes, the weighted average being as high as 15,7 per cent. As regards the remaining mixes, mills in Mysore and west Bengal did used wastes from other mixes. However to speak of recovery in the sense used by the Federation it would be necessary to eliminate such mixes as included waste from other mixes which does not appear to be the common practies. We have also examined if for mixes which do not include waste from the other mixes the results would be any different.

14.3.4.5 The results of our examination are shown in the following table.

Table ret	ferred to	the	paragraph	14.3.4.5.
			1. w	~

Vi., and	(Carded	Combed		
Mix groups	A(i)	A(ii)	A(iii)	B(vi)	B(vii)
1. Total waste on gross input (%)	22 · 2	19.9	18.7	32.0	32 5
2. Waste included in the input from the same mix (%)	6.8	5.3	3.5	4·1	3.4
3. Net physical waste as a percentage of input of purchased cotton [(1)—(2)]÷[100—(2)]	16.52	15 · 42	15.75	29 · 1	30 · 1

Card	led	Combed			
A(i)	A(ii)	A(iii)	B(vi)	B(vii)	
2.5	2.5	2.5	2.5	2.5	
14.02	12.92	13 · 25	11-6 (say)	12·6 (say)	
			15.0	15.0	
2 80	2.58	2.65	2·32		
				1 · 89	
			6.0		
				4.5	
13.72	12.84	13 · 10	20 · 78	23 · 71	
86 • 28	87-16	86 · 90	79 - 22	76· 2 9	
	A(i) 2·5 14·02 2·80	2·5 2·5 14·02 12·92 2·80 2·58	A(i) A(ii) A(iii) 2.5 2.5 2.5 14.02 12.92 13.25 2.80 2.58 2.65	A(i) A(ii) A(iii) B(vi) 2.5 2.5 2.5 2.5 14.02 12.92 13.25 11.6 (say) 15.0 2.80 2.58 2.65 2.32 6.0	

Item 1 in the above table shows the weighted average of total waste on gross input for such mixes where in our judgement the waste included in the input arose from the same mix; item 2 the weighted average of the proportions of own waste included in these mixes; and item 3 the net physical waste as a percentage on input of purchased cotton. Assuming that the invisible waste would be about 2½ per cent, we have on a conservative basis estimated that the average rate of realisation of the balance of waste would be about 20 per cent of the value of the Indian mix and 15 per cent of foreign mixes. It is further assumed that the wastes arising in the combers will fetch at least 40 per cent of the value in the case

of Indian mixes and 30 per cent in the case of foreign mixes. Item 6 shows the estimated realisation from visible wastes expressed as a percentage of the value of purchased cotton; item 7 the net waste in terms of value of the purchased cotton after taking credit for realisations from the waste; and the item 8 the recovery percentages calculated. The number of mixes under group A(i) which did not include waste from other mixes were only four and hence any estimate based on such data would not be representative; in other groups number of such mixes were fairly large. The estimated recovery percentages compare favourably with those arrived at on the basis of the samples taken. We have, therefore, adopted the figures of net input in terms of purchased cotton shown in paragraph 14.3.4.3. as representative of the actual conditions obtaining in the industry as a whole.

14.3.4.6. Applying the weighted average rates of cotton for the respective mixes (see paragraph 14.3.3.2.) to the net input figures, the cost of cotton per lb. of yarn to be spun from the different mixes may be stated as under:—

Cost of cotton consumed to produce a lb. of yarn at spindle point

	सन्य	मेव	Rate per lb. of cotton	Qty. consumed per lb. of yarn	Value of cotton per lb. of yarn
			(vide para 14 · 3 · 3 · 2)	(vide para 14·3·4·3)	
1	 •••		2	3	4
A. Carded:	 		nP.	Lbs.	nP.
(i) 8s to 14s	•		105	1.18	123 -90
(ii) 15s to 26s	•		123	1 · 15	141 -45
(iii) 27s to 42s			137	1 -15	157.55
(iv) (a) 43s to 60s	•		161	1 · 14	183 · 54
(b) 43s to 60s*			218	1 · 15	250 · 70
(v) 61s and above*			230	1 · 14	262 · 20

1		2	3	4
B. Combed:				
(vi) 28s to 60s (vii) 61s and above*.	•	157 2 51	1 · 25 1 · 30	196·25 326·30

^{*}Predominantly foreign mix.

(Note.—Prices shown in column 2 above will not be strictly comparable with the prices of cotton mixes for developing future estimates given in the last column on pages 135 and 136, due to regrouping of categories and adjustment of cotton prices as explained in paragraphs 14.3.3.1, 14.3.3.2, 14.9.1.1 and 14.9.1.2.).

14.4.1. Having dealt with the cost of cotton in yarn, we shall now deal with costs of processing yarn upto spindle point. With spindles of ordinary draft the departments through which cotton passes and gets processed are as follows:

सत्यमेव जयत

- (i) Godown
- (ii) Blow Room
- (iii) Carding
- (iv) Drawing
- (v) Slubbing
- (vi) Inter
- (vii) Roving
- (viii) Ring Frame

For combed varieties, there will be an additional department through which the cotton has to pass, namely, combing between carding (iii) and drawing (iv). With high draft spindles usually one of the processes, namely, inter (vi) or roving (vii) is eliminated. With some kinds of drawing (such as bi-coil) the slubbers (v) are also eliminated. With super high draft spindles all the intermediate processes between drawing and ring frame are eliminated. Although amongst the units costed there were a few with super high draft spindles, we have not, as explained earlier, taken their costs into account for arriving at the normal average costs for spinning. Spinning costs have been developed, process by process taking into account the waste factor at each stage for the

counts spun by the units. Since there is no single count of yarn which is manufactured by all the costed units, it is obvious that a simple or weighted average of the actual costs of yarn of different counts cannot give satisfactory or comparable results. The cost of a lower count produced by a less efficient unit may be higher than that of a finer count produced by an efficient unit. This difference would not be rational.

14.4.2. It is, therefore, necessary to determine first a set of ratios that should normally subsist between the processing charges of different kinds of yarn upto spindle point. For this purpose, we have worked out first the ratios between the processing charges of different counts (distinguished between carded and combed, warp and weft yarn) for each unit and expressed the ratios in the form of indices, taking for this purpose the cost of warp yarn of 20s as 100. For units which did not manufacture this yarn but spun, say, 18s or 22s warp yarn, the index already established for 18s or 22s warp yarn for the units manufacturing 20s warp yarn was extented and on that basis the indices representing the ratios for the other counts of yarn were derived. The indices were tabulated count-wise for each of the units and both arithmetic average and the medians were established for all the units taken together and for all the counts. Based on such figures a suitable set of indices representing the ratios inter se between the processing charges of different counts of yarn was established. Before finally adopting this set of indices as the norm we had re-calculated the costs upto spindle point for each of the individual units on the basis of these indices and comparing them with the actual costs already worked out for them have adjusted them where necessary. Having satisfied ourselves by such comparison that the final ratios or indices did not show any bias towards either coarser finer counts, we applied them to equate the production of all varn spun by the costed units in terms of 20s warp varn. By dividing the total processing costs upto spindle point by the equated production in terms of 20s we arrived at the base rate of processing charges for 20s warp yarn for all the units separately. We first took the weighted average of such costs for the selected units from each region as representative cost of that region. The average costs thus obtained for different regions which ranged from nP. 31.05 to nP. 44.75 per lb. were weighted again with the total spindleage of the respective region excluding super high draft

spindles. The final weighted average thus obtained, namely, nP. 38.93 per lb. has been accepted by us as applicable to the industry as a whole for 20s warp yarn. We applied the indices already established to arrive at the processing charges of the different counts of yarn, warp or weft, carded or combed, in order to construct a schedule of costs for all counts.

- 14.4.3. A few units also produced some quantities of hosiery yarn. Comparing the conversion charges of hosiery yarn with those of ordinary warp yarn, count for count, produced by the same unit, it appeared that the conversion charges of hosiery yarn were about nP. 8 per lb. higher than those for corresponding warp yarns. Before allocating the total costs between the different counts in the manner stated in the previous paragraph we had segregated the extra expenses for hosiery yarn at nP. 8 per lb. for all such yarn produced.
- 14.4.4. The actual conversion costs upto spindle point for the several varieties for which costs had been worked out by the Tariff Board in their Report (1948) are shown below together with the actual conversion costs for warp yarn for 1960-61.

(nP. per lb.)

Coun	nt		Туре	of co	tton	यने		Tariff Board's estimate in 1948	Actual conversion costs for warp yarn for 1960-61
10s	Indian							18 · 56	26.08
148	Indian							20.88	30 - 75
16s	Indian			•				25.81	33 · 48
20s	Indian							28 · 63	38 · 93
30s	Indian							42 · 38	57 · 62
40s	Indian							51 · 56	7 7 · 0 8
60s	Carded I	Egypt	ian					74 · 63	116.01*
60 s	Combed	Egyp	otian				•	74 - 25	136 - 26*
80s	Carded I	Egypt	tian			•	•	103 -06	154 · 94*
80s	Combed	Egyt	otian					103 · 00	175 · 19*

^{*}Predominantly foreign.

⁹⁻¹⁶ T. C. Bom/66

Conversion charges for carded varieties upto spindle point have gone up by about 30 to 50 per cent. The increase is due to rise in wages and establishment charges, freight, power and fuel, cost of stores, etc.

- 14.4.5. In doubling, reeling and coning charges also there were wide disparities of costs amongst the different units depending, *inter alia*, on such factors as whether hand reels or power reels were used or whether coning was done on high speed machines or not, etc. As in the case of spinning charges, we have developed suitable ratios that should subsist between conversion charges for different counts of yarn for these operations also.
- 14.4.6. Reeled yarn is generally sold in bundles and coned yarn in cases. The average of the bundling and baling charges for reeled yarn and packing charges for coned yarn have been separately worked out.
- 14.4.7. The Tariff Board in 1948 assumed a moisture regain of 3.5 per cent and after adjusting 1 per cent for wastage in reeling, deducted 2.5 per cent of the cost of yarn at spindle point to allow for the net moisture regain. In India the practice of selling yarn on the basis of conditioned weight does not obtain. Yarn is sold on the basis of actual weight. It was stated by the representatives of the industry that extra varn is sometimes put into bundles to allow for possible driage after it leaves the factory premises. We have not been able to get any satisfactory laboratory tests by research bodies like Ahmedabad Textile Industry's Research Association and Bombay Textile Research Association on which to base an all-India average. In fact some such tests in Bombay have shown much higher figures for moisture regain. Whether conditions vary through the year and from region to region. Relatively a high percentage of saleable yarn comes from mills in the South where the moisture is lower than in Western India where the bulk of the industry is located. We have carefully considered the representation of the industry for disturbing the status quo and have also consulted experts in the field. In our view it would be fair if gross moisture regain be taken at 3.0 per cent and after deducting 0.5 per cent on account of wastage in reeling the correction for mositure regain should be 2.5 per cent. The credit for hard waste has been taken into account while calculating the cost of cotton in the reeled, doubled or coned yarn.

14.4.8. On this basis we have worked out the costs of all counts of yarn for sale. The following table shows the estimates of the Tariff Board in 1948 and the average actual conversion charges of several counts of reeled yarn for 1960-61 described as key counts.

(nP mer Ih)

		(nP. per 1b.)
Cour	nt Type of cotton	Tariff actual Board's conversion estimate charges in 1948 for 1960-61
10s	Indian	. 26.54 37.75
14s	Indian	31 · 11 44 · 03
16s	Indian	. 36.41 47.34
20s	Indian	. 39.91 54.06
30s	Indian	. 59·57 76·17
40s	Indian	. 69 · 46 99 · 03
60s	Carded Egyptian	. 107 01 144 76*
60s	Combed Egyptian	. 106.64 164.50*
80s	Carded Egyptian	. 145 · 11 190 · 50*
80s	Combed Egyptian	. 145 06 210 24*

^{*}Predominantly foreign.

A comparison with the table in paragraph 14.4.4 will show that reeling and packing charges have gone up.

14.5.1. In composite units yarn is woven into fabrics. Upto the grey stage, the various manufacturing processes can be classified under three broad heads, 14.5. Weaving namely, (i) weaving-preparatory, (ii) weaving and (iii) grey finishing, warehousing and baling. Costs have been developed under these heads after examining each process separately and we have computed the costs per liner measure with a suitable allowance for structure and width.

- 14.5.2.1. Preparatory.—Allocation of weaving-preparatory costs to the different types of fabrics is an intricate problem. Apart from complications arising out of the use of coloured or processed yarn, the general behaviour of costs would indicate certain trends. (i) Winding charges per lb. of warp yarn should increase as count becomes finer. (ii) Warping charges should increase with finer counts. should decrease, though not proportionately, as the number of ends in a warper's beam increases. (iii) Sizing and slashing charges, excluding the cost of sizing materials, increase as the count becomes finer but they tend to fall, almost proportionately, as the number of ends in the weaver's beam increases. In fact, apart from possible variations in the speed of the machine, the charges per yard of fabric would tend to remain more or less constant irrespective of the number of ends or count of yarn and for all widths which can be accommodated on the machines. (iv) Drawing-in charges depend on the construction of the cloth, whether it is to be double drawn or not, whether the drawing-in is to be 2 in a dent or 1 in a dent, the number of shafts required, etc. For each such sort, the drawing-in charges increase with the number of ends to be drawn-in, and the charge per lb. will depend upon the weight of warp yarn on the weaver's beam. It is understood that, in general, for a particular number of ends the weight of warp yarn on a weaver's beam tends to remain constant irrespective of counts---more length of yarn being put in for finer counts. Thus, drawing-in charges for a particular number of ends tend to remain constant irrespective the count. Consumption of healds and reeds varies according as the sizing is light or heavy.
- 14.5.2.2. Besides, many units simultaneoulsy use high speed winding and warping machines, e.g., Barber Coleman, as also ordinary ones and in some cases machine knotters are used thus reducing the drawing-in charges considerably for repeat sorts. It will be seen, therefore, that for correct allocation of such charges elaborate analysis of production data would be necessary which, in the majority of the costed units, were not available. As, however, the total cost of the weaving-preparatory departments in relation to the total cost of a fabric is small, we consider that it would be sufficient if the charges upto the warping were allocated in the ratio of the counts of yarn. Charges thereafter, excluding sizing materials, may be expressed as a flat rate per lb. of warp yarn

irrespective of the count of yarn or width of the fabric woven. The total expenses, after segregating charges in respect of coloured yarn, have been allocated in the above manner for each of the costed units and a weighted average has been taken. The charges for coloured yarn have been separately developed.

- 14.5.2.3. Sizing.—The cost per lb. of sizing materials is different for heavy and light sizing. Light sizing is generally used where the fabric has to be de-sized again for processing. Heavy sizing is usually used for the sorts sold in the grey condition. For some of the costed units, only an average cost of sizing materials could be obtained. We have developed the costs of heavy sizing and light sizing on the basis of those units for which separate data were available. The average of such charges was found comparable with the charges for those units where the costs were aggregated for heavy and light sizing.
- 14.5.3.1. Loomshed cost.—To arrive at the costs of weaving in the conventional manner it would be necessary (i) to apportion the total expenses of the weaving department to separate groups of looms with similar width and other characteristics; (ii) to analyse and identify the production to the respective groups of looms; (iii) to determine the loomspeeds separately for each kind of fabric woven on each kind of loom. Such analysis was not possible in any of the costed units, as neither loom-wise data of categories of output nor machine/man-hours for each type of cloth produced were available. We had, therefore, to approach the fixing of weaving process costs from another angle.
- 14.5.3.2. Weavers are paid at piece-rates per yard for the fabric woven, such rates having been determined after taking into account the width of the loom, operation movements, speed of output and complexity of the weaving. Our Cost Accounts Officers have compared the total piece-wages earned by workers weaving different sorts of cloth on different kinds of looms and were satisfied that barring exceptional cases, piece-wages reflected more or less accurately the machine time required for production of different sorts of fabrics. We, therefore, consider that it would be sufficiently accurate if the total expenses (including full labour charges) in the weaving departments were allocated to the fabrics processed

in the ratio of basis piece-rates. Taking a fabric 40" wide with 18s warp and 18s weft and 40 ends per inch and 40 picks per inch, our Cost Accounts Officers have developed the weaving charges thereof for each of the units costed. We have taken the weighted average of such costs for each region separately, assuming that such costs will be representative of the respective region. We have then weighted the regional costs with the total loomage in each region, after excluding automatic looms. The final weighted average thus obtained is considered by us as representative for the industry as a whole for the fabric of the specifications indicated.

- 14.5.3.3. For developing weaving charges for the other sorts we have adopted, as the base, the ratios between the piece-wages payable for different sorts in Bombay and Ahmedabad, which are the main regions producing cotton fabrics in the country. We compared these ratios with those obtaining in other regions and, where necessary, made suitable adjustments taking into consideration the loomage in the different regions. The final ratios have been adopted by us as representative of the industry as a whole.
- 14.5.3.4. We received a suggestion that instead of piecewages the total wages would be a better basis of allocation of the weaving-shed expenses to different kinds of fabrics. Taking the weavers on 2-loom basis we found that generally their earnings for any period were comparable and the differences due to fluctuations of piece-work element could be reasonably attributed to the relative efficiency or absenteeism of the weaver. Thus, dear food allowance which is the other constituent of total wages and is paid at a flat rate per worker, would be more or less in the ratio of the total piece-wages carned when a worker earned the latter element in full. Major differences arise only in such cases where the weaver is working on a 3-loom or 4-loom basis when piece-wages will increase but dear food allowance remains the same as for other weavers. If the costs were developed separately for the varieties produced on 4-loom basis taking into account the total wages, then the costs of such sorts would be lower than those produced on a 2-loom basis. This economy is a desirable trend and ought not to be ignored. Our sample has already been moderated by excluding automatic looms. The method adopted by us will automatically average out the advantages of 3-loom and 4-loom systems to the extent they are found in the costed units.

- 14.5.4.1. For calculating the total cost of the fabic we have to take into account the cost of yarn required. The Federation has asked for a suitable allowance for coarseness of counts to be taken into account while calculating the requirement of yarn. It is noticed, however, that in the weaving-preparatory department, the warp yarn elongates. Further, coarseness does not occur as an invariable factor. After consulting experts, we have concluded that any possible coarseness in count of both warp and weft yarn would be counterbalanced by the elongation and hence no separate allowance in respect of coarseness of counts is necessary.
- 14.5.4.2. The requirement of warp yarn, however, is more than what would be warranted by the length of the piece in the grey stage; for in the process of interlacing with the weft yarn the effective length of the warp yarn gets reduced. We tried to obtain information about the normal percentage of extra allowance that would be necessary and we were informed that such allowance known as the 'allowance for tape length, would differ for different sorts and that no universal percentage or formula could be applied. Therefore, the tape length should be given as part of the specifications of the fabric for calculating the requirement of warp yarn.
- 14.5.4.3. Wastes arise in the various processes of weaving-preparatory and weaving. The weighted average of such wastes worked out to about 3.5 per cent. While calculating the requirements of yarn this has been taken into account. Credit for hard waste is given in calculating the cost of cotton.
- 14.5.4.4. Weaving charges depend on the width of the loom and not on the actual width of the fabric that is woven on it. Normally, there would be a difference of about 2" between the loom width and the width of the grey fabric woven. But occasionally a greater margin has to be allowed either because a unit lacks the loom of proper width for a particular fabric or for other reasons. We have averaged out the difference between the loom width and the width of the cloth in the grey stage for all the sorts for which particulars could be collected by our Cost Accounts Officers. The average margin worked out to slightly less than 4". While calculating the costs of weaving any fabric of a given width we have taken the weaving charges corresponding to a loom which is 4 wider.

- 14.5.5. Other operations for the uncalendered cloth are inspection, folding, stamping and baling. The average of such charges worked out to nP. 6.27 per lb. in the case of grey fabrics.
- 14.5.6.1. The weighted average of the weaving charges per yard of a cloth of 40" width, 18s warp, 18s weft and 40 ends per inch and 40 picks per inch for the industry as a whole works out to nP. 8.71. Costs of fabrics of other specifications can be developed in the manner explained in paragraph 14.5.3.3.
- 14.5.6.2. We are required to indicate the cost of production of the various representative types of cloth. As explained, the variations in cotton prices are so wide and the permutations and combinations of the specifications are so innumerable that no indicator of cost, variety-wise, can be given. But, for purposes of comparison we have calculated the total charges of weaving a lb. of yarn into a grey fabric upto the point of packing and baling including yarn costs. They are shown in the following statement along with corresponding costs for cloth groups III to XIII as classified in the Tariff Board's Report (1948).

सन्धर्मन जयन

Cost per lb. of yarn woven into a 36" wide cloth

(nP. per lb.)

Sort Group as per Tariff Board		Quality	ty		Cost as pe	Cost as per last estimates (1948)	ates	Presci	Present actuals*	
	Warp	Weft	Reed	Picks	Cotton	Conversi	Conversion Total charges	Cotton	Conver- sion charges	Total
	445288444 8 8	54588448888	942 2 86624	44848 82 4 86 5 4	101 · 16 102 · 38 110 · 63 117 · 70 138 · 55 147 · 31 270 · 13 270 · 13 270 · 13 270 · 13	47 · 74 55 · 62 70 · 19 83 · 91 98 · 69 123 · 90 136 · 83 153 · 87 182 · 42 215 · 23	148 · 90 158 · 00 180 · 82 201 · 61 237 · 24 270 · 31 406 · 96 452 · 55 485 · 36 667 · 06	126 · 53 126 · 53 126 · 53 144 · 40 150 · 78 160 · 84 160 · 84 255 · 93 255 · 93 255 · 93 333 · 08	77 ·91 86 ·16 109 ·40 128 ·90 156 ·59 177 ·25 224 · 16 244 · 16 274 · 40 362 ·86	204 · 44 212 · 69 253 · 80 279 · 68 317 · 43 338 · 09 459 · 15 480 · 09 497 · 02 530 · 33

*We have taken the allowance for tape length at 5 per cent and the percentage of heavy size to be applied at 12. For the 1948 estimates, yarn for groups IX to XII was assumed to have been spun from African cotton. To make the cost comparable we have taken for these groups the cost of cotton mix as for cotton mix group A(iv)(b)(vide para 14.3.3.2).

- 14.6. Cotton dyeing.—Coloured yarn can be produced by either spinning yarn from dyed cotton or dyeing the spun yarn in cheeses or hanks. In none of the units selected for detailed examination of charges of processing yarn or fabrics, the first method was followed. Only in two units selected for costing fabrics upto grey stage, small quantities were being spun from dyed cotton for use in the borders and the results based on the small sample would not be representative. The Federation furnished us with the cost of dyeing cotton in a Delhi unit, and one of the Bombay units also made available the cost of dyeing "special cotton". It was found, however, that cost of dyed yarn on the basis of the figures of these two units (taking into consideration the wastage of dyed cotton) would be such that shade for shade any fabric woven with such yarn would be more expensive than a fabric produced from yarn dyed even if it be assumed that in the former case, west varn would be spun directly on weft frames obviating the necessity of pirn winding. Mazri cloth is one of the popular varieties and, as such, should under present arrangements, carry a lower price and there has to be some compensatory advantage for a process somewhat wasteful for dyes especially in view of their prevailing high cost. We also found from the "Schedule of Bleaching, Dyeing, Finishing and Other Charges", adopted by the late Textile Control Board, that for fast and direct colours recommended that the dveing charges for varn from dved cotton should be paid at the same rate as for dyeing yarn, though an exception was made for sulphur colours. After carefully considering the matter, we agree with the above and have decided that the cost of a fabric should not be higher merely because some units choose to produce it out of yarn made from dyed cotton. We have not, therefore, indicated for such yarns separate costs for different colours, such as, direct, vats, naphthols, etc., and the various shades thereof such as light, medium, dark and very dark. For coloured yarn for border, hank-dyed yarn, which is used by most of the textile units, has been adopted for costing.
- 14.7.1. Many of the costed units confine themselves
 14.7. Yarn proc- to spinning grey yarn and do not process it
 essing further.
- 14.7.2. A limited number was selected from the remaining units for detailed examination of the costs of processing yarn and fabrics. In some of these too, the data available

were meagre. For instance, only the average cost of yarn dving was available without distinguishing between the kinds of dyes used such as direct, vat, naphthols, etc., or between the shades thereof, such as, light, medium or dark. number of units for which processing charges could be examined were few compared to the total sample taken for determining the cost of yarn or fabric in grey stage. countercheck we have compared the results with the schedules of processing charges (stated to be on a no profit basis) maintained by different groups of mills. In appropriate cases, we modified the actual averages after considering all relevant factors. Prices of dyes within any one group vary with the make and colour of the dye. Thus, the prices, exclusive of excise duty, charged by one of the Indian producers for naphthols ranged from Rs. 16.25 to Rs. 172.00 per kg. for the different kinds of naphthols. Again, for vats, the prices of another producer ranged between Rs. 49.00 and Rs. 200.00 per kg. depending on the colour of the dye. Accordingly, depending on the colours and shades most frequently used by each individual unit, the cost of dyes for any one category, say, vat dark, may be higher or lower than that of another unit. Even for the same unit, the costs of dves and chemicals for a light shade of any particular colour may be higher than those for medium shades of another colour. Therefore, the averages obtained for dyeing charges for the costed units were suitably modified to maintain a reasonable correlation between the costs developed for the different groups of colours, such as, direct colours, vats, naphthols. etc., and also for the shades obtained thereform, say, light. medium, dark, etc.

- 14.7.3. We have developed the average charges applicable to the following processes:
 - (i) Bleaching in hanks;
 - (ii) Bleaching in cheeses or cones;
 - (iii) Mercerising in hanks;
 - (iv) Dyeing in hanks; and
 - (v) Dyeing in cheeses or cones.

The dyeing charges have been grouped as under:

- (a) Direct Colours-
 - (i) Light

- (ii) Medium and
- (iii) Dark.
- (b) Vats including Hydrons—
 - (i) Light
 - ii) Medium
 - (iii) Dark and
 - (iv) Very Dark.
- (c) Sulphurs
- (d) Naphthols
 - (i) Consumption upto 1 per cent* of grey weight of fabric,
 - (ii) Consumption upto 2 per cent* and
 - (iii) Consumption over 2 per cent*
- (e) Black Shades—
 - (i) Direct,
 - (ii) Vats,
 - (iii) Naphthols, and
 - (iv) Sulphurs.

The classification between (i) light, (ii) medium, (iii) dark, and (iv) very dark has been done in accordance with what is ordinarily termed as such shades by the costed units. For vat colours, these categories will ordinarily include all shades which require use of the dye in relation to the weight of the fabric, upto 0.45, upto 1, upto 2 and over 2 per cent respectively. We have determined the costs of dyeing black shades as a separate category as their costs were found to be higher.

14.7.4. Costs of dyeing yarn in hanks are somewhat higher than in cheeses. It was represented by some of the composite units that the coloured yarn required for the borders of dhoties and sarees is to be specially treated in hanks, though a few units maintained that with some special equipments

^{(*}These percentages are not the same as per cent shades which have a different technical significance.)

eveen yarn dyed in cheeses could be used for the purpose. After full consideration, we have taken into account the hank dyeing charges for developing the average costs of coloured border yarn for dhoties and sarees. For all other uses of coloured yarn we have adopted only the costs of cheese-dyed yarn.

- 14.8.1. The main processes involved are bleaching, mercerising, dyeing and printing. None of the costed units had undertaken during the costed period, 14.8. Processing such special processing of fabrics as organdie of fabrices finish, water-repellant finish, crease resisting finish, etc. No costs could, therefore, be developed in these cases. The price control authorities should, therefore, fix such charges as are reasonably established to their satisfaction.
- 14.8.2.1. One of the factors affecting the costs of the processed fabrics is their elongation in processing. This is generally accompanied by a reduction in the width; but since prices are fixed as a rate per yard or meter, the costs upto the grey weaving stage and the costs of those processes which are to be assessed per lb. of "grey weight", require to be appropriately adjusted.
- 14.8.2.2. In paragraph 14.5 we have dealt with the costs upto the grey uncalendered stage. Grey fabrics are sold either uncalendered or calendered. The elongation in calendering varied from sort to sort and the average worked out to more than 1 per cent. For the industry as a whole, we have adopted 1 per cent as the factor for elongation of grey calendered cloth. The average grey calendering charges worked out to nP. 0.51 per yard (loom-state).
- 14.8.2.3. The elongation for other processed fabrics worked out to about 2 per cent for the industry as a whole except for pre-shrunk fabrics such as sanforized. For sanforized cloth, it was observed that the elongation prior to sanforization, was offset by shrinkage in the process of sanforization. There were instances where even after sanforization a net elongation resulted; but in other cases there was a net shrinkage. After carefully examining the available data, we consider that no separate element need be provided for shrinkage as an average for the industry as a whole and it would be reasonable to assume the finished length of the sanforized fabric to be equal to its grey length.

- 14.8.3.1. Bleaching.—The cost of bleaching depends on several factors like the equipment and chemicals used as also the final form in which a sort is marketed.
- 14.8.3.2. Bleaching cost would be highest for bleached and mercerised sorts, as the fabric requires to be bleached twice, that is, both before and after mercerising. It is lowest for bleached and dyed/printed sorts because any slight defect in bleaching usually is covered up by the later processes. The bleaching expenses also vary with the fineness of the fabric. In this respect, some of the schedules of inter-company charges as also the schedule adopted by the late Textile Control Board show the charges to be higher for finer count fabrics. In most of the costed units it was possible to develop only an average cost. Where sufficient details were available. it was noticed that though the expenses other than for chemicals increased with the finer counts, the chemicals required and also the proportion of fabrics re-bleached for defects were less. the net result being a slight decrease in total charges as the count became finer. We have, therefore, developed only an average cost of bleaching per lb. for all sorts and assessed differentials for re-bleaching allowances required for the various categories of fabrics as mentioned in the earlier part of the paragraph.
- 14.8.4. Dyeing.—For purposes of developing dyeing costs we have taken jig dyeing to be the standard practice for the industry as a whole. It was noticed that expenses other than for dyes and chemicals per lb. of grey fabric were lower than those for yarn dyeing. We have developed reasonable average costs for the various categories of dyeing separately for shades such as light, medium and dark for each class of dye.
- 14.8.5. Printing.—Determination of printing costs was complicated on account of the different kinds of techniques adopted such as direct style printing, resist printing, discharge printing, blotch printing, etc. Though the printing charges will vary to an extent depending on the class of dyes used, it was noticed that for multicolour printing, different classes of dyes, such as vat and azoic dyes and pigments, may be used to print designs on the same fabric to take the best advantage of their colouring potential. Accordingly we decided to allow an average charge for printing with all types

of dayes except prints with titanium dioxide (khaddie) for which separate charges have been worked out. We have given reasonable differentials for (a) different widths of the printed materials; (b) number of colours printed; and (c) area covered by printing. (When 80, to 100 per cent area is covered by printing, it is called "Blotch" printing). printing on dyed materials or dyeing printed materials, one has merely to add together the corresponding charges. *Resist (reserve)' and 'Discharge' printing are essentially forms of dyeing fabrics printed with 'resists' and printing 'discharges' on dyed fabrics respectively. The printing pastes for 'resists' or 'discharges', however, generally cost more than ordinary printing pastes. Comparing the total charges of over-dyed printing with any number of colours with those of 'resist' or 'discharge' printing with the same number of colours and same area coverage, we have determined suitable differentials for the latter categories of printing. We have not developed printing charges in respect of direct colours as these are not fast to bleach.

- 14.8.6. Similarly, we have developed costs of mercerising sanforizing, raising, and back filling.
- 14.8.7. Types of finishing for processed goods are so varied that it has not been possible to ascertain the cost of each type of finishing. In most cases only an average cost was available. However, it was noted that in most cases, where details were available, the finishing charges for poplins and mercerised articles were the highest. Having ascertained the average costs we have grouped the fabrics suitably and developed appropriate differentials for them. Except in a few individual cases, the finishing charges as developed cover, by and large, such charges of the categories mentioned above. We have already stated in paragraph 14.8.1 that it has not been possible for us to develop the costs of such special types of finishes as anti-crease finish, organdie finish, water repellant finish, etc. The charges mentioned above will cover, by and large, all ordinary kinds of finishes including starch, gum and thermo-plastic resin finishes.
- 14.8.8. We have counter-checked the results with the schedules of processing charges (stated to be on no profit basis) maintained by certain important groups of mills.

- 14.8.9. Different kinds of packing are used for different fabrics. It has not been possible for our Cost Accounts Officers to work out separately the packing costs for each of the innumerable varieties of processed fabrics. However, packing charges were calculated separately for processed fabrics as a whole which, during the costed period, worked out to about nP. 17.20 per lb. compared to nP. 6.27 per lb. for grey fabrics. We consider that the above packing charges will adequately cover, on the average, all kinds of packing normally required for packing processed piecegoods.
- 14.9. Future costs.—Having determined the actual costs of yarn and fabrics and the processing charges for the year 1960-61, we have estimated the cost for the future. In paragraphs 13.4 to 13.6 we have discussed the difficulty in cost estimation if it is to hold good for any long period and in fixing any specific prices for the innumerable varieties of output in the industry. The basis of prices fixed by the Tariff Board in 1948 held only for barely five years till decontrol. In the present economic conditions we consider that any price fixation for a period of over five years would not be realistic. Our recommendations proceed on this basis.
- 14.9.1.1. Cost of cotton.—The cost of cotton varies from year to year and often within the year itself and there is no reasonable method of forecasting its price for any future period. Since the cost of cotton for costed companies mostly corresponded to 1960-61 season, it will be possible for the Textile Commissioner to determine an index number in relation to 1960-61 prices (average market prices and not adjusted prices which have been indicated for the base period) showing the general rise or fall in the prices of such varieties of cotton as usually go into different mixes and adjust the prices from time to time. But a reasonable set of base costs for the different mixes has to be provided on which to apply such index number. As mentioned in paragraph 14.3.3.3. during the costed period cotton had been purchased by mills at about the ceiling rates. This was principally because of the poor crop of 1959-60 season. We do not consider that it would be reasonable to assume that cotton will always be purchased at the ceiling prices even if there are changes in ceiling prices in a normal year. It is reasonable to assume that ordinarily mills will buy throughout the season to their best advantage and on an average their purchase prices should not be more

than 90 per cent of the ceiling rates prescribed in any year. We have, therefore, calculated the set of base prices of cotton for the different mixes taking prices of cotton at 10 per cent below the ceiling. Since ceiling rates do not operate in respect of foreign cotton, the costs thereof have not been changed.

- 14.9.1.2. Further the count ranges as given by us do not, in fact, correspond to the average count limits demarcating cloth into categories of coarse, lower medium, higher medium or fine. It is reasonable to presume that the quality and price of the cotton mix will be adjusted by the mills having regard to the price of the end products, that is, the variety of cloth. We are also informed by experts that subject to exceptional cases where over-spinning or underspinning might take place, the range of spinning for a given mix is not as wide as we have found in the aggregated groups (ii) and (iii) in paragraph 14.3.3. We are advised that it is good spinning practice to have the following group ranges:
 - (1) 9s to 15s, where the warp limit would be upto 12s,
 - (2) 16s to 24s, where the warp limit would be upto 18s,
 - (3) 25s to 32s, where the warp limit would be upto 28s,
 - (4) 33s to 40s, where the warp limit would be upto 38s, and
 - (5) 41s to 60s.*

We are also advised that generally sale yarn or weft yarn will be spun from similar mixes. We have, therefore, decided purely for purposes of indicating the base (1960-61) cotton prices on which escalation has to be developed or initial price fixation has to be made, that the following group ranges should carry prices as indicated.

A. Carded		Warp yarn	Weft/Sale yarn	Cotton price nP./lb.
A. Carded				
(i) Indian mixes to cover .	•	8s to 12s	8s to 14s	93.6
(ii) Indian mixes to cover .		13s to 18s	15s to 24s	105.3
(iii) Indian mixes to cover.	•	19s to 28s	25s to 32s	114.3

^{*}Composite mills do not spin warp yarn in this range for their own use from Indian cotton mix but such yarn is made available for sale.

¹⁰⁻¹⁶ T. C. Bom./66

e Cotton price nP./lb.
s 121.5
s 144.9
s 218.0
bove 230.0
s 141.3
ove 251.0

- 14.9.1.3. In cases where a unit uses a superior variety of cotton costing more than what is mentioned above, we recommend that it should approach the Textile Commissioner with full particulars and if he is satisfied about the need for using such superior mix he may allow a different rate for cotton mix reasonable in the circumstances.
- 14.9.2. Depreciation.— The units in the cotton textile industry almost invariably follow the written-down value method for depreciation. Normally, depreciation on fixed assets decreases year by year except when fresh additions are made to the fixed assets. In Chapter VII we have given some data indicating growth of capital and fixed assets as also depreciation and in Chapters VIII and XVI examined the case for a higher return to cover rehabilitation needs. We have observed that the appropriation for depreciation has tended over time to remain around 3 per cent of production cost or about 4 per cent of block. Since it has not been possible for us to estimate with reasonable accuracy the quantum of fresh additions to fixed assets that may take place during the period of estimate, we have adopted the same figures of

depreciation as calculated for the actual period for the purposes of our estimates to take care of any possible additions to fixed assets in the future. In other words, even if there will be additional depreciation on new assets installed or to be installed during the price period it will be offset by the lower depreciation that will accrue on old assets under the written down value method adopted.

- 14.9.3. Production of yarn and fabrics depends to an extent on the availability of cotton in a year. Since this cannot be forecast with any degree of certainty, it is reasonable to assume the production in the future years to be the same as during the costed period. Hence despite the increase in plan targets to which we have referred in paragraph 3.8.1, as it cannot be established how much of the extra output will come from existing units in the organised sector we have made no scaling down of overheads for rise in output.
- 14.9.4. Wages in the cotton textile industry are regulated by various awards, which came into effect on different dates. Only that portion of the wage, which is generally paid at a flat rate per worker in respect of dear food allowance, is subject to increase or decrease in accordance with the cost of living index. After the period for which the units were costed. the basic rates for each worker were increased at a flat rate of Rs. 2 per worker per month according to the Wage Board Award. In West Bengal there was also an Award in respect of dear food allowance with retrospective effect from December 1960. The rise or fall in the dear food allowance upto the date of inquiry due to the rise or fall in the cost of living indices compared to the indices during the costed period. were furnished by the units concerned. Data for rise in cost of stores, power and fuel upto the date of inquiry were also furnished. Apart from the above, we have to take into account the normal annual increments of supervisory staff, possible rise in cost of stores, power, fuel, etc., in accordance with the current trends. The data for increase in costs based on deviations for individual items as furnished to us were not sufficiently precise. Taking all factors into account, we consider that an average increase at 10 per cent of the actual conversion charges would be enough to cover the rise in wages upto the date of inquiry and any possible rise in the salaries of supervisory staff, cost of power and fuel, prices of stores materials, etc., for a period of five years.

- 14.9.5. To provide for an escalation for any possible further increase or decrease in the wages of workers, we have calculated that an increase of Re. 1 per worker per month will result in an overall increase in the conversion costs by about 0.4 per cent in the case of yarn for sale and 0.35 per cent in the case of fabrics, both grey and finished.
- 14.9.6. We do not consider it necessary to provide for any separate adjustments for rise or fall in the cost of power and fuel and cost of stores materials in view of the increases already provided by us in the estimates as mentioned in paragraph 14.9.4. But to meet any unforeseen circumstances in the future, we have provided for a further increase of 2 per cent in the actual conversion charges as an allowance for contingencies.
- 14.9.7. We have worked out the estimated costs for the different varieties of yarn and fabrics on the above basis.



CHAPTER XV

FAIR RETURN, REHABILITATION AND MODERNISATION

15.1.1. In the previous chapter we have discussed the costs of production of cotton yarn and fabrics and, segregating cost of cotton used, arrived at the 15.1. Fair return estimates of ex-factory costs (conversion charges) for the future, including depreciation but excluding return. We have now to consider the fair return to be included in the price. In Chapter VII we have made a survey of the financial position and performance of the industry in order to enable us to assess the quantum of return it will need. The terms of reference require us to keep in mind the extent of capital formation in the industry required for continuous rehabilitation and modernisation and for raising the levels and quality of output. In view of the importance of the industry in the national economy and its vital role in future planning it is essential that it should receive a fair on its capital investment. The 'fair return' for an industry will depend on factors such as its capital structureoutput, risks, the degree to which it is capital intensive and the extent to which it has a high rate of turnover. Equally the other factor, namely, that an essential industry providing a necessity of life ought to be satisfied with moderate profits should receive due importance. Having regard to these factors there are certain objective norms of judging a return as fair for any given industry, the most significant among them being the accrual of a steady return over a number of years. There should not be any radical departure from the return that the industry has obtained during normal years. But this by itself need not necessarily be a determining condition as other comparable industries may perhaps be faring better during a given period. There may be fluctuations from time to time relative profitability of different industries as distinct from common trends which affect industries in general. There is still another consideration which may also weigh in the final decision. Whatever might have been its earnings during previous years there may be certain special requirements such as

incentives for capital formation, rehabilitation or increased production which may warrant a rate of return different from what might have prevailed during previous years. A judicious combination of these criteria giving them due weightage is necessary to determine a fair return to the industry. The rate of return permissible for an industry is a function of a variety of items which go to constitute the financial burden of an industry chargeable to profits and are over and above what are generally accepted as items of costs.

- 15.1.2. The Federation has pressed for a higher rate of return for the industry than what is normally contemplated for consumer goods industries which are subjected to a policy of price control. It has urged that bonus, gratuity and managing agency commission should be treated as items of costs and the return on capital should not be expected to cover any of them We accept gratuity and incentive bonus as items of cost wherever actually provided. Bonus, on the other hand, has no such claim to be considered. It is based on a unilateral decision by the employers, though governed by compulsive events, and hence the amount may vary according to the financial position of the company and the policy decision of the employer. Pending the orders of Government recommendations that may be made by the Bonus Commission, we have not agreed to consider bonus to labour other than as a charge on profits. However, bonus as a liability has been in our purview while determining the rate of return. The managing agency commission is really a division of the profit differential which accrues after all items of cost have been met. Managing Agents are recipients of a share of the profits and they are not strictly part of the salariat even when assured a minimum remuneration, and hence their commission cannot be included as an item of cost.
- 15.1.3. The Federation has asked that the return should be expected to cover only taxes, dividends and reserves, and yield a net 7 per cent return after taxes. It has further made a suggestion that the return should not merely be related to the contribution of the original shareholder but should have a bearing on what the present shareholders might have contributed to acquire the equity shares of the industry. This suggestion is impracticable and unacceptable. There may be a constant change in the shareholding of a concern and with the fluctuations in the share values it may be difficult to

ascertain even at any given time what might be the actual contribution to acquire a given number of shares. Besides, it should also be borne in mind that the premium paid to acquire shares indicates the higher value of shares of a company in terms of the stability of its earnings and higher capital value. It need not necessarily be related to r proportionate increase in the return on investment. Occasionally share values may also get affected by speculation or attempts to gain control over a unit. Therefore, we cannot agree to this method of determining the return on capital.

- 15.1.4. Another claim made by the Federation is that the return ought to be related not only to the paid-up capital of a concern but also to its reserves. Reserves are built up on the basis of return that has already accrued to the industry though undistributed. So long as they are ploughed back they will automatically entitle themselves to a return which is based on employed capital; otherwise they are not eligible for a return as they do not form part of the employed capital. The Federation has also pleaded that the return allowed for the industry must be such as to take care of the financial losses owing to the lower prices that unpopular varieties may fetch and also the periodical depressions from which the industry may suffer. These are risks incidential to any business and not peculiar to the textile industry and it may also be difficult to make an accurate assessment of them. Further, during recent years depressions have not been a common feature in the industry affecting its production as a whole. Particularly during periods of price control such depressions, if any, are not allowed to harm the industry. The return of an industry has often been at a relatively higher level during a period of price control than free market conditions.
- 15.1.5. Return has been calculated by us on employed capital, unlike the Tariff Board in 1948 which allowed a return on capital block and made separate provision for interest on working capital. The method of calculating return on the basis of capital employed has its obvious advantages. Employed capital includes borrowings which form a significant item in capital financing during recent years (see Chapter VII). Since under the capital employed method the same return is available on borrowings also, the net return would generally be higher than under the old arrangement. This is expected to cover some of the contingencies which may affect the overall return of an industry.

- 15.1.6. On a consideration of the various objective criteria which influence the rate of return for an industry we are of opinion that a return of 12 per cent on employed capital would be reasonable for the cotton textile industry and adequate also to provide some resources for rehabilitation dealt with later. This return is not only comparable with the return of other industries but also in keeping with the performance of the industry during previous years.
- 15.1.7. Working capital and capital emploved. have taken the latest available balance sheets of the costed units and first determined the working capital of those units engaged in spinning only. The working capital in cases was about 3.5 months cost of production excluding depreciation. In the case of those composite units which sold a proportion of the yarn produced, we assumed that the requirement of working capital for that portion of the varn which was not consumed in the production of fabrics, would be at the same rate as established for the spinning units. The working capital for the composite units, after the due adjustment of what would be required for sale yarn, was about 5 months' cost of production of the fabrics less depreciation. Capital employed has been taken as the sum of the working capital and the average written-down value of the fixed assets. In the case of composite units selling a portion of yarn produced, the net fixed assets relating to such yarn have been assessed and segregated.
- 15.1.8. Since the element representing the cost of cotton is to be separately provided in the price of yarn or fabric, it is necessary to allow an element of return thereon. The inventory of cotton forms the main element of the working capital. A return of 12 per cent on working capital relating to cotton will work out to 3.5 per cent of the cost of cotton for spinning units and 5 per cent for composite units in respect of fabrics only. The balance of the total return, when related to the total cost of production excluding cotton (i.e. on the total conversion charges), worked out to 12.6 per cent in the case of fabrics.

- 15.2.1. In Chapter VIII we have dealt with the claim of the industry for an element for rehabilitation in the prices of varn and cloth and also discussed the 15.2. Rehabilita- assessments by several Expert Committees tion of the quantum required for rehabilitation and the method of financing it. The Working Group which placed the need for rehabilitation at Rs. 180 crores for the industry for the Third Plan period envisaged that internal financing by the industry would be possible to the extent of Rs. 80 crores and the balance of Rs. 100 crores would require to be found from loans from financial institutions. In respect of loans for capital needs, while interest would find a place in return, the incorporation of an element for repayment of loans would cast a burden on the consumer. It would not, in our view, be unfair to expect the industry, which is the ultimate beneficiary, to bear the bulk of amortisation charges.
- 15,2.2. It is necessary to ascertain how much of the capital formed in the industry during recent years has been used for rehabilitation or modernisation and expansion. depreciation provided which should have accu-Similarly, mulated with interest will have to be estimated. Where depreciation has been used for working capital or expansion, the short-fall in resources cannot be easily assessed. If it has been ploughed back in the industry it is also necessary to find out whether it has been used for rehabilitation or for replacement of assets; if not, the amount that would have been raised by the funding of the depreciation resources should be assessed as available finance. Similarly, in fairness to consumers, the development rebate received and receivable on new assets installed should be taken into account before any deficiency is accepted. This is the approach that we adopted in the case of the cement industry (vide paragraph 13 of our Report 1961).
- 15.2.3.1. The Federation has calculated the requirement of rehabilitation for the next twelve years at a figure of Rs. 484 crores or Rs. 40 crores per annum. The calculations made by it are not in accordance with the method indicated in our Report on the Cement Industry (1961).
- 15.2.3.2. For application of the method it is first necessary to establish the date of installation of the machinery and the corresponding index figure to estimate its present value.

No data have been furnished by the Federation for this However, we have made an attempt to assess the requirement of rehabilitation on the basis of information furnished by them.

15.2.3.3. The original cost of plant and machinery in the year 1955 for the 294 companies representing 82 per cent of the industry as given by the Federation amounted to Rs. 175 crores. The total depreciation written off amounted to Rs. 140 crores, out of which, the Federation suggested that $\frac{250}{275}$ proportion may be taken as relating to plant and machinery. Thus, the depreciation on plant and machinery would amount to about Rs. 127 crores or about 73 per cent of the original cost. If, as stated by the majority of the units, the depreciation has been calculated on written-down values, then taking 15 per cent as the rate of annual depreciation for plant and machinery for normal two shift working, the original assets would have been installed on an average only about nine years before 1955, that is, in the year 1946. (Accumulated depreciation on the basis of 15 per cent on writtendown value amounts to 76.8 per cent of the original cost of block in the 9th year and 72.8 per cent in the 8th year.)

15.2.3.4. Having estimated the average year of installation, it is now necessary to establish the index for rise in prices since then. For this purpose the Federation has given figures for 11 companies, all of which were established some 33 to 86 years prior to 1959. The index d cannot be accepted as applicable to the industry as a whole view of the average year of installation as estimated in the previous paragraph. In our view, the same index number as was used for the Cement Industry can as well be applied to this industry as it had been stated that the indices were developed with reference to general rise in the value of plant and machinery. Assuming no further increase in the price of plant and machinery after the year 1959-60 (for which the index is taken at 100), the index figure to convert the original cost of plant and machinery installed in 1946 to its present replacement value would be 204.

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15.2.3.5. Thus, for the plant and machinery existing in 1955, the requirement of rehabilitation upto the year 1967 may be calculated as under—

	Rs. in
	crores
I. (a) Original cost of plant (existing in 1955)	175
(b) Cost of replacement according to the index figure for 1946 (average year of installation of the above machinery).	357
II. (a) Life expiring by the end of the year 1967—21 years—accumulated depreciation for 21 years at 15% per anum on the written-down value including interest at 2% per annum (after tax).	229
(b) Residual or written-down value	6
(c) Tax concession on development rebate at 10% available when replacement is carried out.	36
(d) Total fund available	271
III. (a) 1 (b)—II (d)	86
(b) Proportion allocable to life remaining after 1967—4 years (25-21)*.	14
(c) Balance for which allowance for rehabilitation can be claimed—III (a)—III(b).	72

^{*}Average life of plant and machinery taken at 25 years.

The above is in respect of 82 per cent of the industry. Therefore for the industry as a whole the amount may be stated at around Rs. 88 crores. As regards assets acquired after 1955 it can be shown, using appropriate index numbers, that no allowance for rehabilitation would be necessary upto 1967.

15.2.3.6. It will not be proper, however, to load the backlog of rehabilitation to the extent of Rs. 88 crores on the price of yarn and fabrics for a limited period of five years. Distributing it over ten years, the net annual amount required works out to about Rs. 8.8 crores. The capital employed for the 294 companies has been worked out by the Federation at Rs. 328 crores, including about Rs. 155 crores of net fixed assets for the year 1959. It was observed from the data furnished by the Federation that the average increase of the net

fixed assets for these units was about Rs. 12.5 crores per annum. On this basis, and taking note of the fact that the net fixed assets at the end of 1959 amounted to Rs. 166 crores, the average net fixed assets for the years 1963 to 1967 would work out to Rs. 235 crores. The working capital will proportionately rise with the cost of production and taking a 10 per cent rise the average working capital for the years 1963 to 1967 may be taken at Rs. 190 crores. Thus, the capital employed will be Rs. 425 crores for 294 companies representing 82 per cent of the industry. For the industry as a whole, the capital employed may be reckoned at Rs. 518 crores. We have provided the element for rehabilitation at 2 per cent of the capital employed, the quantum per annum being about Rs. 10.4 crores, which should cover the rehabilitation requirements as shown above as also a proportion of tax element to be paid thereon. Further, we have not taken into account the tax on development rebate on expansion as distinconcession guished from replacements. Since the ultimate beneficiaries of rehabilitation are the shareholders, we consider it would not be fair to load the entire tax element in the price. The above element works out on the average to about nP. 1 per rupec of net ex-mill price of yarn and about nP. 1.25 per rupee of net ex-mill price of all fabrics. We recommend that these amounts less tax should be utilised only for purposes for which they are allowed, namely, for rehabilitation, that is replacement of worn-out assets and not for distribution as dividends or bonus to labour. So long as price control continues, the units in the industry should show the earmarked provision on account of rehabilitation properly in their accounts and satisfy the control authorities that the amounts are being used only for purposes for which they are intended.

CHAPTER XVI

PRICE FIXATION AND ESCALATION

- 16.1. In Chapter XIV we have dealt with the works cost for the costed period and developed the estimated costs of conversion for the future of the various kinds of yarn and fabrics. In Chapter XV we have discussed the quantum of return on capital employed including an allowance for rehabilitation. Taking into account the appropriate ruling price of cotton, the prices of practically all varieties of yarn and fabrics can be fixed. Only for carded yarns above 80s, combed yarns above 100s and also certain varieties of finished fabrics such as organdie, anti-crease etc., which the costed units did not produce, could no provision be made in our schedules and the price control authorities may have to make an ad hoc assessment.
- 16.2.1. Though we are required to examine and report on the fair prices for all types of cotton yarn and fabrics it is not practicable to fix specific prices for the innumerable varieties of fabrics produed. We have drawn attention to this in paragraphs 1.2.2, 13.5 and 13.6 and briefly recapitulate the basis of our price fixation.
- 16.2.2. At the last inquiry by the Tariff Board in 1948. 16 units (11 composite and 5 spinning) were selected for costing. Costs were tabulated for 40 different counts of varn which included 12 key counts and 102 varieties of cloth. The final estimates were made for 12 key counts of yarn and 43 varieties of grey cloth for calculating fair realisation multipliers. The Tariff Board indicated the method of adjustment of prices consequent on changes in cost of production. For this purpose cost of cotton was separated from manufacturing expenses as raw cotton prices were considered more susceptible to changes than conversion charges. For purposes of continuity we have made a similar approach, the number of units selected for costing is larger (43) and our coverage of varieties of counts of yarn and types of cloth is also wider. The price schedules evolved by us would cover practically all counts of yarn as indicated. The schedules for cloth would also cover

all textile groups in the grey stage. Additional data have been suggested for fixing rates for further processing costs, such as, bleaching, dyeing, mercerising, etc. The schedules enable separate evaluation of raw cotton costs in the price structure of yarn and cloth so that variations in the raw material costs can be properly provided for in the yarn and cloth prices from time to time.

- 16.2.3. Cotton.---As regards cotton, the Tariff Board admitted for the actual period the cost of the material delivered at the mills' godown inclusive of freight and other incidental charges. For subsequent changes in cost the board recommended that the replacement cost of raw cotton should be taken at the average of cotton prices prevailing in the Bombay market during the first week of the month preceding the quarter. In the present inquiry also the position continues to be similar, since for the actual period the mills supplied us with only aggregate costs of cotton delivered at mill premises without properly distinguishing the cotton price, freight and handling charges. Major freight changes have been made by railways only recently and are unlikely to have an incidence comparable to fluctuations in cotton prices.
- 16.2.4. The important element in the price of yarn or fabric corresponding to the cost of cotton has, of necessity. to be determined from time to time on the basis of ruling prices. Apart from this, the necessity of segregating this element in the price of yarn or of fabrics arises from various other reasons. For example, in our classification of cotton mixes according to maximum spinnability no predominantly foreign mix could be included for counts up to 42s. a unit may spin yarn of 42s from foreign cotton mixes for the sake of quality. Some of the spinning units actually represented that their yarn commanded a premium in the market because of the fact that they used varieties of cotton superior to those used by average spinning units. Similarly, some of the composite units also represented that their fabrics commanded a premium due to their reputation of producing quality fabrics only; and one of the factors for such quality can be the use of superior cotton. Hence, the element in price representing the consumption of cotton should be provided separately so that it will be easy for the price control authorities to amend it suitably when cotton prices fluctuate and for this purpose we have prepared a schedule showing the net input

of cotton for the various counts of yarn. To cover the ordinary cases we have shown the base prices which are to be revised according to fluctuations in the market prices of raw cotton.

- 16.2.5. Conversion charges.---In view of the innumerable varieties of fabrics that are manufactured, the only possible method of price fixation is to provide a set of schedules representing price elements corresponding to the different characteristics in regard to use of yarn or construction or processes through which the varn or fabric has to pass. By assembling them together in the appropriate manner the price of any count of yarn or variety of fabric can be worked out, In framing the schedules we have taken note of the facts that certain charges have to be calculated either as a flat rate per lb. or as a rate per lb. varying with the counts of varn while other charges have been reckoned as a rate per pick varying with the width of the loom and the complexity of the weaving. We have grouped separately such charges as very with the weight of yarn and those which vary with the number of picks.
- 16.2.6. Before deciding on the format of price schedules. we considered the advantage of presenting them in the form adopted by the Tariff Board. They adopted as a basis the realisation multipliers which had been fixed earlier by the Textile Control Board (reproduced in Appendix to the Tariff Board's Report, 1948) but substituted the realisation multipliers for fabrics falling under Groups I to XIII by the fair prices worked out by them. These realisation multipliers show the prices corresponding to 1 lb.of yarn woven into a 36" wide cloth and provide for adjustments on the basis of average count. To present the schedule of fair prices in the form adopted by the late Textile Control Board, one has to calculate the changes in the fair prices with respect to the average count of the base fabric within a group, the assumption being that unless the average count varies, the prices are not likely to vary. To calculate such rates one has to calculate the costs of fabrics for all possible structures which can be obtained by permutations and combinations of the permissible counts of warp and west yarns respectively within the group, as also all possible variations in reeds and picks which may affect the average count of the fabric. But

before attempting such a task we found that even without altering the average count of the fabric within a group the fair prices as worked out by us gave different results by a mere inter-change of warp and west counts in a square construction. According to the Board's formula, the price per lb. of yarn woven into a cloth of 60" width would be the same as the price per lb. of yarn woven into a fabric of similar construction in respect of warp of west yarn, needs and picks, but with a width of 30". We, however, found that the costs would vary with the width of the fabric. We also found that the usual unit for calculating the weaving charges of any fabric was the linear measure. Accordingly, it would be more convenient and suitable for the ultimate purpose of fixing different prices for different fabrics if the schedules were prepared in the manner stated in the previous paragraph. The schedules prepared by us are such that it will be easy to calculate the price according to the specifications of the fabric, group-wise. The prices should be worked out as a rate per yard/metre.

- 16.3. Rebate on seconds. It is not possible to produce continuously good quality fabrics and some quantities of seconds, two-part pieces, rags and fents are always produced along with standard quality fabrics. According to trade practice, mills allow certain rebates on selling prices of the above categories. The prices of the standard products have therefore, to be fixed at such a level that even after allowing for the rebates on the sale of seconds, etc., the net realisation should cover the fair prices which have been worked out by us as the average for all products. After taking into account the proportion on which such rebates had been allowed by the different units during the costed period, we consider that the following percentages added to the fair prices of different categories of fabrics should be sufficient to cover the rebates allowed by a unit:
 - (i) On grey cloth 1.75 per cent.
 - (ii) On processed cloth other than printed sorts 2.75 per cent.
 - (iii) On printed sorts 3.75 per cent.
- 16.4. Before finalising the schedules and the formulae their results have been checked by working out the proposed prices for the various categories of yarn and cloth and comparing them with the costs of production for individual units and their selling prices. A few illustrations are given in paragraph 16.7.

16.5. Price Schedules

16.5.1. Having discussed the bases on which price schedules can be framed, we append at the end of the chapter three schedules (with specifications required and appropriate tables) for fixation of prices. These are—

Schedule A—Grey and processed yarn for sale with Tables A1 to A14.

Schedule B—Grey uncalendered fabrics *with Tables B1 to B17.

Schedule C—Processed fabrics with Tables C18 to C29.

The method of application of the schedules is illustrated later. These schedules could remain effective for a period of five years, that is, up to 31st December, 1967.

16.5.2. It will be noticed that though the price schedules provide for formulae for calculating the fair price of a kg. of yarn or a metre of fabric, the attached tables give the price elements as rates per lb. or yard. It might appear an anachronism to have calculated the price elements in the tables in the British system of measures while the Government have adopted the metric sytem. In the case of textile industry, however, even in the latest 'Hand Book of Textile Control Orders' corrected up to 31st December 1960, the British system of counts has not been converted into 'Texcounts' (i.e., number of grams per kilometre) nor the requirements of picks, etc., have been converted into metric measures. When such conversion takes place, considerable changes in grouping of fabrics are bound to occur; for example, the basic warp and west counts for the present Group XI fabrics are 60s and 80s respectively; in the 'Tex' counts they would become 9.8 and 7.4 and it is unlikely that in future the groups would be described by such fractional numbers. Further, payment of piece wages to the weavers is still linked up with the yard as unit of measure. This obtains even in the latest labour awards. So long as the British system of counts continues

^{*}Grey uncalendered fabrics include fabrics which are woven with leached/mercerised or coloured yarn but are not processed further.

¹¹⁻¹⁶ T.C. Bom./66

to be used, it would be easier to compute the weights and lengths in pounds and yards. We have not therefore converted the tables attached to the Schedules to the metric system.

- 16.6. We recommend that the prices determined according to the schedules should be deemed to be ceilings for the relevant varieties of cotton yarn and fabrics. We have referred earlier to the various categories whose prices cannot be fixed under our schedules. Firstly, categories of industrial yarn and fabrics are outside the scope of our inquiry. Next, we have categories where some element of raw materials (e.g., silk or rayon admixture) or a special production process (such as resin finish) which has not been costed is employed. We have also not costed yarn of counts above 80s in carded varieties and above 100s in combed varieties. In such cases the producer must establish to the satisfaction of the price fixing authority the circumstances in which a higher price is justified. We do not suggest that any proportion of the production of a unit should be left outside price control.
- 16.7. The prices recommended are only the net ex-mill prices, that is, the prices to be retained by the producers. In the following tables A and B, we have worked out the prices of several varieties of yarn and fabrics made by the accordance with the appropriate price different units in schedules and compared them with the respective net selling prices. The prices worked out in these statements also illustrate how the schedules should be applied to fix the prices of different articles. It will be seen that so far as yarn prices are concerned, the current voluntarily controlled prices up to 42 counts appear to have anticipated all possible increases in the processing charges during the next five years, excluding fluctuations in cotton prices. The current prices of yarn over 42s appear to be excessive in relation to costs. In regard to some selected fabrics in table B it will be seen that present selling prices are higher than under our formula with no adjustment for cotton prices. A further table C is attached which shows the proportion of elements of costs/prices of yarn/fabrics (up to grey stage) on an overall basis.

TABLE A

1. Comparison of fair selling prices with current prices of grey coned/cheesed yarn

(nP. per lb.)

321.98

347.81

384.22

433.97

503.00

592.53

659.61

458.0

514.0

564.0

549.0

778.5

838.5

995.5

Single Yarn Count Cotton Other Fair Current (vide charges (Vide Tables sclling selling Tables price A-,&A-,) A-10& A-11) price 170.93 192.9 Indian 10 111.21 59.72 200.1 12 111.21 62.41 173.62 209.7 14 111.21 66.04 177.25 16 121.96 69.98 191.94 225.5 18 121.96 73.54 195.50 233.9 20 121.96 77.07 199.03 236.0 121.96 79.28 201.24 238.7 21 22 121.96 81.48 203.44 241.6 24 121.96 86.85 208.81 253.2 132.38 92.21 224.59 265.5 26 132.38 97.59 229.97 274.8 28 132.38 102.96 235.34 280.0 30 132.38 108.32 240.70 287.8 32 140.72 119.06 259.78 304.5 36 140.72 129.78 270.50 317.5 40 134.96 275.68 332.5 140.72 42 306.45 428.0 166.32 140.13 44

166.32

166.32

177.84

252.48

264.00

328.63

328.63

155.66

181.49

206.38

181 . 49

239.00

263.90

330.98

50

Foreign 100 Combed

Indian

Indian

Foreign

Foreign

Foreign

60 Carded

60 Combed

60 Carded

80 Carded

80 Combed

TABLE A

2. Comparison of fair selling prices with current prices of grey-reeled yarn

(nP. per 1 b.)

C	*****			Single Reeled	Reeled			Double	Recled	
D	T T T T T T T T T T T T T T T T T T T		Cotton (Vide Tables A-1 & A-2)	Other charges (Vide Tables A-5 & A-6)	Fair Selling Price	Current Selling Price	Cotton (Vide Tables A-3 & A-4)	Other charges (Vide Tables A-7 & A-8)	Fair Selling Price	Current Selling Price
10			111.21	47.61	158 · 82	170.4	111.89	63.30	177.19	195.4
12	•	•	111.21	51.22	162.43	177.6	111.89	70 · 14	182.03	•
14		•	111.21	55.52	166.73	187.2	111.89	74.44	186.33	217.2
16		•	121 - 96	59.70	181 - 66	203.0	122.72	79.24	201 · 96	•
18		•	121-96	64 90	185.96	205.4	122 - 72	83.65	206.37	:
20			121.96	68.18	190 · 14	207.5	122 - 72	88.05	210.77	238.5
21		•	121 - 96	70-77	192.73	210.2	122 - 72	91.64	214.36	:
22		•	121.96	73.36	195-32	213.1	122.72	95.23	217.95	:
24	•	٠	121.96	79.52	201.48	224.7	122 - 72	103.38	226.10	257.2
56		•	132.38	84.98	217.36	237.0	133-21	111.09	244 - 30	:

:	87.0	:	:	327-5	345.5	441 ·0	471 · 0	527.0	577.0	562.0	2.161	857.5	019.5
				308 - 74									
118-83	126-71	134.56	150-57	167 - 14	174-33	181-52	202.86	238.18	263-21	238.18	313.87	338.90	424.91
133-31	133-21	133.21	141.60	141 · 60	141.60	167-37	167-37	167-37	179.00	254.06	265 · 66	330-71	330.71
242.8	248.0	255.8	272.5	282.5	294.5	390.0	420.0	470.0	520.0	505.0	728.5	788.5	937.5
222.83	228-44	234 - 31	254.41	265.60	271-35	302-70	319-93	348 - 88	385-29	435.04	504-24	593 - 77	660.73
90.48	90.96	101 - 93	113.69	124.88	130.63	136.38	153.61	182.56	207 - 45	182.56	240-24	265-14	332.10
132 - 38	132.38	132.38	140.72	140.72	140 - 72	166-32	166.32	166.32	177-84	252.48	264.00	328-63	328-63
		•							•		-	•	
												•	
28	30	32 .	36 .	40 .	42 .	. 44	. 20	60 Carded	60 Combed	60 Carded	80 Carded	80 Combed	Foreign 100 Combed
•		• •	•	•	•			Indian	Indian	Foreign	Foreign 8	Foreign	Foreign

TABLE B

Comparison of fair ex-mill selling prices of selected fabrics
(nP. per yard)

SI. No.	Gradation of fabric	Description of fabric	Company's selling price (ex- excise)	ex-mill
1	Coarse	Tussore—Dyed and finished .		87.64
2		Drill-Grey uncalendered	90.00	79.93
3	Medium -A	Saree—Grey calendered	82.00	75.08
4		Shirting—(Checked) bleached, mercerised and finished	106.00	117.35
5		Sateen—Bleached, mercerised and finished	232.00	200.54
6		Gaberdine—Bleached, mercerised and finished	235.00	208.04
7		Poplin—Bleached, mercerised, soaped, dyed and finished.	128.00	120.60
8		Mull—Bleached and finished (uncalendered)	53.00	60.87
9	Medium-B	Longcloth—Bleached and finished (not stentered)		57.84
10		Suci-Bleached and finished (not stentered)	118.00	105.12
11		Drill-Bleached, dyed and finished	109.00	98.37
12		Sheeting—Grey uncalendered .	107.00	105.97
13	Superfine		. 155.00	123 - 58*
14		Madapalam—Bleached, mer- cerised and finished (stentered and uncalendered)	i	116.68
15		Voil—Bleached, mercerised, soaped, dyed and finished		96 - 49

⁽i) Summary calculations under broad headings are shown in annexure 1 to this table.

^{*(}ii) As an example, detailed calculations are also shown for the item No. 13 above in annexure 2 to this table.

Annexure 1 to Table B

Statement showing fair ex-mill selling prices of selected fabrics with the price element of cotton on the basis of 1960/61 rates

Description of fabrics Tussore	Tussore	Drill (grey)	Sarce (grey calen- dered)	Shirt- ing (check- ed)	Satean	Gaber- dine	Poplin	Mull	Long- clath	Suci	Drill	Sheet- ing grey)	Dhotie	Mada- palam	Voil
Reference to Table B	-	7	3	4	S	٥	۲	∞	6	2	=	12	13	4	13
1. Price element for cotton.—					स		1								
(а) Warp .	18.93	30.32	17.88		22-54 49-86	55.28	26.92	12:70	14.08	23.07	22.80	30.38	13.61	20.98	21.20
(b) Weft	13 · 29	11.73	9.39		12.26 23.51	23-20	15.32	10.00	9.16	13.06	13.00	22-41	14.93	17.29	13.34
(c) Total.	32-22	42.05	27.27	34.80	73.37	78.48	42-24	22.70	23-24	36-13	35.80	52.79	38 - 54	38·27	34.54
2. Price element varying with weight of.—	3 0				1	3		2	à						
(a) Warp	11.69	18-17	23-17	20.66	47.91	50-40	18.67	10.30	9.29	29.26	13.91	20.45	20.99	18.06	16.45
(b) Weft	4.59	4.05	7.03	15-92	19.82	18.97	7-27	5.70	4.26	6.33	4.97	8.57	14.16	13·31	9.13
3. Price element varying with number of picks 11.75	ng ks 11.75	11-24	15.60	24.58	17.19	16.69	19.68	12.24	9.72	16.84	14.46	18-72	34·24	33.98	21 - 11
4. Price element for processes															
(a) Bleaching	:	:	:	9.80	14.26	15.26	€9.	3.54	3.94	5.90	8	:	4 ·08	4.05	2.07
b) Mercerising .	:	:	:	5.33	8.48	9.01	5.58	:	:	:	;	:	3.20	3.17	2.86
						į			!						

	~	4	m	•	5 0	9	1	œ	Φ.	10	=	13	13	7	15
(c) Soaping	:	:	:	:	:	:	3-12	:	:	:	:	:	:	:	1.58
(d) Dyeing	16.22	:	:	:	:	:	8.03	:	:	:	12:31	:	:	:	3.55
(e) Finishing	5.15	:	:	4.59	10.03	9.07	3.80	2.58	3.22	4.36	5.24	:	2.75	2.74	2.47
(f) Calendering .	:	:	0.65	:	:	:	:	:	:	:	:	:	:	:	:
(g) Total	21.37	:	0.65	16.72	32.76	33.40	27-22	6.12	7.16	10.26	23.05	:	10.03	96-6	12-53
5. Total [1(c) +2(a) +2(b) + 3 +4(g)]	81-62	75.51	73.72	73-72 112-68	191.05	197-94 115-08	115.08	57.06	53.67	99.01	92-19	100-53	92-19 100-53 117-96 113-58	113.58	93.76
6. Less adjustment for elongation	1.63	:	15-3	2.23	3.82	3.96	2.30	3	1.07	1.98	 28	:	:	2.27	1.88
7. Price element .or packing	5.30	3.05	1.58	3.78	7.94		4.59	3-32	3.69	5-28	5.39	3.62	2.31	2.25	2.03
8. Total (5-6+7) .	85.29	78.56	73.79	114-21	73-79 114-21 195-17 202-47 117-37	202-47	117-37	59.24	\$6.29	102-31	95.74	104-15	95-74 104-15 120-27	113-56	93.91
9. Add adjustment for cloth damages (@1-75/2-75%)	2.35	1.37	1:29	÷ [4	5:37	5.57	3.23	1.63	1.55	2.81	2.63	1.82	3-31	3-12	2.58
 Fair ex-mill selling price (8+9) 	87.64	79-93	75.08	117-35	200:54	208-04 120-60	120-60	60.87	57.84	57-84 105-12	98·37	105-97	98-37 105-97 123-58 116-68	116.68	96-49
 Co.'s selling price (ex-excise) 	:	90.00	82.00	106.00	232.00	235-00	128-00	53.00	61.00	118.00	109.00	107.00	155.00	157.00	143.00
 Fair ex-mil selling price per metre. 	95.88	87.4		128-39	82-14 128-39 219-39 227-60 131-94	227-60	131-94	65 - 39	63.28	63.28 115.00 107.62 115.93 135.20 127.65 105.56	107-62	115-93	135-20	127.65	105.56
						-	1								ļ

Annexure 2 to Table B

Statement showing the application of the price formula

(Item 13 of Tab	le B ref	lers)		
A. Specifications 1 (As per Schedules Description Dhotie—Bleached, of Fabric and finished (stent	merceris			
1.1. (i)(b) Grey folded (h) Coloured folded(*) . Coloured folded(**) .		•	2/80's 2/80's 2/80's	92 ends 24 ends 40 ends
(ii) Grey single(v) Vat dyes—medium(*) and	dark (*	'*)	80's	4224 ends
1,2.(i)(h) Coloured folded (v) Vat—dark		•	2/8 0's	80 picks per pair
(ii) (a) Grey single		•	1/1 20's	80 picks per inch
(Note.— All yarn is combed) 2. 53.50° 3.1. 80 ends per inch 3.2. Not double drawn 4.1 80 picks per inch				
4.2. No 5.1. 10 yds. (per pair) 5.2.(a) 10 yds. (per pair) 5.3. 1 inch 5.4. 0.028 yds.	नयने			
6. 13%—light on item 1.1. (ii) or	nly—i.e.	, 12	.1% ove	rall
7. Weight of warp yarn per yard 92×10		920	_	.00274
40×840×10	3,3	36,00	00	.00274
24×10	;	240	_	= ·00071
40×840×10	3,3	36,00)0	000/1
40×10		400		. 00119

 $40 \times 840 \times 10$

= .00119

3,36,000

(v) Finished weight per yard . =0.11 lbs. (vii) One

10 vds.

 $=1\div0.11019$ =9.0752 vds.

. 1.1 lbs.

(i) Finished length

(ii) Finished weight

(iii) Yardage per lb.

15.

Notes.: -(1) In this case the specifications have been obtained per pair.

⁽²⁾ In this particular instance, the unit concerned issued warp yarn of tape length 10 yds. for a pair of dhoties. The exact length either at the loomstage or at the finished stage was not measured but was taken as 10 yds, per pair.

В.	Price Ele	ments	: (As per	schedules	8 B & C	()		
t.	(a) Price	eleme	nt varying	g with wei	ght of v	магр уаг	n:	
			B- 1	B-2				nP./yd.
	(i) .002	.74 ×	(351.58	+360.06)				1.95
			B-1	B-2	B-3	B-5		
	(ii) .000)71 ×	(351.58	360.06	-32.76-	+135.00)		0.62
			B-1	B-2	B-3	B-5		
	(iii) .001	19 ×	(351.58	+360.06	-32.76-	+247.00)	=	1.18
			B-1	B-2				
	(iv) -062	286 ×	(349.73 B-7	+291.00)	100			40.28
	(v) .067	750 ×	(70.00 ×	12.1%)			=	0.57
	(b) Tota	l	(•	44.06
II.	Price elen	ient v	arying wi	th weight B-5	of wef	ft yarnı– B-9	_	-
	(a)(i) .0	0035×	(351.58-	— —— -247 ⋅00 +	357.05	÷ 33 · 18		0.35
	• • • • • • • • • • • • • • • • • • • •		- B	B- 8		,		
	(ii) .0	4234 ×	(349.73)	<329 .11)	1यने		==	28.74
	(b) Tota	1						29.09
Ţ	nents 1. (a) Price Blea Mer	B-10 (3.82 e elem ching- cerisin	+0.14+0 ent for pr C-18 (ii	B-13 B-1 	4 B-15 4+0.07	B-16 	10 nP./lb. 37.00 29.00	34.24
	FIM	ountg-	C-29(i)		•		25.00	
	(b) (91	00)÷((9.0752)				•	10.03

. X .	Fair ex-mill se	lling	price						
	I(b)	•					•	• •	44.60
	II(b).					•		• •	29.09
	III .							• •	34.24
	VII(b)		•			•		• •	10.03
									117-96
	(·11×21	.00)	<i>i.e.</i> , i	tem 1	(v)	× 21			2.31
									120.27
	Per yard—(1	20 . 27	7)×(1	.0275) .			=	= 123 · 58
	Per metre (1	23.5	8)×(1	.094)			•	=	=135.20

TABLE C

Elements of cost-wise break-down of cost price of yarn fabric up to grey stage

				-			
71		8	Yarn			Fabric	
Element	_	%	Cost %	Price	%	Cost %	Price
·Cotton	,		67 · 83	65.96	••	47 · 15	45.88
Wages and salari	es	60 · 50	19.46	20.60	65 · 94	34 - 85	35.69
Power and fuel .		10.82	3.48	3.68	9 · 13	4.83	4.94
Stores		11.64	3.75	3.96	12.95	6.84	7.01
Depreciation		10.10	3.25	3 · 44	6.51	3 · 44	3 · 52
Others	,	6.94	2.23	2.36	5 · 47	2 · 89	2.96
TOTAL .		100 · 00	100 · 00	100 · 00	100.00	100 · 00	100 · 00

16.8.1. Some method of escalation is essential for adjustment of future prices to cover changes in variable items of cost of production. We have considered it 16.8 Escalation advisable to treat raw cotton costs independently of conversion coats as the two do not vary in unison. As regards variation in costs of raw cotton as in the past, we recommend that there should be quarterly revision of prices on the basis of changes in raw cotton prices. Price changes should be effected for a deviation of not less than 5 per cent in the price of raw cotton based on quotations in the Bombay market during the first week of the month preceding the quarter.

- 16.8.2. The price element corresponding to cotton cost has been worked out on the basis of the costed period which, by and large, covered the cotton year 1960-61. For fixing the price initially the price control authorities should adjust suitably the price element for cotton, taking into account the index of rise or fall in the cotton prices of the appropriate grades since the base year 1960-61.
- 16.8.3. Conversion charges comprise important items like labour, freight, fuel, power and stores. The Federation has suggested that even these items should be periodically irrespective of the degree of change in their costs. They have gone further and asked for inclusion of variations in local charges like sales tax, octroi, electricity duty, etc. In principle, escalation can apply only to such items as have universal coverage. There can only be a suitable contingency allowance for such items where future rise cannot be properly estimated and this we have duly provided. We are not therefore inclined to accept their view as the items mentioned by the Federation may not be susceptible to such frequent changes in their costs as raw cotton. Besides, the incidence of changes: in the costs of these items on the total cost of the output cannot be computed. Some of them may form only a small proportion of the total cost of production while others may be more significant. It would be necessary in the first instance to determine the proportion of each of these items to the processing cost and the total cost of the finished product. The smaller the proportion the higher will be the variation in their costs which should warrant a corresponding change in the ultimate price through a scheme of escalation. Therefore, we are of the view that a pre-determined rate of change the cost of these items is necessary for future changes in prices rather than a periodic revision as suggested by the Federation. On this basis it is considered that in respect of labour costs only statutory alterations or changes arising from the implementation of wage board awards may have an immediate effect on the ultimate price and have to be provided for. Other variations in labour costs arising from negotiated settlements in certain areas will have only a local incidence and as such cannot be brought under escalation. Stores items are so numerous and the impact of price changes for individual items so indefinite in relation to textile prices that they too cannot be fixed on an escalation basis. Since in the structure of processing costs an allowance has been

included for contingencies, no further escalation for rise in cost of stores, power and fuel, etc., is justified. In respect of any statutory increase or decrease in wages of the textile workers referred to above, we recommend that for each increase or decrease in wages, including dear food allowance, by Re. 1 per head per month the price element corresponding to conversion charges of yarn for sale should be increased or decreased by 0.40 per cent. The corresponding change in the prize element for conversion charges of a fabric should be 0.35 per cent. The implementation of escalation should be limited to variations amounting to a minimum of nP. 1 fractions of a naya paisa being ignored.

- 16.9. As explained earlier, where a producer normally uses superior varieties of cotton specifically to impart better quality into his products, the price element corresponding to cotton should be suitably amended by the price control authorities after satisfying themselves about the necessity for use of such superior mixes. The mode in which such adjustments should be worked out has been given in schedule A for sale yarn. The same criterion should be applied in respect of yarn produced and used by the composite units.
- 16.10. Retail prices. The spread between the net ex-mill prices and ultimate retail prices may now be discussed. In Chapter XI we have referred to the demand that the present margin of 18 per cent over ex-mill prices is inadequate and is likely to leave little for the retailer on whom lies the obligation to sell within the ceiling price to the consumer. It has been contended that after all the other intermediaries in the trade have had their share the retailer's remuneration gets cut down to the point of laying a severe strain on his honesty. We have considered the whole question and are of the view that though we are not fixing 'specific margins' for wholesalers and semi-wholesalers, their share and that of other intermediaries like brokers, commission agents, etc., should not aggregate to more than 8 per cent. This will, therefore, leave a margin of 10 per cent for the retailer who, if effective control measures and co-operation of industry are forthcoming will be able to get this margin. In the present context of holding the price line, the most vulnerable part is the distribution chain and it has to be tightened if the interests of consumers are to be safe guarded. In the circumstances, we recommend that the margin of 18 per cent (which includes freight charges)

on ex-mill prices of cloth so far applied under the system of voluntary control need not be revised. As regards sales of yarn for which no margins have been fixed at present, except in certain regions for supply to handlooms and co-operatives we consider some ceiling on the margin is necessary to protect the handloom weavers if not to help the rest of the decentralised sector which does not stand in the same need. A maximum of one and a half per cent on ex-mill prices of yarn for sale plus actual freight to the main consuming centres would be adequate and we recommend that such a margin be fixed.

16.11. Having regard to our observation in paragraph 13.11 we have also tried to assess the effect of the application of our schedules on prices of yarns and fabrics now prevailing under the voluntary regulation scheme. By and large, the prices will work out lower than the prevailing ex-mill prices. Even in the case of yarn for sale up to 42 counts, making allowance for rise in the ceiling prices of cotton (which Government have declared should not affect the return to the industry), the rise in prices may be marginal for some varieties. As regards consumer price, since we have suggested freezing of the present level of margins in retail price of fabrics and fixation of a narrow margin for yarn prices the consumer would not, in our view, be subjected to the incidence of a price increase.

PRICE SCHEDULES

Contents

- (1) For determining the fair ex-mill selling prices of yarn:
 - (a) Schedule A including specification
 - (b) Tables A-1 to A-14
- (2) For determining the fair ex-mill selling prices of grey: uncalendered fabrics:
 - (a) Schedule B
 - (b) Specifications referred to in schedule B (1 to 11)
 - (c) Tables B-1 to B-17
- (3) For determining the fair ex-mill selling prices of grey calendered and other finished fabrics:
 - (a) Schedule C

- (b) Specifications referred to in schedule C (12 to 15
- (c) Tables C-18 to C-29.

NOTE:—(i) The final fair ex-mill selling prices should be rounded off to the next higher nP.

- (ii) The serial numbers of specifications, formulae and tables of schedules B and C are consecutive.
 - (iii) Nos. prefixed with Arabic numerals refer to specifications.
- (iv) Nos. prefixed with capital Roman numerals refer to formulae in schedules.
 - (v) Nos. prefixed with capital alphabets refer to tables.
- (vi) In tables where price elements for folded yarn and dosuti west are not specifically shown or where specific instructions are not given in this behalf, the price element corresponding to the resultant count should be taken.
- (vii) For counts not shown in the tables appropriate interpolation or extrapolation should be resorted to.

SCHEDULE 'A'

Schedule for calculating the fair ex-mill selling price of various kinds and counts of cotton yarn for sale (excluding excise duty).

Specifications: For fixing the fair ex-mill selling price of any kind of yarn, the following items of specifications should be furnished:—

- 1. (a) Count of yarn;
 - (b) Single or double;
 - (c) In hanks or in cones.
- (a) Whether the yarn is spun from carded or combed cotton;
 - (b) For carded yarn of counts 43's to 60's whether a predominantly foreign mix has been used or not.
- 3. Whether the yarn is for making hosiery goods.
- 4. Where the yarn is not to be marketed in grey stage, the processes which have been applied. If it is dyed yarn, the broad group of dyes used such as vats, naphthols, sulphur, etc. as well as the shade of colour such as light, medium and dark.

Formulae.—To calculate the price per kg. of yarn, the price elements for cotton and processing charges applicable to the specifications of the yarn should be collected from the appropriate tables attached, and applied in the manner indicated in the following formulae:—

- I. For reeled yarn (single carded) $(A1+A5+A9) \times 2.2046$
- II. For reeled yarn (double carded) $(A3+A7+A9) \times 2 \cdot 2046$
- III. For reeled yarn (single combed) $(A2+A6+A9) \times 2.2046$
- IV. For reeled yarn (double combed) (A4+A8+A9) × 2.2046
- V. For coned yarn (single carded) (A1+A10+A14) × 2·2046
- VI. For coned yarn (double carded) (A3+A12+A14) × 2·2046
- VII. For coned yarn (single combed) (A2+A11+A14) × 2·2046
- VIII. For coned yarn (double combed) $(A4+A13+A14) \times 2 \cdot 2046$
 - IX. For hosiery yarn—
 Add nP. 22 per kg. to the appropriate formulae I to VIII above.

Notes—1. For grey yarn all references to the tables A9 and A14 in the above formulae should be ignored. For yarn which has undergone more than one process indicated in tables A9 or A14 the appropriate elements in these tables should be totalled before incorporation in the relevant formulae.

- 2. (a) For variations in cotton prices the figures in tables A1, A2, A3 and A4, which represent price elements for cotton in yarn corresponding to the base year 1960-61 should be proportionately increased or decreased by the price control authorities taking into account the general rise or fall in prices of cotton subsequent to the base year.
- (b) If a producer, for reasons of quality normally uses superior varieties of cotton, the cost of which together with 3.5% (return) thereon exceeds the price element for the appropriate count group (as modified from time to time) by 10%, the price control authorities may at their discretion allow an appropriate increase in the price element for cotton. In such cases for the purpose of ascertaining the cost to the producer, the net quantities shown in tables A1 to A4 should be taken. Similarly, if a producer for reasons of quality normally uses predominantly foreign cotton mixes to spin carded yarn of less than 43's or combed yarn of less than 61's the price control authorities may at their discretion allow the appropriate foreign cotton price after they have satisfied themselves about the genuineness of the claim.

List of Tables

(1) Table of price element for cotton								
							Single	Double
Carded		•		•	•		A -1	A-3
Combe	d	•			•		A-2	A-4
(2) Table of processing	rice g) fo	eleme or recl	nt for led ya	r all	other	cha	rges (excl	uding yarn
							Single	Double
Carded	•	•	•	•	•		A-5	A-7
Combed	•	•	•	•	•		A-6	A-8
(3) Table A-9 of yarn in	—Pr n ha	ice ele nks.	ement	corr	espon	ling	to proces	sing charges
(4) Table of processing	price g) f	elemor con	ent fo ned/ch	τ all	other I yarn	cha	rges (excl	uding yarn
		1	652				Single	Double
Carded	•	•	HA	AN)	Y.		A-10	A-12
Combed	•	•	10	1.50	Ú.	•	A-11	A-13
(5) Table A-14 of yarn i					espon	ding	to proces	sing charges

Price element corresponding to the cost of cotton (base year 1960/61 prices) included in yarn for sale

_				Net quantity of cotton per lb. of yarn	Total price element for cotton in yarn nP. per lb.
A-1. Carded single yarn/reeled/cond	ed/ch	eesed-	_		
(i) 8's—14's (Indian mix)			•	1 · 148	111.21
(ii) 15's—24's (Indian mix)	٠	•		1 · 119	121 · 96
(iii) 25's—32's (Indian mix)	•	•	•	1 · 119	132 · 38
(iv) 33's—42's (Indian mix)				1 · 119	140-72

		Net quantity of cotton per lb. of yarn	Total price element for cotton in yarn aP. per lb.
(v) (a) 43's—60's (Indian mix) .		1.109	166·32
(b) 43's—60's*		1 · 119	252 · 48
(vi) 61's and above*	•	1.109	264 · 00
A-2. Combed single yarn/reeled/coned/cheese	d—		
(vii) 28's—60's (Indian mix)	Ð.	1.216	177 · 84
(viii) 61's and a above*		1 - 265	328 · 63
A-3. Carded double yarn/reeled/coned/cheese	d—		
(i) 8's—14's (Indian mix)		1 · 155	111 · 89
(ii) 15's—24's (Indian mix)		1 · 126	122.72
(iii) 25's—32's (Indian mix)		1 · 126	133 · 21
(iv) 33's-42's (Indian mix)	•	1 · 126	141 · 60
(v) (a) 43's—60's (Indian mix) .		1.116	167 · 37
(b) 43's—60's*		1 · 126	254 · 06
(vi) 61's and above*	•	1.116	265· 6 6
A-4. Combed double yarn/reeled/coned/cheese	ed—		
(vii) 28's60's (Indian mix)		1 · 224	179 · 00
(viii) 61's and above*	•	1 · 273	330 · 71

^{*}Predominantly foreign mix.

Tables A-5 to A-8

Table of price element for all other charges (excluding yarn processing) for reeled yarn

(nP. per lb.)

	Coun	t		A-5 Single Yarn Carded	A-6 Reeled Combed	A7 Double Yarn Carded	A-8 Recled Combed
8 .				44 · 48	••	61.69	
10 .				47.61		65 · 30	
12 .			.50	51 · 22	西南	70 · 14	
14 .		•	- 19	55.52		74 • 44	
16 .	•	•		59.70	3333	79 · 24	
18 .				64.00	769	83 · 65	
20 .				68 · 18	l Y	88 · 05	
22 .				73 · 36	M	95.23	
24 .				79.52	22	103 · 38	•
26 .			(84.98	(2F)	111 · 09	
28 .			. /	90.45	103 · 37	118 · 83	131 - 8
30 .				96.06	109 · 94	126.71	140 ⋅ 6
32 .		•		101 - 93	116.77	134 · 56	149 · 4
34 .	•		•	107 · 81	123 · 60	142.55	158 - 4
36 .		•		113.69	130.92	150 · 57	167 - 8
38 .				119.42	138 · 09	158 · 44	177 - 1
40 .				124 · 88	145.00	167 · 14	187 - 3
44 .				136 · 38	157 · 44	181 - 52	202 · 7
48 .				147 · 70	169 · 73	195.60	217 - 7
50 .			•	153 - 61	176 · 10	202 · 86	225 - 1
60 .	•	•		182 · 56	207 · 45	238 · 18	263 - 2
64 .	•			193 · 92	218.80	252.92	277 - 9
70 ·	•	•		211 · 54	236 · 44	275 · 42	300 - 4
8 0 .	•	•		240 · 24	265 · 14	313 · 87	338 -9
90 .					298 · 62		381 - 8
100 .					332 · 10		424 - 9

TABLE A-9

Table of price element corresponding to processing charges for yarn for sale in hanks

(nP. per lb.) Price element for processed yarn in hanks 35 1. Bleaching charges 44 2. Mercerising charges 3. Dyeing charges— A. Direct dye (Other than black): 45 (i) Light shade 52 (ii) Medium shade 63 (iii) Dark shade B. Vat dye (Other than black): (i) Light shade 96 (ii) Medium shade . 132 (iii) Dark shade 243 (iv) Very dark shade. 320 C. Sulphur dye (Other than black): 73 Dark shade D. Naphthol dye (Other than black): (i) Upto 1% of weight of yarn. 108 (ii) Over 1% and upto 2% of weight of yarn 149 (iii) Over 2% of weight of yarn . 192 E. Dark black: 87 (i) Direct dye. 349 (ii) Vat dye 86 (iii) Sulphur dye 301 (iv) Naphthol dye

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Tables A-10 to A-13

Table of price element for all other charges (excluding yarn processing) for coned/cheesed yarn

(nP. per lb.)

		~			A-10 Single ya	A-11 rn coned	A-12 A-13 Double yarn con	
		Count			Carded	Combed	Carded	Combed
8		•	•		57 · 63	••	77 · 60	
10		•	•		59.72	0	80 · 64	••
12		•		. 8	62.41	343	84.92	
14				. 7	66.04		88.66	
16		•			69.98	1000	93 · 14	
18		•	•		73 · 54	W	97.12	••
20					77 - 07	1	101 · 10	
22					81 · 48	11	107 - 63	
24		•			86.85	200	115-11	
26		•		. 4	92.21		122-62	
28					97.59	110-49	130.09	143 · 15
30					102.96	116.85	137 · 74	151 · 76
32		•			108.32	123 · 16	145.37	160 · 36
34					113.69	129-48	152.81	168 - 78
36					119.06	136 · 30	160 · 26	1 7 7 · 67
38		•	•	•	124 · 42	143 · 09	167 · 71	186 · 56
40		•	•		129.78	149 · 88	176 - 13	196 · 44
44			•	•	140 · 13	161 · 20	189 · 91	211 · 19
48					150 · 47	172 · 49	203 · 66	225 - 91
50			•		155 · 66	178 - 14	210.56	233 - 28
60					181 · 49	206-38	244 · 45	269 · 41
64	•	•			193 · 00	217-88	258 · 73	283 · 88
70	•		•		210 · 26	235 - 15	280 - 14	305 · 27
80		•	•		239.00	263 · 00	317 · 30	342 · 44
90		•		•	• •	297 · 44	• •	383 - 70
100		•	•			330.98		424 · 96

TABLE A-14

(nP. per lb.)

Price

element for procosecd yarn in cone/ cheese 1. Bleaching charges 29 2. Dyeing charges— A. Direct dve (Other than black): (i) Light shade 35 (ii) Medium shade . 42 (iii) Dark shade 53 B. Vat dye (Other than black): (i) Light shade 86 (ii) Medium shade . 122 सत्यमेव जयते (iii) Dark shade 233 C. Sulphur dye (Other than black): Dark shade 63 D. Naphthol dye (Other than black): (i) Upto 1% of weight of yarn 98 (ii) Over 1% and upto 2% of weight of yarn 139 (iii) Over 2% of weight of yarn 182 E. Dark black: (i) Direct dye 77 (ii) Vat dyc . 339 (iii) Sulphur dye 76 (iv) Naphthol dye 291

SCHEDULE B

For calculating the fair price per metre for any sort of grey uncalendered fabric, the particulars as laid down in attached specifications should be applied to the appropriate figures in the relevant tables and assembled in the following manner:—

I. Price element varying with weight of warp yarn:

- (a) For each kind and count of warp yarn used in the fabric the corresponding weight per yard calculated in accordance with item 7 of the specifications should be multiplied by the sum of corresponding price elements in tables B-1, B-2, B-3, B-4, B-5, B-6 and appropriate percentage of table B-7 read with item 6 of specifications.
- (b) After all the price elements corresponding to each kind of warp yarn used in the fabric have been calculated in I(a) above they should be totalled.

II. Price element varying with weight of weft varn:

- (a) For each kind and count of west yarn used in the fabric, the corresponding weight per yard calculated in accordance with item 8.1 or 8.2 of the specifications should be multiplied by the sum of corresponding price elements in tables B-1, B-5, B-6, B-8 and B-9.
- (b) After all the price elements corresponding to each kind of west yarn used in the fabric have been calculated as in II(a) above they should be totalled.

III. Price element varying with No. of picks :-

Multiply one-tenth of item 4.1 by the sum of the appropriate elements corresponding to the construction of the fabric and the weaving particulars in the specifications from tables B-10 to B-17.

Note.—For terry towels, calculate total price element corresponding to costs varying with picks as above and add 35% thereto.

IV. Price element based on finished weight:

Multiply the finished wight per piece of grey fabric (item 11 by nP. 8.00 and divide the result by length of the piece (item 5.1)

V. The price (excluding excise duty) per metre of grey uncalendered cloth= $[I(b) + II(b) + III+IV] \times (1.0175) \times (1.094)$.

Notes.1—. For variatons in cotton prices, the figures in table B-1 which represent the price elements corresponding to the base year 1960/61 should be proportionately increased or decreased at the discretion of the price control authorities taking into account the general rise or fall in prices subsequent to the base year.

- 2. If a producer for reasons of quality normally uses superior varieties of cotton, the cost of which together with 5% (return) thereon exceeds the price element for the appropriate count group (as modified from time to time) by 10%, the price control authorities may at their discretion allow an appropriate increase in the price element for cotton. In such cases, for the purpose of ascertaining the cost to the producer, the net quantities shown in table B-1 should be taken. Similarly, if a producer for reasons of quality uses normally predominantly foreign cotton mixes to spin carded yarn less than 43's or combed yarn less than 61's, the price control authorities may at their discretion allow the appropriate foreign cotton price after satisfying themselves about the genuineness of the claim.
- 3. (a) Yarn counts less than 28's are generally not manufactured from combed cotton. In case a producer for reasons of quality manufactures fabric from such yarn spun from combed cotton, the price control authorities may allow nP. 13 per lb. in addition to the price element for the corresponding carded count as provided for in tables B-2 and B-8.
- (b) Increases, if any, in the cost of cotton should be considered as in note 2 above.

SPECIFICATIONS REFERRED TO IN SCHEDULE 'B'

(Grey uncalendered cloth includes fabrics woven with bleached or coloured or mercerised yarn.)

For calculating the fair ex-mill selling price (excluding excise duty) of grey uncalendered cloth manufactured by the composite mills using yarn spun by themselves, the following data should be furnished.

1.1. Details of kinds and counts of warp yarn and corresponding total number of ends:—

(i) For borders or selvedges—

- (a) Grey single . . . Carded or combed, count and total number of ends.
- (b) Grey folded . . . Carded or combed, count and total number of ends.
- (c) Bleached single . . Carded or combed, count and total number of ends.
- (d) Bleached folded . . . Carded or combed, count and total number of ends.
- (c) Morcerised single . . . Carded or combed, count and total number of ends.
- (f) Mercerised folded . . . Carded or combed, count and total number of ends.
- (g) Coloured single . . Carded or combed, count and total number of ends.
- (h) Coloured folded . . . Carded or combed, count and total number of ends.
- (i) Grandrelle yarn

 Carded or combed, count/colour of each end in the folded yarn and the total number of folded ends.

Note.—If more than one count/colour is used under any of the above items, the particulars should be specified count/colour wise.**

- (ii) Particulars of warp yarn for the main body of the fabric (excluding borders or salvedges) in same detail as for 1.1 (i).
- (iii) For carded yarn of counts 43's to 60's, whether Indian or predominantly foreign mix was used.
- (iv) For pile warps for terry towels, the particulars as to whether they are single or folded, carded or combed, the count and the total number of ends should be separately furnished.
- (v) For coloured yarn, including the coloured ends used in the grandrelle yarn, particulars regarding shade and type of dye for each kind of coloured yarn.

^{**}Colours need not be distinguished so long as the group of dye and shade (vide tables B-5 and B-6) remain the same.

1.2. Details of kinds and counts of weft yarn and corresponding number of picks (for this purpose each dosuti weft should be taken as equivalent to two picks):—

If more than ane cont/colour is used under any of the following items, the particulars should be specified count/colour-wise.

(i) For headings—

- (a) Grey single . . . Carded or combed, count and total number of picks per piece.
- (b) Grey folded . . . Carded or combed, count and total number of picks per piece.
- (c) Bleached single . . Carded or combed, count and total number of picks per piece.
- (d) Bleached folded . . . Carded or combed, count and total number of picks per piece.
- (e) Mercerised single . . . Carded or combed, count and total number of picks per piece.
- (f) Mercerised folded . . . Carded or combed, count and total number of picks per piece.
- (g) Coloured single . . . Carded or combed, count and total number of picks per piece.
- (h) Coloured folded . . Carded or combed, count and total number of picks per piece.
- (i) Grandrelle yarn . . . Carded or combed, count colour of each end in the folded yarn, and total number of picks per piece.
- (ii) Particulars of weft yarn for the main body of the fabric other than headings—
 - (a) Grey single . . . Carded or combed, count and number of picks per inch.
 - (b) Grey folded . . . Carded or combed, count and number of picks per inch.
 - (c) Bleached single . . . Carded or combed, count and number of picks per inch.

- (d) Bleached folded . . Carded or combed, count and number of picks per inch.
- (e) Mercerised single . . Carded or combed, count and number of picks per inch.
- (f) Mercerised folded . . . Carded or combed, count and number of picks per inch.
- (g) Coloured single . . Carded or combed, count and number of picks per inch.
- (h) Coloured folded . . . Carded or combed, count and number of picks per inch.
- (i) Grandrelle yarn . . . Carded or combed, count/colour of each end of the folded yarn and number of picks per inch.
- (iii) The particulars as required for warp yarn under item 1.1(iii) and 1.1. (v) should also be furnished in respect of weft yarn.
 - 2. Width of fabric on reed in inches.
 - 3.1. Number of ends per inch on loom.
 - 3.2. Whether warp is double drawn or not.
- 4.1. Number of picks per inch in the grey stage (for this purpose rewound weft two ends up, *i.e.*, dosuti weft should not be counted as two picks).
- 4.2. Whether the west is rewound two ends up (dosuti) or not.
 - 5.1. Piece length in yards in the grey stage (loom state).
 - 5.2. (a) Tape length in yards.
 - (b) For terry towels, tape length of pile warp in yds.
 - 5.3. Total width of headings in a piece in inches.
 - 5.4. Total width of headings in yds. 5.3+36.
- 6. Percentage of sizing materials used on the weight of warp yarn distinguishing between light and heavy. If any proportion of warp yarn is not sized relevant particulars thereof should be furnished; and the percentage should be calculated on an overall average basis.

7. Weight of warp yarn per yard in lbs.—For each category of warp yarn listed under item 1.1 the corresponding weight should be calculated as under:—

If 'E' is the no. of ends and 'C' is its count, then the corresponding weight per yard except for pile warp in a terry towel is equal to—

$$\frac{E \times \text{item } 5.2(a)}{C \times 840 \times \text{item } 5.1}$$

For pile warp in a terry towel substitute item 5.2. (b) in place of 5.2.(a) in the above formula.

Note.—In the case of folded yarn the effective count should be taken, e.g., 2/40's = 20's.

- 8. Weight of weft yarn per yard.
- 8.1. For each kind of west yarn in headings listed under 1.2. (i) weight per yard of fabric should be calculated as under:—

If 'P' is the total no. of picks per piece and 'C' is its count, then the corresponding weight per yard is equal to—

$$\frac{P \times item \ 2}{C \times 36 \times 840 \times item \ 5.1}$$

Note.—In the case of folded yarn the effective count should be taken e.g., 2/40's = 20's.

8.2. For each kind of weft yarn listed under item 1.2. (ii) used in the body of the fabric, other than headings, weight per yard of fabric should be calculated as under:—

If 'P' is the no. of picks per inch and 'C' is its count, then the corresponding weight per yard is equal to—

$$\frac{P \times item 2}{C \times 840} \times \frac{item 5.1 - item 5.4}{item 5.1}$$

Note.—In the case of folded yarn the effective count should be taken, e.g., 2/40's = 20's.

- 9. For calculating the extra allowances for coloured warp used, the percentage of coloured ends to total ends should be taken on the basis of details given under 11.
 - 10. Weaving particulars.
 - 10.1. Nature of weave—whether plain, drill or sateen, etc.

- 10.2. Number of ends in a dent.
- 10.3. Whether the fabric can be woven on single shuttle loom. If not, number of shuttles used in the drop box and the distance at which the pattern repeats.
- 10.4.1. Number of staves for dobby shaft work excluding doup staves for leno work.
 - 10.4.2. (a) No. of doup staves for leno work.
- (b) The no. of leno ends operated upon by a doup in a beam.
- (c) Whether the ends operated upon by the doup are single or folded.
 - 10.5. Number of hook jacquards for jacquard work.
 - 10.6. Number of jacks for cumber board work.
- 10.7. Width in inches of border on each side for dhoties and sarees. Whether there is a patcha border or not.
- 10.8. For short length pieces with headings the length per pair except for sarees; for sarees length per piece. In addition for sarees and dhoties the no. of shuttle changes required per heading should be specified.
 - 10.9. Whether pick finding is necessary.
 - 10.10. Whether the sort requires two beams.
- 11. Finished weight in lbs. per piece, if sold in grey stage calendered or uncalendered.

List of Tables

- B-1 Table of price element corresponding to cost of cotton per lb. of yarn.
- B-2 Table of price element based on weight of grey warp yarn (excluding pirce element for cotton).
- B-3 Table of extra allowances for coloured bleached/mercerised warp yarn.
- B-4 Table of extra allowances for warp yarn for dobby, double beam sorts and high reed sorts.
- B-5 Table of extra allowances for processed border/heading yarns.
- B-6 Table of price elements for processed yarn (warp and weft) other than in borders and heading.
- B-7 Table of price element corresponding to the cost of sizing materials.
 picked up by warp yarn.
- B-8 Table of price element based on weight of grey weft yarn (excluding the price element for cotton)
- B--9 Table of extra allowances for weft yarn, coloured/bleached/mercerised.
- B-10 Table of price element per yard for every 10 picks per inch for the different warp count groups.
- B-11 Table of extra allowances for high reed.
- B-12 Table of extra allowances for weaving with coloured warp yarn & coloured weft yarn and Drop box effects.
- B-13 Table of extra allowances for high picks.
- B-14 (a) Table of extra allowances for dobby shaft work, jacquard work and cumber board work.
- B-14 (b) Table of extra allowances for leno work.
- B-15 Table of extra allowances for borders of dhoties and sarees.
- B-16 Table of extra allowances for headings in short length pieces.
- B-17 Table of extra allowances for pick finding, two beam sorts an drills.

N.B.—Extra allowances means extra price elements.

TABLE B-1 The price element corresponding to the cost of cotton per lb. of yarn in fabric

		Net quantity of cotton per lb. of yarn in fabric	Price element for cotton per lb. of yarn nP. per lb.
		Single	Yarn
A. For Carded Yarn Counts			
Warp (i) 8's—12's (Indian Mix)	Weft (i) 8's—14's (Indian Mi	1·205 x)	118-43
(ii) 13's—18's (Indian Mix)	(ii) 15's—24's (Indian Mix)	1-174	129 · 80
(iii) 19's—28's (Indian Mix)	(iii) 25's—32's (Indian Mix)	1 · 174	140 · 90
(iv) 29's—38's (Indian Mix)	(iv) 33's—42's (Indian Mix)	1 • 174	149.77
(v) Above 38's (Indian Mix)	(v) 43's—60's (Indian Mix)	1.164	177 • 10
(v)(a) 43's—60's (Foreign Mix)	(v)(a) 43's—60's (Foreign Mia	1 · 174	268 · 73
(vi) 61's & Above (Foreign Mix)	(vi) 61's & Above (Foreign Mi		281 • 11
B. For Combed Yarn Count	S 		
(vii) 28's—60's (Indian Mix)	(vii) 28's—60's (Indian Mix)	1 · 276	189 · 31
(viii) 61's & Above (Foreign Mix)	(viii) 61's & Above (Foreign Mix)		349 · 73

		of cotton of per lb. of p yarn in fabric	P ce element for cotton per lb. yarn
		Double	Yarn
C. For Carded Yarn Count	8		
(i) 8's—12's (Indian Mix)	(i) 8's—14's (Indian Mix)	1 · 211	119.02
(ii) (13's—18's) (Indian Mix)	(ii) 15's—23's (Indiain Mix)	1.180	130.47
(iii) 19's—28's (Indian Mix)	(iii) 25's—32's (Indian Mix)	1 · 180	141 · 62.
(iv) 29's—38's (Indian Mix)	(iv) 33's—42's (Indian Mix)	1 · 180	150 · 54
(v) Above 38's (Indian Mix)	(v) 43's—60's (Indian Mix)	1 · 170	178 · 01
(v)(a) 43's60's (Foreign Mix)	(v)(a) 43's—60's (Foreign Mix)	1 · 180	270-10
(vi) 61's & Above (Foreign Mix)	(vi) 61's & Above (Foreign Mix)	1 · 170	282 · 56
D. For Combed Yarn Cou	nts		
(vii) 28's—60's (Indian Mix)	(vii) 28's—60's (Indian Mix)	1 · 283	190 · 35
(viii) 61's & Above (Foreign Mix)	(viii) 61's & Aboye (Foreign Mi		351 - 58

Table showing the price element based on weight for grey warp yarn (excluding price element for cotton)

(nP. per lb.)

Count	WARP							
Count	CARI	DED	COMI Single	IBED				
	Single	Double	Single	Double				
8	54 · 10	72.36						
10	57.31	75.99						
12	61 · 02	80.90						
14	65·72	85.29						
16	70.45	90 · 44						
18	75 · 15	95.10						
20	79 · 85	99.74						
22	85 · 07	106.92						
24	91 · 29	115 - 12	••					
26	97 · 46	123 · 33						
28	103 · 68	131 - 50	117.16	145				
30	109.91	139.71	124 · 37	154				
32	116.10	147.91	131 · 57	163 -				
34	122 · 32	156 · 10	138.78	172 - 1				
36	128 · 53	164 · 29		182 - 4				
38	134 · 72	172 · 48	154 · 17	192				
40	140.92	181 · 71	161 · 86	202 - 8				
44	15 3 · 34	196 - 57	175 · 29	218 ·				
48	165 <i>·</i> 76	211.42	188 · 70	234 · (
50	171 · 96	218 · 87	195 · 39	242 ·				
60	202.98	255 · 49	228 · 94	281 -				
64	215.41	270 · 87	241 · 33	297 (
70	234.03	293 · 91	259.97	320.1				
80	265.06	333.87	291.00	360.0				
90	••	••	327.01	404.				
100	••	••	363.03	449.				

Note.— 1. For dosuti yarn deduct 1.5 nP. per lb. from the above charges.

^{2.} For counts below 28's combed, add 13 nP. to the corresponding charges of carded yarn.

^{3.} For one end per dent sorts (instead of two ends per dent sorts) add 1.5 nP. per ib. to the above rates for the weight of actual number of ends drawn one per dent only.

TABLE B-3

Table showing the extra price elements for pattern beams with coloured warp yarn, for coloured and bleached warp yarn in the borders only and for all mercerised warp yarn

(nP. per lb.) For pattern For pattern For pattern For coloured beams with beams with beams over or bleached 17 colour more than 50% colour yarn in 25% and upto 50% ends and ends borders only upto 25% and for all of total ends of cclour mercerised Counts ends and for yarn self coloured beams with or without border 96% to 100% 1 3 2 4 5 8 0.62 0.70 0.93 8.82 10 0.770.87 1.16 10.35 0.93 1.05 12 1.39 11.89 14 1.08 1.22 1.63 13.16 16 1.39 1.86 14.30 1.24 18 1 · 39 1.57 2.09 15.56 20 1.55 2.32 16.70 1.7422 1.70 18.37 1.92 2.55 24 1.86 2.09 2.79 20.04 26 2.01 2.26 3.02 21.04 2.44 3.25 22.04 28 2.17 30 2.32 2.61 3.48 23 - 18 32 2.79 3.72 24.58 2.48

2.96

2.63

34

3.95

25.98

1	2	3	4	5
36	2.79	3 · 13	4.18	27.38
38	2.94	3.31	4-41	28.66
40	3 · 10	3 · 48	4.64	29.66
44	3 · 41	3.83	5.11	32 · 19
48	3.71	4.18	5.57	34 · 59
50	3.87	4.35	5.80	36.00
60	4.64	5.22	6.96	42.61
64	4.95	5.57	7.43	45.02
70	5-42	6.09	8 · 13	49.22
80	6.19	6.96	9.28	55 · 57
90	6.96	7.8 3	10.45	61 • 91
100	7.74	8.71	11-61	68 · 25

Note 1.—The allowance under column 5 is in addition to any allowance under columns 2, 3 or 4 where applicable.

Note 2.—The total allowance under this table is in addition to the allowances admissible under tables B-5 and B-6.

TABLE B-4

Table showing extra allowances on warp yarn

									nP. per lb.
1.	For plain stripes, che dhoties with dobby	bo	rder 1	ipto 5	n on 6/8° a	4 shaf nd sa	ts or l	less, with	
	border upto 5/8" pl	am	or do	ооу	•	•	•	•	1
2.	For sarees with dobb	y b	order (over 5	/8"	•	•	•	3
3.	Dobby cloth on more sarees)—	tha	n 4 sh	afts (e	xclud	ing dl	noties	and	
	(i) 5 to 6 shafts		ON	100	lo		•		3
	(ii) 7 to 12 shafts	(Z 1		掘	\$.	•		5
	(iii) 13 to 16 shafts		1			•	•	•	8
	(iv) Over 16 shafts	•	PA		469		•	•	13
4.	Double beam sorts	•	1/2	Νī	ŲĮ.	•	•	•	1
5.	Sorts on 80 actual reed	ls ar	nd fine	r (two	ends	per de	nt)	·	above ates plus 1
6.	For double drawn be above rates.	anıs		harge		be 75	% of	the	
7.	For one end per dent add 25% of the abov ber of ends drawn or	e ra	tes for	the w	eight	ends of act	per de ual nu	ent) m-	

Tables B-5 & B-6

Tables showing extra price elements for processed yarn for fabric

		Table B-5	Table B-6
		Price element for yarn for border/ heading nP. per lb.	Price element for processed yarn other than in border/heading nP. per
高融資信 金)		16.
1. Bleaching charges		36	29
2. Mercerising charges	•	45	45
3. Dyeing charges—			
A. Direct dyes (other than black)			
(i) Light shade		46	36
(ii) Medium shade		53	42
(iii) Dark shade		64	54
B. Vat dyes (other than black)			
(i) Light shade		97	87
(ii) Medium shade		135	124
(iii) Dark shade		247	237
(iv) Very dark shade		325	••
C. Sulphur dye (other than black)			
Dark shade	•	74	64
D. Napthol dye (other than black)			
(i) upto 1% of weight of yarn.		110	100
(ii) over 1% and upto 2% of weight of y	arn	151	141
(iii) over 2% of weight of yarn .		195	184

	Ta B- :	ible 5	Table B- 6
	ele yar	rice ement for n for p	Price element for processed yarn
	hea	ding	other than in border/
	nr. It	per).	heading
			nP. per
E. Dark black	3)		
(i) Direct dye		88	78
(ii) Vat dye	. 3	55	345
(iii) Sulphur dye		87	77
(iv) Napthol dye	. 3	06	296
OTE.—For grandrelle yarn if, only or	ne end is colou	red, t	he price e
	the weight of different shades for the corn	the co	loured en
OTE.—For grandrelle yarn if, only or ment should be calculated for if both ends are coloured in average of the price elements should be taken.	the weight of different shades for the corn-	the co es, the respon-	loured en in, only ding shad
OTE.—For grandrelle yarn if, only or ment should be calculated for if both ends are coloured in average of the price elements should be taken. TABLE B	the weight of different shades for the corn-	the coes, the espon	loured er in, only ding shad
OTE.—For grandrelle yarn if, only or ment should be calculated for if both ends are coloured in average of the price elements should be taken. TABLE B	the weight of different shades for the corn-	the coes, the espon	the cost

TABLE B-8

Table showing the price element based on weight for grey weft yarn (excluding the price element of cotton)

(nP. per lb.)

Count			W	eft e			
Count	Carded		Con	nbed	Dosuti		
	Single	Double	Single	Double	Carded	Combed	
8	33.92	59.55	••	,,	38 · 84		
10	35.90	63 · 83	12%		42.06		
12	37.40	68.35			44.79		
14	40.89	73 · 37		5	49 - 52		
16	44.37	79 - 15	34/345		54.23		
18	47 · 87	84 · 41			58.96		
20	51.36	89.68	P197		63 · 69		
22	55.35	97.48	64.0		68 · 90		
24	60.35	106.31	907		75 · 12		
26	65.32	115-11	S		81 · 34		
28	70.31	123-93	83.77	137 · 52	87 · 55	101 · 01	
30	75 - 29	132.75	89.75	147 · 35	93 · 77	108 · 24	
32	80.28	141 · 57	94.25	155.67	99.99	113.95	
34	85.27	150.39	95.25	160 · 46	106 · 21	116.45	
36	90 · 26	159 · 19	100 · 74	169 · 78	112 · 42	122 · 90	
38	95 · 25	168 · 02	107 - 22	180-11	118.52	130 · 61	
40	99 · 74	177 - 34	109 · 72	187 - 42	124 · 36	134 · 34	
44	108 - 71	192 · 44	120 - 68	204 · 52	135.80	147 · 76	
48	118 · 68	208 · 54	131 · 67	221 · 65	148 · 24	161 · 21	
50	123 · 67	216.61	137 · 14	230 · 20	154 · 46	167 - 93	
60	148 · 60	256-35	164 · 57	272 · 46	185 · 55	201 - 51	
64	158 · 58	272.97	174 · 53	289· 09	197 - 99	213.95	
70	173 - 54	297.89	189 · 48	314.00	216.65	232 · 60	
80	198 · 46	340 · 94	214 · 43	357 · 05	247 · 73	263 · 69	
90	••	• •	239.35	399 · 86		294 · 79	
100			269 · 27	447 · 70	• •	330 · 87	

Note.—For counts below 28's combed, add nP. 13.00 to the corresponding price elements of carded yarn.

TABLE B-9

Table showing the extra price element for coloured/ble

Table showing the extra price element for coloured/bleached/ mercerised weft yarn

(nP. per lb.)

For coloured/ For coloured/ For colbleached bleached bleached oured/ single weft folded weft Counts single weft bleached yarn for in headings yarn other dosuti weft than in headings and and all merin headings headings for all mercerised and all me folded weft cerised cerised single weft dosutiwest 8 9.85 18.97 5.39 8.44 6.25 23.04 9.85 10 12.33 27.09 12 7.12 14.7811.2714 17.24 30.86 7.99 12.42 16 19-71 34.50 8.58 13.41 38 - 27 18 22 - 17 9.30 14.55 20 24.63 41.92 10.02 15.56 22 27 - 10 46.11 11.03 17.12 29.56 12.04 24 50.30 18.67 32.02 53.80 12.61 26 19.53 34.49 13.20 28 57.31 20.40 30 36.9660.9513.94 21.40 32 39.41 64.85 14.67 22.69 15.54 23.97 34 41.88 68.7736 44.35 72.70 16.3825.24 76.47 17:12 26.39 38 46.80 40 49.27 79.96 17.69 27.25 44 54 · 19 87.51 19.29 29.53 59.13 20.60 48 94.94 31.67 61.59 98.85 21 · 47 50 32.95 73.90 118.00 25.38 60 38 - 93 64 78 - 83 125.42 26.82 41.0886.23 137 - 17 29.41 70 44-9i 98.53 33.18 80 156.05 50.61 90 110.86 174 · 94 36.95 56.32 193.81 100 123 - 17 40.72 62.03

NOTE.—1. These price elements are in addition to those admissible under tables 5-B and B-6.

Note.—2. For folded or dosuti west yarn other than in headings which is coloured or bleached no extra price element is admissible under this table.

TABLE B-10

Table showing the price element per yard for every 10 picks per inch corresponding to weaving charges for any kind of fabric, subject to extra allowances shown in tables B-11 to B-17 where applicable

Note.—1. (a) Apart from the extra-allowances shown in tables B-11 to B-17, table on pages 194 & 195 shows the price element per yard for every 10 picks per inch corresponding to the weaving charges for all kinds of fabrics with warp yarns within the count range 9's to 100's and with west yarns finer than 16's single, or 2/28's folded or 32's/2 dosuti and for all widths on reed from 21 incnes to 96 inches. The price element shown for any count of single warp yarn will also apply for double drawn warps of the same count.

- (b) In table on pages 196 and 197 are shown the extra price elements to be added to the corresponding price elements of table on pages 194 and 195 when west yarns coarser than those indicated in note 1(a) above are used. For counts not shown, the corresponding extra price element should be ascertained by interpolation.
- (c) The variations in the counts of weft yarn that can be used in combination with a warp yarn of a given count, are limited by clause 8 of the Textile Commissioner's Notification No. TCS 1/20 dated 22-9-1949. However, the same clause exempts a considerable number of varieties of fabrics, such as coatings and trouserings from two fold warp and two fold weft, etc., from these limitations; and it may be desired to ascertain the price of such varieties of fabrics also. By adding the appropriate price elements of the table on pages 194 and 195 and 196 and 197, the price element corresponding to weaving charges of any given fabric can be obtained.
- 2. (a) If two different counts of weft are used on a checkloom the weighted average count should be adopted, e.g.

8 picks of 20'		•	•	•	160
24 picks of 12	2's .	•	•	•	288
32 .		•			448

Weighted average count = $448 \div 32 = 14$'s.

Normally where count is a determining factor, the count of all folded yarns or dosuti (west only) yarns should be taken at the corresponding resultant count. But for the limited purpose of arriving at the average west count as shown above when a folded yarn is involved, its count should be taken as the resultant count plus two counts, e.g., for 2/16's west yarn the count should be taken as 10.

- (b) Similarly, if two different counts of warp are used (as in the case of true or imitation repps), the weighted average should be adopted. In this case, however, if a folded yarn is involved, its count should be taken as the resultant count only without any adjustment mentioned in note 2(a) for folded weft yarn.
- 3. Any reference to the number of picks per inch or reeds per inch or of counts of well or warp yarn in tables B-10 to B-17 signifies those in the body of the fabric excluding selvedges or borders. The number of picks per inch in any fabric corresponds to the number of movements of shuttle.
- 4. For fabrics with picks or reeds exceeding certain limits and other factors affecting weaving charges, the appropriate extra price element(s) from tables B-11 to B-17 sholud be added to the price element computed from this table.

Price element per yard for every 10 picks per inch for the different warp count groups and for all west counts finer than 16's for single west yarn, 2/28's for folded west yarn and 32's/2 for dosuti (rewound, two ends up) west yarn.

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To compute the price element corresponding to any coarser west yarn add the appropriate element from table on pages 196 and 197.

(Groups of fabrics as per Textile Commissioner's Notification No. TCS 1/20 dated 22-9-49 covered by the count groups of single warp yarn are also indicated.)

194
(nP. per yard for every 10 picks per inch)

Fo	or all we	ft counts	finer than 32's/2	16's sing dosuti	le or 2/28	's folde	d or
And for warp counts— (i)S ingle	(Groups I to IV and	(From warp count 30 of groups	41's to 50's (From warp count 41 of groups VII&VIII upto warp count 50 of group X)	51's to 60's (From warp count 51 of group I X upto warp count 60 of group XI)	61's to 80's (From warp count 61 of groups XI upto group XII)	81's to 99's	100's and over
or (ii) Fold- ed	2/9's to 2/58's	2/60's to 2/80's	2/82's to 2/100's				
1	2	3	4	5	6	7	8
Width of fabric on reed in inches		-	स्थापेव	ग्यते जयते			
21	2.11	2.16	2.21	2.26	2.32	2 · 42	2.53
22	2.13	2.19	2.24	2 · 29	2.35	2 · 45	2.56
24	2 · 19	2 · 24	2.30	2 · 35	2.41	2 · 52	2.62
26	2 · 24	2 · 30	2.35	2 · 41	2 47	2.58	2.69
28	2.30	2.35	2.41	2.47	2.53	2.64	2 · 75
30	2.36	2.42	2.48	2.54	2.60	2.72	2.84
32	2.43	2.49	2.55	2.61	2.67	2.80	2.92
34	2.50	2.56	2.62	2.69	2.75	2-87	3.00
36	2-57	2.63	2.69	2.76	2.82	2.95	3.08
38	2.63	2.70	2.76	2 · 83	2.90	3.03	3 · 16
40	2 · 70	2.77	2.84	2.90	2.97	3 · 11	3 · 24
41	2.74	2.81	2 88	2.95	3.02	3 · 15	3 · 29
42	2.78	2.35	2.92	2.99	3.06	3 · 20	3 · 34
43	2.82	2.89	2.96	3.03	3.10	3 · 25	3 · 39
44	2.86	2.93	3.01	3.08	3 · 15	3 · 29	3 · 44

1	2	3	4	5	6	7	8
46	2.94	3.02	3.09	3.16	3 · 24	3.38	3 · 53
48	3.06	3.14	3 · 22	3.29	3.37	3.52	3 · 68
50	3.20	3.28	3.36	3.44	3.52	3.68	3 · 84
52	3.33	3 · 42	3 · 50	3.58	3 · 67	3 · 83	4.00
54	3.47	3 · 56	3.64	3 · 73	3.82	3.99	4 · 16
56	3.61	3 · 69	3 · 79	3.88	3.97	4 · 15	4 · 33
58	3 · 74	3 · 83	3.93	4.02	4.11	4.30	4 · 49
60	3.88	3 · 97	4:07	4 · 17	4.26	4 · 46	4.65
62	4.04	4 · 14	4 · 24	4 · 34	4 · 44	4.64	4 · 84
64	4.20	4.30	4.41	4.51	4.62	4.83	5 · 04
66	4.36	4.47	4.58	4.69	4.80	5.02	5 · 23
68	4.52	4.64	4.75	4.86	4.98	5 · 20	5 · 43
70	4.69	4.80	4.92	5.04	5 - 15	5 · 39	5.62
72	4.85	4 · 97	5.09	5 · 21	5.33	5· 5 7	5 · 82
74	5.01	5 · 13	5.26	5.38	5.51	5.76	6.01
76	5 · 17	5,30	5.43	5.56	5.69	5.95	6.21
86	5.98	6.13	6 · 2 8	6.43	6.58	6.88	7 · 18
96	6.79	6.96	7 · 13	7.30	7 · 47	7.81	8 · 15

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Showing the extra price elements to be added to the appropriate price elements shown on page 2 of this table when any weft yarn of count 16's single, or 2/28's folded or 32's/2 dosuti or of count coarser than the foregoing is used

(nP. per yard for every 10 picks per inch)

		}			1				!	; 	1 1 1 1			
(i) Single	:	:	:	:	:	:	s.6	\$.01	11.8	12.8	13's	14.8	15's	\$.91
yarn (ii) Folded	:	:	;	2,9's	2,10's	2,12's	2/14%	2716's	2.18's	2/20's	2,22%	2,24's	2,26's	2,28°s
(iii) Dosuti	9.8,2	10's/2	12,8,2	13,8,5	14's,2	16's;2	£.8.81	2015.3	5 3.55	24.8.2	26'8-2	38.80	30,873	32.8/2
Width of fabric on reed in inches					4	6	Ø.	3		<u> </u> 		{ 	 	
21	0.67	0.55	0.46	0.42	0.38	0.29	0.23	0.19	с 	0.11	80.0	90.0	ŷ.0 4	0.02
22	99.0	0.55	0.47	0.43	0.38	0.30	0.23	9.13	0.15	0.11	60.0	90.0	0.04	0.05
77	0.70	0.57	0.48	0.44	0.39	0.31	0.24	0.20	0.15	0 · 1 :	60.0	0.07	0.0	0.07
26	0.72	0.58	0.49	0.45	0.40	0.31	0.25	0.30	0.16	0.11	60:0	0.07	0.04	0.02
28	0.73	09.0	0.50	0.46	0.41	c 32	0.25	9.21	0.16	0.11	60.0	0.07	0.05	0.02
30	9.76	0.61	0.52	0.47	0.43	6.33	0.26	0.21	0.17	0.12	60.0	0.07	0.05	0.02
32	0.78	0.63	0.53	0.49	0.44	2.0	0.27	0.22	0.17	0.12	01.0	0.07	0.05	0.02
*	08.0	0.65	0.55	0.50	0.45	0.35	0.27	0.22	0.17	0.12	01.0	0.07	0.05	0.02
36	0.82	0.67	0.56	0.51	0.46	0.36	0.28	0.23	0.18	0 13	0.10	80.0	90.0	0.03

38	0.99			99.0	19.0	0.50	0.42	0.34	0.26	0.21	0.16	0.11	0.03	0.05
Q	1.01	0.84	0.73	89.0	0.62	0.51	0.43	0.35	0.27	0.22	0.16	0.11	0.08	0.02
41	1.03	0.85	0.74	69.0	0.63	0.52	0.4	0.36	0.27	0.22	91.0	0.11	80.0	0.02
42	1.04	98.0	0.75	0.70	0.64	0.53	0.44	0.36	0.28	0.2	0.17	0.11	90.0	90.0
43	1.06	0.87	97.0	0.71	0.65	0.54	0.45	0.37	0.28	0.23	0.17	0.1:	90 0	90.0
4	1.07	0.89	0.77	0.72	99.0	0.54	0.46	0.37	0.29	0 23	0.17	0.11	60.0	90.0
46	1.10	0.91	62.0	0.74	99.0	0.56	0.47	0.38	0.29	0.24	0.18	0.12	60.0	90'0
48	1.32	1.10	86.0	0.92	98.0	0.74	0.64	0.55	0.46	0.40	0.25	0.21	0.15	0.09
50	1.38	1.15	1.02	96.0	06.0	0.77	19.0	0.58	0.48	0.42	0.26	0.22	91.0	0.10
52	1.43	1.20	1.07	1.00	0.93	08.0	0.70	0.60	0.50	0.43	0.27	0.23	0.47	0.10
\$	1.49	1.25	=-	1.04	16.0	0.83	0.73	0.62	0.52	0 45	0.28	0.24	0.17	0.10
99	1.55	1.30	1.15	80 . 1	1.01	0.87	92.0	0 65	0.54	0.47	0.29	6.25	91.0	0.11
58	1.61	1.35	1.20	1.12	1.05	06.00	6.79	0.67	0.56	0.49	0.30	0.26	0.19	0.11
09	1.67	1.40	1.24	1.16	1.09	0.93	18.0	0.70	0.58	0.50	0.31	0.27	61.0	0.12
62	1.74	1.45	1.29	1.21	1.13	0.97	0.85	0.73	19.0	0.52	0.32	0.28	0.20	1.12
64	18.1	1.51	1.34	1.26	1.18	10.1	0.88	97.0	0.63	0.55	0.34	0.29	0.21	0.13
99	1.87	1.57	1.40	1.31	1.22	1.05	0.92	0.78	0.65	0.57	0.35	0.31	0.22	0.13
89	1.94	1.63	1.45	1.36	1.27	1.09	0.95	0.81	89.0	0.59	98.0	0.32	0.23	0.14
02	2.01	1.69	1.50	1.41	f.31	1.12	86.0	0.84	0.70	19.6	0.37	0.33	0.23	0.14
72	2.08	1.75	1.55	1.45	1.36	1.16	1.02	0.87	0.73	0.63	0.39	0.34	0.24	0.15
74	2.15	08.1	1.60	1.50	1.40	1.20	1.05	06.0	0.75	0.65	05.0	0.35	0.25	0.15
76	2.22	1.86	1.65	1.55	1.45	1.24	1.09	0.93	92.0	0.67	0.41	0.36	0.26	0.16
98	2.57	2.15	1.91	1.79	1.67	44.	1.26	1.08	06.0	0.78	0.48	0.42	0.30	0.18
96	2.92	2.44	2.17	2.04	1.90	1 63	1.43	1.22	1.02	0.88	0.54	0.48	0 34	0.20

TABLE B-11

Table showing extra price-elements to be added to the price elements shown in table B-10 for the number of ends per inch in reed exceeding the limits shown for the different counts of yarn

Notes.	—(i) No allow	ance upto the	following	limits.	
		Plain sorts	Drills, s	atcens and	ducks
		Two ends T		Four ends in a dent	
	ce for Warp counts	Upto number of ends per inch in reed		Upto number of r ends per inch in reed	Upto number of ends per inch in reed
From	To	(588) E	15/20		
9's	12's	32	48	48	48
13's	14's	36	54	54	54
15's	18's	40	60	60	60
19's	22's	44	66	66	66
23's	26's	48	72	72	72
27's	30's	52	78	78	78
31's	40' s	60	90	90	90
41's	50' s	64	96	96	96
51's and	over	72	108	108	108

- (ii) No allowance for yarn extra dented for crammed stripes unless the average ends per inch in the cloth are high enough to be entitled to fine reed allowance.
- (iii) Dosuti yarn (double drawn warp) should be treated as an increase of 12½% in reed e.g., in the case of 16's dosuti warp in 48 reed should be taken as 54 reed and for calculating the allowance, the number of reed thus adjusted should be taken as the number of ends per inch in a plain sort with 2 ends in a dent.
- (iv) For mixed denting, average reed is to be taken *i.e.*, if in reed space of 28" there are a total of 2200 ends, the allowance applicable for 78 ends in an inch should be taken as for plain sorts, 2 ends in a dent.
- (v) When plain cloth is woven 4 ends in a dent, the permissible ends per inch in reed would be as per two ends in a dent sorts only *i.e.* if a cloth is woven in a 36 reed, 4 in dent, the allowance would be calculated as if there were 72 reeds, 2 in a dent.
- (vi) When double yarn is used, the limits applicable for the resultant count should be applied. If the resultant count is less than 9's, the limits are 28 ends per inch in the case of two ends in a dent sorts and 42 ends in the case of drills, sateens and ducks with 3 or more ends in a dent.

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Allowance for every 10 ends per inch exceeding the limits mentioned in note (i) above.

Wid			ric on		Plain Sorts	Drills, S	ateens and	Ducks
	reed	In 1	inches		Two ends in a dent	Three ends in a dent	Four ends in a dent	Five ends in a dent
21					0.11	0.07	0.05	0.04
22					0.11	0.07	0.05	0.04
24					0.11	0.07	0.06	0.04
26					0.11	0.07	0.06	0.05
28					0.12	0.08	0.06	0.05
30					0.12	0.08	0.06	0.05
32				. 2	0.12	0.08	0.06	0.05
34				. 1	0.13	0.08	0.06	0·05
36					0.13	0.09	0.06	0.05
38					0.13	0.09	0.07	0.05
40					0.14	0.09	0.07	0.05
41					0.14	0.09	0.07	0.06
42					0 · 14	0.09	0.07	0.06
43					0.14	0.09	0.07	0.06
44					0.14	0.09	0.07	0.06
46					0.15	0.10	0.07	0.06
48					0.15	0.10	0.08	0.06
50					0.16	0.11	0.08	0.06
52					0.17	m=0·11	0.08	0.07
54					0.17	0.12	0.09	0.07
56					0.18	0.12	0.09	0.07
58					0.19	0.12	0.09	0.08
60					0.19	0.13	0.10	0.08
62					0.20	0.13	0.10	0.08
64					0.21	0.14	0.11	0.08
66			•		0.22	0.14	0 11	0.09
68					0.23	0.15	0.11	0.09
70					0.23	0.15	0.12	0.09
72					0.24	0.16	0.12	0.10
74					0.25	0.17	0.13	0.10
76					0.26	0.17	0-13	0.10
86					0.30	0.20	0.15	0.12
96					0 · 34	0.22	0.17	0.14

TABLE B-12

Table showing extra allowances to be added to Price Element shown in Table B-10 for coloured warp and coloured weft yarns and Drop box effects (2 shuttles or more) Norm.— (i) No allowance upto and including 16 ends of coloured warp or when coloured warp is used only in selvedges.

(ii) For double colour warp yarn, half the single yarn colour allowance is to be given.

(iii) No allowance under this table is payable in the case of colour warp in the borders or patchas of dhoties and sarees (but see table 15).

(iv) For headings see separate allowance vide table 16.

a di tance of less than 5" shuttles shuttles shuttles shuttles shuttles 91.1 the pattern repeating at (nP. per 10 picks per inch per yard) Drop box sorts with Coloured Weft Allowance and Drop box -0. effects (2 shuttles or more) 0.92 et a distance of 5" or over 1.05 the pattern repeating Drop box sorts with 0.95 0.84 Single Shuttle Sorts 90.0 coloured coloured coloured 51% or sorts 0.32 For with ends more of total ends Allowance (Single Coloured Warp 50% of For yarn) sorts with 0.21 from upto total 25% of .. ⊙ sorts upto with ends total ends Width of fabric on reed

1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	22222222222 632688236636
28 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	2.58 2.58 2.58 2.58 2.58 2.58 2.58
000000000000000000000000000000000000000	
25.25.25.25.25.25.25.25.25.25.25.25.25.2	25 - 1 - 1 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2
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00000000000000000000000000000000000000	00000000000000000000000000000000000000
00000000000000000000000000000000000000	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
00000000000000000000000000000000000000	300023332212 3000233332213 3000234
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77728088884444444488988899 7778888888848444444488988899	2488544688

TABLE B-13

Table showing extra allowances to be added to Price Elements shown in Table B-10 for the number of picks per inch exceeding certain limits

Nores.—(i) No allowance up to 60 picks per inch in the case of west counts 35's and under.

(ii) No allowance up to 72 picks per inch in the case of west counts over 35's.

(iii) In the case of twills, drills and west saced sateens half of the following allowances

Allowances to be taken in the case of picks ranging between the following limits

For weft counts 35's and under picks per inch	35 's 3	61-64	89-59	69-72	73-76	77-80	81-84	88-58	89-92	96-66	97-100	101-104 105-108	105-108	109-112	113-116	117-120
For well counts over 35's picks per inch	over nch	73-76	77-80	81-84	88-88	89-92	93-96	97-100	101-104	105-108	109-112	109-512 113-176 117-520 121-124 125-128	117-120	121-124	125-128	129-132
Width of fabric	E S				alek	SIVE SIVE										
21	•	0.03	0.04	90.0	80.0	0.11	0.13	0.15	0.17	0.19	0.21	0.23	0.25	0.27	0.30	0.32
	•	0.05	9.9	90.0	9.0	0.11	0.13	0.15	0.17	0.19	0.21	0.23	0.26	0.28	0.30	0 · 32
	•	0.05	9.04	0.01	60.0	0.11	0·13	0.15	0.18	0.20	0.22	0.24	0.26	0.29	18.0	0.33
	•	0.05	0.05	0.01	8	0.11	0.13	91.0	0.18	0.30	0.22	0.25	0.27	0.29	0.31	0.34
	•	0.05	0.08	0.07	0.0	0 13	0.14	0.16	0.18	0.21	0.23	0.25	0.28	0.30	0.32	0.34
٠ چ	•	0.05	0.08	0.07	0.0	0.12	0 · [4	0.17	61.0	0.21	0.24	0.26	0.28	0.31	0.33	0.35
32 .	٠	0.05	0.05	0.01	0.10	0.12	0.15	0.17	0.20	0.22	0.24	0.27	0.29	0-32	0.34	0.37
34 .	•	0.03	0.03	80-0	01.0	0.13	0.15	0.18	0.20	0.23	0.25	0.28	0.30	0.33	0.35	0.37
	٠	0.03	0.08	0.08	0.10	0.13	0.15	0.18	0.21	0.23	0.26	0.28	0.31	0.33	96.0	0.39
. 98	•	0.03	0.03	80.0	0.11	0.13	0.16	0.18	0.21	0.24	0.26	0.29	0.32	0.34	0.37	0.40

							0.48		i													
0.38	0.33	0.39	0.40	9-40	0.41	0.43	0.45	0.47	0.49	0.51	0.52	0.54	0.57	0.59	19.0	0.63	99.0	0.68	0.70	0.72	0.84	0.95
0.35	0.36	0.36	0.37	0.37	0.38	9.	0.43	0.43	0.45	0.47	0.49	0.50	0.53	0.55	0.57	0.59	0.61	0.63	0.65	0.67	0.78	88.0
0.32	0.33	0.33	0.34	9	0.35	0.37	0.38	0.40	0.42	0.43	0.45	0.47	0.48	0.50	0.52	0.54	0.56	0.58	09.0	0.62	0.72	0.82
0.30	0.30	0.34	0.31	0.32	0.32	0.34	0.35	0.37	0.38	0.40	0.41	0.43	0.44	0.46	0.48	0.50	0.52	0.53	0.55	0.57	99.0	0.75
0.27	0.27	0.28	0.28	0.39	0.29	0.31	0.32	0.33	0-35	0.36	0.37	0.39	0.40	0.42	0· 4	0.45	0.47	0.48	0.50	0.52	09.0	99.0
0.24	0.25	0.25	0.25	0.26	0.27	0.28	0.29	0.30	0.31	0.32	0.34	0.35	0.36	0.38	0.39	0.41	0.45	4	0.45	0.47	0.54	19.0
0.22	0.22	0.22	0.23	0.23	0.24	0.25	0.26	0.27	0.28	0.29	0.30	0.31	0.32	0.34	0.35	0.36	0.38	0.39	0.40	0.41	0.48	9.
0.19	61.0	0.20	0.20	0.20	0.21	0.21	0.22	0.23	0.24	0.25	0-26	0.27	0.28	0.29	0.31	0.32	0.33	9.34	0.35	0.36	0.42	0.48
0.16	91.0	0.17	0.17	0.17	81 •0	81·0	61.0	0-20	0-21	0.22	0-23	0.23	0.24	0.25	0.26	0.27	0.28	0.29	0.30	0.31	0.36	0.41
0·14	0.14	0 · 14	0 · 14	0·14	0.15	9.15	91.0	0.17	0.17	81.0	0.19	61.0	0.20	0.21	0.22	0.23	0.23	0.24	0.25	0.76	0.30	9.34
11.0	0.11	0.11	0 · 11	0.12	0.13	0.12	0.13	0.13	0.14	0.14	0.15	91.0	91.0	0.17	81.0	0.18	0.19	61-0	0.20	0.21	0-24	0.27
90·08	80 · 0	0.03	60.0	60.0	60.0	60.0	0.10	0.10	0.10	0.11	0.11	0.12	0.12	0.13	0.13	0.1	0 · 14	0.13	0.15	91.0	0.18	0.20
0.05	90.0	90.0	90.0	90.0	90.0	90.0	90.0	0.07	0-07	0.07	80.0	80·0	80.0	80-0	60-0	0.00	60.0	0. 10	0.10	0 · 10	0.12	0.14
0.03	0.03	0.03	0.03	0.03	0.03	0.03	0-03	0.03	0.04	0-04	0.04	0.04	9.0	9 0	0.04	0.02	0.02	0.02	0.02	0.02	90.0	0.01
٠					•	•				•				٠					•	•	-	
	•	٠		٠	٠			•		٠	•		٠	٠	•			•		•	٠	•
•	•	٠	•	•	•	•	•	٠	•	٠	٠	٠	•	٠	٠	•	•	•	•		•	•
\$	4	42	4	1	4	48	20	32	7,	36	33	8	62	2	99	89	2	2	*	20	96	8

TABLE B 14 (a)

in the body, jacquard work and cumber board work in dhoties and sarees of all sorts including patcha Table showing extra allowances to be added to Price elements shown under table B 10 for dobby shaft work

stripes and skirt borders

Notr... (i) Allowances for dobby shaft work are not to be taken for patcha stripes or skirt borders in dhoties and (ii) For dhoties and sarees which have shaft work in the body and dobby cumber board work in the border both the allowances are to be added. (iii) In the case of sarees with jacquard design both in the body and in the border, the allowance to be added No separate allowance for jacquard border is to be added. should be as for jacquard all over styles.

	work in the body	व जयत	Jacqua	acquard work		SS	Cumber board work in dhoties and sarees of all sorts including patcha stripes and skirt borders	ard work I sorts in s and skir	in dhotie cluding p t borders	s and atcha
to 6 staves	Add for each extra	Upto 100 hook jacqu- ards	101 to 200 hook jacqu- ards	201 to 300 hook jacqu- ards	301 to 400 hook jacqu- ards	1 to 8 Jacks	9 to 16 Jacks	9 to 16 17 to 24 25 to 32 33 to 40 Jacks Jacks Jacks Jacks	25 to 32 Jacks	33 to 40 Jacks
00.11	0.02 0.02 0.02	0 · 42 0 · 43 0 · 43	0.53	0.63 0.64 0.66	0.74	0.08	0.13 0.13 0.13	0.19 0.19 0.20	0.25 0.26 0.26	0.32 0.32 0.33

0.34	0.34	0.34	0.37	0.37	30	0.40	. A.	0.41	0.42	0.45	0.43	0.44	0.46	0.48	9.0	5.5	0.54	, y	9.50	9.0	3 6	9.5	0.0	96.	25.5	0,70	00.00	0 0	1.02
0.27	0.28	0.28	0.53	0.30	0.31	0.32	0.32	0.3	0.33	0.34	0.34	0.35	0.37	0.38	0.40	0.42	0.43	0.45	0.47	0.48	0.50	0.52	0.54	0.56		99.0	0.62	.35	0.82
0.50	0.21	0.21	0.22	0.23	0.23	0.24	0.24	0.25	0.25	0.25	0.26	0.27	0.28	0.29	0.30	0.31	0.32	0.34	0.35	0.36	0.38	0.39	0.41	0.42	4	0.45	0.47	. 5	0.61
0.13	0.14	0.14	0.15	0.15	0.15	0.16	0.16	0.16	0.17	0.17	0.17	0.18	0.18	0.19	0.70	0.21	0.22	0.23	0.23	0.24	0.25	0.26	0.27	0.28	0.29	0.30	0.31	0.36	0.41
60.0	60·0	60.0	0.10	0.10	0.10	0.11	0.11	0.11	0.11	0.11	0.12	0.12	0.12	0.13	0.13	0.14	0.14	0.15	0.16	0.16	0.17	0.18	0.18	0.19	0.19	0.20	0.21	0.24	0.27
67.0	08.0	0.83	0.85	0.87	06.0	0.92	0.95	96.0	0.97	0.99	1.00	1.03	1.07	1 12	1.17	1.21	1.26	1.31	1.36	1.41	1.47	1.53	1.58	1.64	1.70	1.75		2.09	2.38
<i>19</i> ·0	69.0	0.71	0.73	0.75	0.77	0.79	0.81	0.82	0.83	0.85	98.0	88.0	0.92	96.0	1.00	1.04	1.08	1.12	1.16	1.21	1.26	1.31	1.36	1.41	1.45	1.50	1.55	1.79	2.04
0.56	0.57	0.59	0.61	0.62	0 2	99.0	89.0	69.0	0.70	0.71	0.72	0.74	0.77	08.0	0.83	0.87	0.00	0.94	0.97	1.01	1.05	1.09	1.13	1.17	1.21	1.25	1.29	1.50	1.70
0.45	0.46	0.47	0.49	0.50	0.51	0.53	0.54	0.55	0.56	0.56	0.57	0.59	19.0	0.64	29.0	69.0	0.72	0.75	0.78	0.81	0.84	0.87	0 9 9	0.94	0.97	1.00	1.03	1.20	1.36
0.05	0.05	0.02	0.05	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.04	0.04	0.0	0.04	0.04	90,0	0.05	0.05	0.05	0.05	0.05	90.0	0.07
0.11	0.12	0.12	0.12	0.13	0.13	0.13	0.14	0.14	0.14	0.14	0.14	0.15	0.15	0.16	0.17	0.17	0.18	0.19	0.19	0.20	0.21	0.55	0.23	0.23	0.24	0.25	0.26	0.30	0.34
		•	•	•		٠		•	•	•						٠	•		•						•	•			
•	•	•	٠	•		•		•	•		•	•		٠	• .	•	•		•	•			•				٠	•	
26 .	87	ે જ	75	4 6 4 7	9	89 :	40	41	42	43	44	46.	. 48	ટ ર	52.	54	26	. 28	9	. 79	2 ,	99	89	. 0/	72 .	74.	. 92	. 98	. 96

TABLE B 14 (b)

Table showing extra allowances for Leno work (to be added to the price elements shown under Table B-10

Note.—1. The table shows the allowances for one doup.
2. For each additional doup stave in excess of one, extra allowance at 10% of the appended table should

be taken.

3. No allowance for pick finding.

4. No allowance upto two Beams.

5. No allowance for staves utilized for leno work,

6. For staves, other than leno figure work, stave allowance as per table 14-a (dobby staves) should be taken.

7. In combined leno and jacquard weave, allowance both for leno and jacquard, should be added.

	If the L of singl	eno end	If the Leno ends operated upon b of single yarn and in a beam are	d upon by	If the Leno ends operated upon by a doup are of single yarn and in a beam are	, Te	If the L	eno end	If the Leno ends operated upon by a doup are of folded yarn and in a beam are	d upon b 1 in a bea	y a doup im are	are
Width of fabric on reed in inches	Not exceed- ing 150	151— 200	201— 250	251— 300	301— 350	351 and above	Not exceed- ing 150	151-200	201— 250	251— 300	301—350	351 and above
21 22 24	1.16 1.17 1.20	1.37 1.39 1.42	1.47 1.49 1.53	1.58 1.60 1.64	1.68 1.71 1.75	1.79 1.81 1.86	0.95 0.95 0.98	1.16 1.17 1.20	1.26 1.28 1.31	1.37	1.47	1.58

.68	1.72	.77	1.82	1.87	1.92	1.97	2.03	1.78	1.8	1.83	98.	1.91	1.99	2.08	2.17	2.26	2.34	2.43	2.52	2.62	2.73	2.83	2.94	3.02	3.15	3.26	3.36	3.89	4.41
1.57	1.61	1.65	1.70	1.75	1.80	1.84	68-1	1.64	1.67	69.	1.72	1.77	1.84	1.92	7.00	7.08	2.16	2.24	2.32	2.42	2.52	2.62	2.71	2.81	2.91	3.00	3.10	3.59	4.07
1.46	1.49	1.54	1.58	1.62	1.67	1.71	1.76	1.51	1.53	1.55	1.57	1.62	1 · 69	1.76	1.83	16.1	1.98	2.06	2.13	2.22	2.31	2.40	2.49	2.58	2.67	2.75	2.84	3.29	3.73
1.34	1.38	1.42	1.46	1.50	1.54	1.58	1.62	1.37	1.39	1-41	1.43	1.47	1 · 53	1 · 60	1.67	1.73	1.80	1.87	1.94	2.02	2 · 10	2.18	2.26	2.34	2.42	2.50	2.59	2.99	3.40
1.23	1.26	1.30	1.34	1.37	1.41	1.45	1.49	1.73	1.25	1.27	1.29	1.32	1.38	1.44	1.50	1.56	1.62	7.68	1.74	1.82	1.89	1.96	2.04	2.11	2.18	2.25	2.33	5.69	3.06
10.1	1.03	1.06	1.09	1.12	1.15	1.18	1.22	96.0	0.97	66.0	1.00	1.03	1.07	1.12	1.17	1.21	1.26	1.31	1.36	1.41	1-47	1.53	1.58	1.6 2	1.70	1.75	1 · 81	5.09	2.38
16.1	1.95	2.01	2.07	2.12	2.18	2.24	2.30	5.06	5.09	2.12	2.15	2.21	2.30	2.40	2.50	2.60	2.70	2.80	2.91	3.03	3.15	3.27	3.39	3.51	3.63	3.76	3.88	4.49	2.09
1.79	1.84	1 · 89	1.94	5·00	2.05	2.11	2.16	1.92	1.95	1.98	2.00	2.06	2.15	2.24	2.33	2.43	2.52	2.62	2-71	2.83	2.94	3.05	3.17	3.28	3.39	3.51	3.62	4.19	4.75
1 · 68	1.72	1.77	1.82	1.87	1.92	1.97	2.03	1 · 78] ·81	1.83	1.86	16.1	1.99	2.08	2.17	2.26	2.34	7.43	2.52	2.62	2.73	2.83	2.94	3. 9	3.15	3.26	3.36	3.89	4.41
1.57	19-1	1.65	1 · 70	1.75	1 · 80	1 · 84	1.89	1.64	1 · 67	1.69	1.72	1.77	1 · 84	1.92	7 .00	7 .08	2.16	2.24	2.32	2.42	2.52	7.62	2.71	2 · 81	2.91	3.00	3.10	3.59	4.07
1.46	1.49	1 - 54	1.58	1.62	1 · 67	1.71	1.76	1.51	1 · 53	1.55	1.57	1.62	1.69	1.76	1.83	16.1	1 -98	5.06	2.13	2.22	2.31	2.40	2.49	2.58	2.67	2.75	2.84	3.29	3.73
1.23	1.26	1 · 30	1.34	1.37	1 - 41	1.45	1.49	1.23	1.25	1.27	1.29	1.32	1 · 38	1 · 44	1.50	1 · 56	1.62	1.63	1.74	1.82	1 · 89	96-1	4	2.11	2.18	2.25	2.33	5.69	3.06
		•			•											•		•	•	•				•		•			•
56	78	ၔ္က	32	34	36	38	0	4	47	43	4	46	48	S	25	%	26	28	ල	3	\$	9	89	2	77	7	76	98	96

TABLE B-15

Table showing extra allowances to be added to Price elements shown in Table B-10 for borders of dhoties and sarees.

									(nP	. per 10	(nP. per 10 picks per inch per	inch per	yard)
Border		Dho	ties and	Dhoties and Sarees without patena	thout pate	na			Dhoties a	and Sare	Dhoties and Sarees with patcha	tcha	
ach side	F 63	Upto 5/8"	Over 5/8" to 1-1/4" t	Over 1-1/4" to 1-3/4"t	Over 1-3/4" o 2-1/2"	Over 2-1/2'to 3-1/2" to	Over 3-1/2'	Upto 5/8"	Over 5/8" to I-1/4"	Over 1-1/4" t to 1-3/4"	Over o 1-3/4" 2-1/2"	Over 2-1/2" to 3-1/2"	Over 3-1/2"
Width fabric	o u				7.		8	C. C	0				
eed nches.	. E				त्यमेव	Į(())	I		13				
21		0.04	0.08		0.17	0.25	0.32	90-0	-	0.16		0.32	0.36
22		0.0	0.0	0.13	0.17	0.26	0.32	90-0	0.11	0.16	0.21	0.32	0.36
24		0.0	0.0		0.18	0.26	0.33	0.07	0.11	0.16		0.33	0.37
5 6		0.05	0.0		0.18	0.27	0.34	0.07	0.11	0.17		0.34	0.38
28		0.02	0.0		0.18	0.28	0.34	0.07	0.12	0.17		0.34	0.39
30		0.02	0.0	_	0.19	0.28	0.35	0.07	0.12	0.18		0.35	0.40
32		0.02	0.0		0.20	0.29	0.37	0.07	0.12	0.18		0.37	0.41
34		0.05	0.10		0.20	0.30	0.37	0.08	0.13	0.19		0.37	0.43
36		0.05	0:10		0.21	0.31	0.39	80.0	0.13	0.19		0.39	0. 44
38		0.05	0.11	_	0.21	0.32	0.40	0.08	0.13	0.20		0.40	0.45
40		0.05	0.11	-	0.22	0.32	0.41	0.08	0.14	0.70		0.41	0.46
41	•	90.0	0.11	_	0.22	0.33	0.41	80·0	0.14	0.21		0.41	0.47
42	•	90.0	0.11		0.22	0.33	0.42	80.0	0.14	0.21		0.42	0.47
43		90.0	0.11	_	0.23	0.34	0.42	0.09	0.14	0.21		0.42	0.48
4	-	90.0	0.12	_	0.23	0.34	0.43	0.09	0.14	0.22		0.43	0.49

0.50 0.52 0.53 0.53 0.64 0.66
0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
0.29 0.31 0.33 0.33 0.33 0.39
0.22 0.23 0.24 0.25 0.27 0.28 0.29
0.15 0.15 0.17 0.19 0.19
000000000000000000000000000000000000000
44.0 0.50 0.50 0.50 0.50 0.50 0.50 0.50
0.35 0.37 0.38 0.42 0.43 0.45 0.45
0.25 0.25 0.27 0.28 0.30 0.30
0 · 18 0 · 18 0 · 20 0 · 21 0 · 23 0 · 23
0 · 12 0 · 13 0 · 14 0 · 15 0 · 15
000000000000000000000000000000000000000
60 88 85 85 85 85 85 85 85 85 85 85 85 85

Table showing extra allowances to be added to Price elements shown in table B-10 for headings in short lengths. TABLE B-16

ard)		. ber		40	8	2	05	05	05	05	05	05	0.05
per y	or Addi- tional er allow- I ance for cholas with	ings j ings j pair or re- 20*		0	Ö	Ö	Ö	Ö	Ö	Ö	Ö	Ö	Õ
er inch 1	age es per and a	Add for ings every 5 pai shuttle changes or part there- of, over 20*		0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.03	0.03	0.03
picks p	dditional allowance f more than an average f 8 shuttle changes p leading in sarees and dhoties.	16 to 20 shuttle changes*		80.0	0.0	60.0	0.0	60.0	60.0	0.10	01.0	0.10	0.11
(nP. per 10 picks per inch per yard)	Additional allowance for more than an average of 8 shuttle changes per heading in sarees and dhoties. ch	9 to 15 16 to 20 Add for ings per shuttle shuttle every 5 pair changes* changes* shuttle changes or part there- of, over 20*		0.04	0.04	0.04	0.05	0.05	0.05	0.05	0.05	0.0	0.05
(n)	4 0	yd.		0.32	0.32	0.33	0.34	0.34	0.35	0.37	0.37	0.39	0.40
	ieces	2 yds.		0.27	0.58	0.29	0.29	0.30	0.31	0.32	0.33	0.33	0.34
	tir of poiece).	3 yds.		0.23	0.23	0.24	0.25	0.25	97.0	0.27	0.28	0.28	0.29
	per paris per 1	4 yds.		0.19	61.0	0.70	0.20	0.21	0.21	0.22	0.23	0.23	0.24
!	Headings in short length sorts (length per pair of pieces except for sarees where the length is per piece).	5 yds.		91.0	91.0	91.0	0.17	0.17	81 O	0.18	0 · 19	0.19	0.20
	sorts re the	6 yds.		0.13	0.13	0.13	0.13	0.14	0.14	0.15	0.15	0.15	0.16
1	l length	7 yds.		0.10	0:0	01:0	0.10	0:10	0.1	 O	0:1	0.12	0.12
	n shori for sare	8 yds.		90.0	90.0	0.07	0.02	0.02	0.07	0.03	80.0	8v.0	80.0
j	dings i	9 yds.		0.04	0.0	0.0	0.02	0.02	0.05	0.05	0.02	0.05	0.05
	Hea	10 yds.	Š	0.05	0.07	0.05	0.05	0.05	0 05	0.05	0.03	0.03	0.03
		Length	Width of fabric on read in inches	21	777	24	26	78	30	32	ιςς 	36	38

0.05	90.0	90.0	90.0	90.0	90.0	90.0	90.0	0.07	0.07	0.07	80.0	80.0	80.0	80.0	60.0	60.0	60.0	0 · 10	0 · 10	0 · 10	0.12	0.14
0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.0	0.04	0.04	0 20	0 9	0.04	0.04	0.05	0.05	0.05	0.05	0.05	90.0	0.07
0.11		0.1	0.11	0.12	0.12	0.12	0.13	0.13	0.14	0.14	0.15	0.16	0.16	0.17	0.18	0.18	0.19	61.0	0.30	0.21	0.24	0.27
0.05	90.0	90.0	90.0	90.0	90.0	90.0	90.0	0.07	0.0	0.07	0.08	80.0	80.0	80.0	60.0	0.0	60.0	0.10	0:0	0.10	0.12	0 · 14
	0.41										~	_/\	100	10	8A.	,,,,	٠.					
0.35	0.36	0.36	0.37	0.37	0.38	0.40	0.42	0.43	0.45	0.47	0.49	0.50	0.53	0.55	0.57	0.59	0.61	0.63	0.65	0.67	0.78	0.88
0.30	0.30	0.31	0.31	0.32	0.32	0.34	0.35	0.37	0.38	0.40	0.41	0.43	0.44	0.46	0.48	0.50	0.52	0.53	0.55	0.57	99.0	0.75
0.24	0.25	0.25	0.25	0.26	0.27	0.28	0.29	0.30	0.31	0.32	0.34	0.35	0.36	0.38	0.39	0.41	0.42	0.44	0.45	0.47	0.54	19.0
0.20	0.21	0.21	0.21	0.22	0 22	0.23	0.24	0.25	0.26	0.27	0.28	0.29	0.30	0.32	0.33	0.34	0.35	0.36	0.38	0.39	0.45	0.51
0.16	91.0	0 · 17	0.17	0.17	0.18	0.18	0.19	0.70	0.21	0.22	0.23	0.23	0.24	0-25	0.76	0.27	0.28	0.29	0.30	0.31	0.36	0.41
0.12	0.12	0.13	0.13	0.13	0.13	0.14	0 · 14	0.15	0.16	0.16	0 · 17	0.18	81 · O	0.19	0.20	0.70	0.21	0.22	0.23	0.23	0.27	0.31
80.0	80.0	80.0	0.09	0.09	0.09	0.0	0:10	0 · 10	0 · 10	0.11	0.11	0 · 12	0.12	0.13	0 · 13	0.14	0 · 14	0.15	0.15	91.0	0.18	0.20
0.05	90.0	90.0	90.0	90.0	90.0	90.0	90.0	0.07	0.07	0.07	80·0	80·0	0·08	0.08	0.09	0.0	60.0	0.10	0.10	0.0	0.12	0 · 14
0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	.	0.04	0 0 4	0 2	0.04	0.04	0 9	0.05	0.05	0.02	0.05	0.02	90·0	0.07
40	4	42	43	44	46	48	20	25	24	2 6	28	8	79	64	99	89	70	77	74	9/	98	96

*The average number of shuttle changes per heading should be obtained by adding together the shuttle changes in each heading in a piece and dividing by 2,

TABLE B-17

Table showing extra allowances to be added to price elements shown in Table B-10 for sorts requiring pick finding, two beam sorts and drills.

(nP. per 10 picks per inch per yard)

	7° 141.	e c			Pick F	inding	т	Daille	
W	ON T	of fat ced in ches		,	Upto 84 ends per inch	Over 84 ends per inch	- Two beam sorts	Drills	
21				•	0.06	0.13	0.05	0 · 1	
22					0.06	0.13	0.05	0 · 1	
24					0.07	0.13	0.06	0 · 1	
26		-			0.07	0.13	0.06	0.1	
28				- 8	0.07	0.14	0.06	9 - 1	
30					0.07	0.14	0.06	0 - 1	
32	,				0.07	0-15	0.06	0.2	
34					0.08	0.15	9.06	0 · 2	
36					0.08	0.15	0.06	0.2	
38					0.08	0.16	0.07	0.2	
40					0.08	0.16	0.07	0 · 2	
4 l					0.08	0.16	0.07	0.2	
42					0.08	0.17	0.07	0 · 2	
43					0.09	0.17	0.07	0.2	
44					0.09	0.17	0.07	0.2	
46					0.09	0.18	0.07	0 · 2	
48					0.09	0.18	0.08	0 · 2	
50					0.10	0.19	0.08	0.2	
52					0.10	0.20	0.08	0.2	
54					0.10	0.21	0.09	0 · 2	
56	•				9.11	0.22	0.09	0 · 2	
58) ∙(\	9.23	0.09	0.3	
60	•	-			0.12	0.23	0.10	0.3	
62		•			0-12	0.24	0.10	0.3	
64					0.13	0.25	0.11	0.3	
66					0.13	0.26	0.11	0.3	
68					0 · 14	0 · 27	0.11	0.3	
70			•		0.14	0 28	0.12	0.3	
72		•	•	•	0.15	0.29	0.12	0.3	
74		•		•	0.15	9.30	0 · 13	0.4	
76	•	•			0.16	0.31	0.13	0.4	
86		•	•	•	0.18	0.36	0.15	0.4	
96		•			0.20	0.41	0 · 17	0.5	

SCHEDULE C

For determining the price per metre of a fabric undergoing any of the processes indicated in the attached tables, the respective price elements should be assembled with reference to the specifications and the corresponding tables in the following manner:

(Formulae I to V are given in Schedule B).

VI. The price per metre (excluding exeise duty) of grey calendered sorts should be calculated from the price elements per yard determined in accordance with the formulae given in the price schedule B in the following manner:—

Price per metre=[((1(b)+II(b)+III+IV+0.65)) \div item 15 (vi) of specifications] $\times (1.0175) \times 1.094)$

(Note.—Item 15(vi) should not ordinarily be less than 1-01)

- VII. (a) For fabrics requiring any one or more of the following processes, namely, bleaching, mercerising, scaping of mercerised fabrics before dyeing (if necessary), dyeing, oiling of raised fabrics (not required for grey fabrics and, if necessary, for bleached/dyed/printed fabrics), back filling and finishing the price elements from the tables, C18, C19, C20, C21, C27, C28 and C29 corresponding to the respective specifications should be added.
- (b) The price element per grey yard for the above processes— The sum of the price elements as in (VII) (a) ÷ item 15(iii) of the specifications.
- VIII. (a) For fabrics requiring printing the price element corresponding to the specifications should be determined from table C22, C23 or C24.
- (b) The price element per finished yard for printing= The price element as in VIII(a) × item 15(iv).
- IX. (a) For fabrics requiring sanforising, raising or sueding, the price element corresponding to the specification should be obtained from tables C25 and C26.
- (b) The price element per grey yard=The price element as in IX(a).

- X. For calculating the fair price per metre (excluding excise duty) of a processed fabric the several price elements per yard calculated according to the price schedules B and C should be assembled in the following manner:—
 - (a) The fair price per metre of processed fabrics other than prints—

=
$$[\{I(b)+II(b)+III+VII_1b\}+IX (b)\}+Item$$

15 (vii) + $\{item 15 (v) \times 21\}]\times (1.0275) \times (1.094)$

(b) The fair price per metre of printed fab ics-

$$-[\{I(b)+II(b)+III+VII(b)+X(b)\} \div item 15(vii)+\{VIII(b)+(item 15(v)\times 21nP.)\}]\times (1.0375)\times (1.094).$$

(Note: Item 15 (vii) should not ordinarily be less than 1.02 except for sanforised fabrics).

Specification for processed fabrics referred to in schedule C

Specifications of processes which a fabric undergoes before folding and packing:—

(for specification 1 to 11 please refer to schedule B)

- 12. For all processed fabrics, the grey specifications 1 to 11 upto the loom state as per schedule B should be furnished.
- 13. For fabrics requiring only callendering after loom state before folding and packing, the finished (i.e., after calendering) length of the piece in yds. should be furnished.
- 14. The details of processes which a fabric undergoes before final inspection, folding and packing should be furnished as under:—
 - (a) If bleached
 - (i) Whether to be marketted only as a bleached sort (including only border priting),
 - (ii) Whether to be marketed only as a bleached and mercerised sort (including only border printing),
 - (iii) Whether to be marketed as dyed or printed sort on bleached ground.

- (b) Whether the fabric is to be mercerised or not
- (c) For dyed fabric
 - (i) The type of dye used and shade thereof (light, medium or dark) to correspond to items in table 21,
 - (ii) Whether the dye is to be applied on grey, bleached and/or mercerised background.
- (d) For printing fabric
 - (i) Finished width of the fabric in inches,
 - (ii) Percentage of the area covered by printing,
 - (iii) Whether border(s) is to be printed and if so, along side one or both selvedges,
 - (iv) Whether the fabric is to be printed only on the border(s),
 - (v) The colours including shades used in printing for which different rollers/screens are required. (For this purpose, the 'white discharges' and 'white resists' should be treated as colours).
 - (vi) Whether the ground is grey, bleached and/or mercerised.
 - (vii) If the printing is on dyed background or if the printing is over dyed or in the case of resist or discharge prints particulars required under item (d) (vi) and (c) (i),
- (viii) Whether the printing is—
 - I. Direct style printing in colours other than khaddie (TiO₂),
 - II. Direct style printing with colours one of which is khaddie (TiO₂),
 - III. 'Resist' print,
 - IV. Discharge print,
 - V. Screen print.

- (e) If the fabric is raised or sueded
 - (i) Number of passages required (two sides one passage should be taken as equivalent to one side two passages),
 - (ii) Whether oiling is required or not (oiling is not required for grey sorts).
- (f) If the fabric is back-filled

Whether it is on one side or on both,

- (g) Whether the fabric is preshrunk with mechanical means (like sanforizing) or not
- (h) Whether or not the finishing processes employed include any of the following items:—
 - (i) hot air stentering,
 - (ii) ordinary calendering (damped or not),
 - (iii) friction calendering,
 - (iv) felt calendering,
 - (v) if any grey fabric woven with coloured yarn such as sucie or check is required to undergo some finishing processes excluding any of the processes mentioned in items 14(a) to 14(g), the particulars thereof.
- 15. In all the above cases, the following particulars should be furnished or calculated:—
 - (i) Total finished length of the piece in yards.
 - (ii) Total finished weight of the piece in lbs.
 - (iii) Yardage per lb. of fabric in the grey stage (loom state) excluding weight of sizing materials = 1 ÷ sum of weights of all warp yarns and weft yarns per yard as per items 7, 8.1 and 8.2 in the specifications to schedule B.
 - (iv) Square yard(s) per finished yard of the fabric should be ascertained in the following manner:—

 Sq. yd(s) per finished yard=item 14(d)(i)÷36 (thirty six).

- (v) Finished weight in lbs. per finished yard=item 15(ii) above ÷ item 15(i) above.
- (vi) Ratio of finished length of grey calendered sorts to the length at loom (grey) state=item 13 above \div item 5.1 of grey specification to schedule B (This item ordinarily should not be less than 1.01).
- (vii) Ratio of finished length of processed fabrics to the length at the loom (grey) state=item 15(i) above \div item 5.1 of grey specifications to schedule B. (This item ordinarily should not be less than 1.02 except for sanforized sorts).



List of tables referred to schedule C

								Table No.
(i)	Bleaching					,		C/18
(ii)	Mercerising .			•				C/19
(iii)	Soaping for mercerise	ed fat	orics	before	dye	ing.	•	C/20
(iv)	Dyeing	•	•	•		•	•	C /21
(v)	Printing with colours	othe	r tha	n khad	die ((TiO ₂)	•	C /22
(vi)	Printing with colours	inclu	ding	khadd	ie (T	CiO ₂)	•	C/23
(vii)	Screen printing .	•						C/24
(viii)	Sanforizing .	٠,	ertua e		٠			C/25
(ix)	Raising and sueding	93	20	100				C/26
(x)	Oiling for raised fabr	ics	2		۶.	•		C /27
(xi)	Back Filling .							C/28
(xii)	Finishing including ing, etc.	singe	ing,	stente	ring	, calen	der-	C/29



Price element for bleaching per lb. of grey fabric

	nP. per lb
(i) For unmercerised bleached sorts—not containing any coloured yarn (not to be printed or dyed)	3
(ii) For unmercerised bleached sorts but containing coloured yarn (not to be printed or dyed)	g . 2
(iii) For bleached and mercerised sorts (not to be printed or dyed)	3
(iv) For all bleached sorts for dycing or printing .	2
Table C-19	
Price element for mercerising per lb. of grey fal	ric
YA 7 V 4 7	nP. per lb
(i) For sorts upto 3 grey yards per lb	2
(ii) For sorts upto 5 grey yards per lb	2
(iii) For sorts over 5 grey yards per lb	2
TABLE C-20	
Price element for soaping of mercerised fabrics be per lb. of grey fabric	fore dyein
	nP. per li
	_
(i) For sorts upto 3 grey yards per lb	12
(i) For sorts upto 3 grey yards per lb	12 14

⁽Note.—In the tables C-18 to C-21 and C-27 to C-29 the weight of grey fabric should be calculated by taking the total weight of warp and weft yarns excluding the weight of sizing materials.)

TABLE C-21

Price element for dyeing per lb. of grey fabric

								nP. per lb.
(i) Direct dyes (other th	an blac	k):		······································			
(a) Light sha	adc .			•				30
(b) Medium	shade	-						36
(c) Dark sha	ıde .	•			•	•		47
(ii) Vat dyes (oth	ner than	black)	:					
(a) Light sha	ade .	•						63
(b) Medium	shade	end	3.0	lo				99
(c) Dark sha	de .	GIS.			3			208
iii) <i>Sulphur dyes</i>	(other t	han bl	ack) :		1			
Dark shade		Dist		40			٠.	57
iv) <i>Naphthol dyc</i> fasts & rapi			blac	: k) (i	inclu d :	ing ra	apid	
(a) Consump bric)	ption up	to 1%	(on	the v	veight •	of th	e fa-	72
(b) Consum of the	ption ov fabric)	er 1 %	& up	to 2 %	⟨ (on t	he we	ight	111
(c) Consum fabric) (v) Black shade		/er 2 %	(on	the	weigh	t of	the	154
(a) Direct d	yes .	•						71
(b) Vat dyes	٠							312
(c) Sulphur	dyes .							63
(d) Naphtho	-							26

Note.—For all other types of dyes, not specifically mentioned in the table, the corresponding price elements for vat dyes as shown above should be taken.

Price element corresponding to printing charges on a farbric of 29" finished width with one colour in all dyes/pigments except direct dyes and khaddie (TiO₂)

Area of fabric covere	d by p	orintii	ng			nP. per sq. yard (finished)
(i) Upto 20%						19
(ii) 21% to 40%						20
(iii) 41% to 60% .				•		21
(iv) 61% to 89% .						23
(v) 81% & over		600	TELES,			25

Notes.—(a) If the width of the fabric is more/less than 29° then—

- (i) Add nP. 0.15 per sq. yd. for each decrease in width by 1".
- (ii) Deduct nP. 0.15 per sq. yd. for each increase in width by 1".
- (b) For each extra colour add nP. 2 per sq. yd. For 'resist' or 'discharge' prints, 'white resists' and 'white discharges' are to be counted as colours. If the printing be on dyed fabric or is overdyed, the colour of the dye is not to be taken into account for purposes of ascertaining the number of colours in printing. For this purpose, the number of colours should correspond to the number of printing rollers required.
 - (c) (i) For fabric printed on the border(s) only, the price element corresponding to printed area covering upto 20% should be taken. In case the area covered by the border(s) exceed 20% of the total area of the fabric then the price element appropriate for the area covered should apply.
 - (ii) For printing border(s) on other printed sorts-
 - (a) Add nP. 2½ per sq. yd. for printing border alongside one selvedge.
 - (b) Add nP. 4 per sq. yd. for printing border alongside both selvedges.
 - (d) (i) For 'resist' prints—Add nP. 1.50 per sq. yd. in addition to allowances under notes (a) to (c).
 - (ii) For 'discharge' prints—Add nP. 5.50 per sq. yd. in addition to allowances under notes (a) to (c).
- (e) For dyeing charges for printing on dyed ground, for over-dyed sorts, for 'resist' prints and for 'discharge' prints appropriate price element should be added as indicated in table C-21.

Price element corresponding to printing on a fabric of 29" width with khaddie (TiO₂)

Area of fabric cov	ered t	oy prii	nting		f o	ice element for one col- ur (finished P. per sq. yd.
(i) Upto 20%						22
(ii) 21 % to 40 %.						24
(iii) 41 % to 60 % .		-	225			26
(iv) 61 % to 80 %	5	12	8/	2		30
(v) 81 % and over	(6)	\$ 15		£3		34

Notes.—(a) Subject to the adjustments indicated below, the above price elements should be applied in all cases of multicolour printing when at least one of the colours is khaddie (TiO₃).

- (b) If the width of the fabric be more/less than 29", then-
 - (i) Add nP. 0.15 per sq. yd. for each decrease in width by 1".
 - (ii) Deduct nP. 0.15 per sq. yd. for each increase in width by 1".
- (c) For each extra colour add nP. 2 per sq. yd. for this purpose, the number of colours should correspond to the number of printing rollers required.

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- (d) (i) For fabrics printed on the border(s) only the price element corresponding to printed area covering upto 20% should be taken. In case the area covered by the border(s) exceed 20% of the total area of the fabric then the price element appropriate for the area covered should apply.
 - (ii) For printing borders on other printed sorts-
 - (a) Add nP. 2½ per sq. yd. for printing border alongside one selvedge.
 - (b) Add nP. 4 per sq. yd. for printing borders alongside both selvedges.
- (e) For printing on dyed ground, appropriate price element should be added as indicated in table C-21.

Price element per finished square yard for screen printing with upto 8 colours

Percentage of Area	covere	d by	print	ting		1	. per finish- ed sq. yard all widths)
(i) Upto 50%							53
(ii) 51% and over	•	•	•	•	•		74

NOTE.—nP. 4 per finished square yard is to be added for each extra colour in excess of 8. For this purpose number of colours should correspond to the number of screens required.

TAB LE C-25

Price element corresponding to sanforising or other tyes of mechanical preshrinking

Sanforising • • • • nP. 6 per grey yard (for all widths)

TABLE C-26

Price element corresponding to raising/sueding charges per grey yard

No. of passages	8			ya	er gre urd width:	
(i) Two passages					3	
(ii) Six passages .					4	
(iii) Eight passages					5	
(iv) Ten passages					6	
(v) Twelve passages		•			7	

Note.— (a) nP. 0.5 may be added for each additional passage above twelve.

⁽b) One passage on two sides should be reckoned as equivalent to two passages on one side,

Price element corresponding to oiling per lb. of grey fabric for such raised sorts as are bleached, dyed or printed

			P. per lb. of grey fabric
(i) Bleached Sorts			16
(ii) Dyed printed Sorts	•	•	24
Table C-28			
Price element for back filling per lb.	of gi	ey fa	bric
			nP./per lb
(i) Grey width upto 50"			
(a) One side back-filled		•	24
(b) Two sides back-filled			30
(ii) Grey width over 50"			
(a) One side back-filled			27
(b) Two sides back-filled	•	•	33
TABLE C-29			
Price element corresponding to finish	ing p	roces	sess
	nP. per lb. of grey fabric		
		pto s./lb.	Over 5 yds./lb.
(i) Undyed Poplins, Sateens, Gaberdines, bleached checks and mercerised fabrics (including sorts printed on border(s) only)		26	27

		nP. per lb. of grey fabric		
		up to 5yds./lb	Over 5yds./lb.	
(iii) All other Bleached sorts—including so printed on border(s) only	rts	22	23	
(iv) All other sorts dyed/printed		20	21	
(v) For back-filled, raised or sueded sorts		10	11	

Notes—1. For items (i) to (iv) above—

- (a) If a sort is not hot-air stentered, deduct nP. 5 per lb.
- (b) If the sort is not calendered, deduct nP. 2 per lb.
- (c) If the sort is friction/felt calerndered, add nP. 1 per lb.
- (d) If grey sorts woven of bleached or coloured yarn require further finishing operations other than bleaching and mercerising the price element as per item (iv) (subject to adjustments mentioned above) should be applied. If the sorts is bleached/mercerised it should be included in the proper category as indicated in items (i) to (iv) above. If the sort is only calendered the corresponding price should be calculated according to formula VI of schedule C.
- 2. The price elements are to cover all kinds of ordinary finishes including finishing with starch gum or thermoplastic resins such as Poly Vinyl acetate etc. They, however, do not cover special types of finishes such as 'crease resisting finish', 'organdie finish', 'water repellent finish', etc.

CHAPTER XVII

MISCELLANEOUS OBSERVATIONS AND RECOMMENDATIONS

- 17.1. In paragraph 4.9 we have referred to the scope for better utilisation of cotton by waste spinning. We recommend that steps should be taken to encourage mills to do this and also to allow them to weave cloth of lower counts if this can be ensured without prejudice to the handloom sector.
- 17.2. The Kanungo Committee recommended that handlooms should be encourraged to go in for use of power and be afforded facilities for installing the necessary equipment for improving their products. It was reported to us by a mill in Andhra Pradesh that it had begun supplying mainly handloom weaving centres sized varn on small beams holding material for not more than 500 yards of fabric. But this distribution has been stopped under the apprehension that sales were not strictly confined to handloom weavers. But as this system helps weavers to produce more and better cloth we consider it to be a move in the right direction to be encouraged. It was also represented to us that though yarn supplied to handloom weavers in hanks is exempted from excise duty, supply made on beams is subject to tax. Since the concession has been granted as an incentive for development of genuine handloom products, to the extent this process will be helped by handloom using sized yarn on beams the exemption should be extended to cover such cases also. By regulating supply through cooperatives of weavers and by other suitable checks the misuse of varn on beams may be prevented if this is the only reason which holds back the grant of the concession.
- 17.3. It was mentioned that there are separate Indian Standard Specifications for yarn supplied in hanks for handloom weavers and yarn in cones for powerloms which require yarn of lea strength over 70. Some mills which follow their own specifications make yarn with higher lea strength which could also be used by handloom weavers. In order that yarn consumers may be assured of proper quality for which they are required to pay more, we recommend that the standard

specification followed by a spinning mill should be marked on the yarn-pack labels. Since we are informed that yarn consumers sometimes fail to get the net weight of yarn sold in bundles and normally the handloom weaver is particular about hank length only, we recommend that the net weight should also be stamped.

- 17.4. Successive reports of experts culminating with that of the Working Group (1960) have drawn attention to the existence of old, uneconomic units in the industry which remain closed or can work only spasmodically and act as a drag on the industry. There are also a number of inframarginal units which with proper advice and guidance, can be helped to improve operational efficiency. A body like the Federation can render them positive service for improving their position. There are likely to be cases where amalgamation of units may improve their efficiency and financial stability. This is also a line of development to be explored by the industry. In this connection we recommend that the suggestion of the Textile Enquiry Committee (1958) for the scrapping of closed and sick units should be pursued vigorously. Their elimination will help others to put the limited raw material resources available as well as their own producive capacity to better advantage. Their enhanced output may also bring down costs, thus helping to hold the price line.
- 17.5. We understand that mills in Western India, particularly Gujarat, which are badly placed for coal supply would like to switch over to oil-firing if given the exchange for obtaining new conversion equipment and assurance of continuous oil supply. It has also been repeatedly urged that the use of fuel oil, despite all other economics, is made costlier on account of the high incidence of excise duty. These general aspects for development of industry in this area and relieving the strain on transport are said to be receiving attention of Government.
- 17.6. In Chapter XII we have referred to the shortcomings in the present system of self-regulated prices and the way in which its provisions are evaded to the detriment of the consumer. One is the multiplication of varieties with a nominal change of fabric structure which is likely to secure a price increase higher than for the popular varieties. The other is the risk of production of popular varieties in general falling off so that the middle and lower income groups do not get their specific requirements.

A further possibility is the distributive trade exploiting situations of created shortages by either pushing up retail prices or by withholding stocks till they can get higher prices surreptitiously. Our price formula which gives a uniform progressive increase for varieties of fabrics count-wise and as per specific construction will remove the loophole of producers choosing only particular kinds which give a better price. Even the allowances for special processing and finishing charges will not, as such, encourage any shift to costlier fabrics from production of popular varieties. The risk of fall in production of popular varieties will not, therefore, arise, since our prices are costbased and no specially lower prices are fixed for them as now. But as consumer demand is subject to frequent changes and varies with seasons there is always a risk of created shortage which may distort the market, whether a statutory or a voluntary system of price fixation is in vogue. To counter this trend, which makes the fixed income groups and particularly the low and middle income classes specially vulnerable, it may be necessary to impose regulatory restrictions at the retail end. We have already referred to the way in which wholesome trade practices will tend to ensure fair sharing of the distributors' margin so that the retailer is not squeezed out or forced in turn to attempt to exploit the consumer. The retailer should. as far as an essential article like cloth is concerned, be licensed to function like a fair price shop. Besides being required to sell at marked prices and to show authorised price lists, he should also keep for inspection his stock book for popular varieties (as prescribed by the Textile Commissioner) in which he deals. Also the assertion of their rights by consumers and readiness to enforce the controls on the part of the administrative machinery are essential.

CHAPTER XVIII

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Our conclusions and recommedations are summarised as under:—

(1) A large number of mills have equipment for wet processing, that is, bleaching, dyeing, finishing and printing. It is a development which needs encouragement in view of changes in consumer tastes and also to improve the export potential of the industry.

[Paragraph 3.1]

(2) In the case of a modern mill where expensive machinery is installed and production has to be stepped up, third shift as well as seven days working become a necessity in order to spread evenly the burden of heavy overhead costs.

[Paragraph 3.4.3.]

(3) In the decade ending 1961, production of yarn and cloth in the country has risen by 45.7 per cent and 26.1 per cent respectively. There has been a fall in output of yarn of counts 11 to 20 and an increase in the group of 21s to 40s. Consumer tastes have also shifted towards finer counts and bleached, dyed, printed and mercerised varieties of cloth. A large proportion of yarn is now spun from Indian cotton.

[Paragraphs 3.7.1. and 3.7.2.]

(4) Waste of cotton in the process of manufacture is a normal feature. A large part of such waste is not consumed at present within the mills. They may be permitted to utilise it by waste-spinning and if necessary by weaving cloth of lower counts, without prejudice to the handloom sector.

[Paragraphs 4.9 and 17.1]

(5) The higher production targets (9,300 million yards of which 5,800 million yards will be from the mill sector) set for the Third Plan which necessitate expansion of both spindleage and loomage in the industry should now offer greater scope for effecting proper rationalisation.

[Paragraph 6.2.1.]

(6) According to one assessment, it will be possible to step up cotton textile production by 10 to 15 per cent even with the existing machinery.

[Paragraph 6.2.2.]

(7) On a comparison of the years 1955, 1956, 1959 and 1960 when the industry had some amounts to put by in reserves, we note that the dividend policy adopted by the industry has not been one of excessive prudence. From the point of view of an old industry claiming rehabilitation on the grounds that depreciation was not adequate and profits were low, this drain on reserves for maintenance of dividends was not justified.

[Paragraph 7.3.2.]

(8) The average expansion of gross fixed assets during 1955 to 1960 worked out to about 8.9 per cent per year.

[Paragraph 7.5.2.]

(9) As the issue of share capital has not been significant, the industry appears to have met its increased capital requirements primarily from borrowings; and it has still substantial resources available from reserves, as less than a moiety of depreciation accumulations seems to have been ploughed back.

[Paragraph 7.6.5.]

(10) Since 1959 the profit trend has improved and the general results have been better for cotton textiles than for all industries as a whole.

[Paragraph 7.7.3.]

(11) Unless the industry is in a position to make an efficient use of imported raw materials and reduce its conversion costs, it would be priced out of external markets.

[Paragraph 8.1.3.]

(12) We consider that the extent to which rehabilitation can be financed and carried out during the Third Plan period will not exceed the Working Group's estimate (Rs. 180 crores) and might even be at the lower level of Rs. 130 crores envisaged by the Committee of Experts (Natu Committee).

[Paragraph 8.1.7.]

(13) The capital cost of expansion, which builds up new assets for the producer, must be borne by him and the incidence of it cannot be transferred to the consumer.

[Paragraph 8.2.5]

(14) Any reliance mainly on grey cloth to sustain the exports of the country has serious limitations.

[Paragraph 10.1.4]

(15) The Federation has asked that the smaller realisations from exports should be made up by suitably raising internal prices.

[Paragraph 10.2.5.]

(16) It would be desirable that any losses incurred on exports are compensated by the incorporation of further incentives in the export promotion scheme which seems feasible rather than by transferring the burden, which is uncertain, to the internal consumer. Alternatively, as it may be possible to notify prices on our recommendations only some months after our Report is submitted, Government may consider at that time the question of incorporating a special element determined on the basis of proved loss that the industry has suffered on exports.

[Paragraph 10.2.10]

(17) We consider that the really superfluous elements in the structure of distribution can be profitably weeded out or left to get their share within, regulated margins of the main functionaries.

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[Paragraph 11.1.3]

(18) About 3 to 3½ per cent for wholesalers and 4 per cent for semi-wholesalers will be an adequate margin on their turn-over. A substantial part of the margin has to go to the retailers although their investment and turnover may not be large.

[Paragraphs 11.1.4. 11.1.5 and 11.1.6]

(19) The existence of mill shops is a facility to buyers and provides a moral check on profiteering by distributors.

[Paragraph 11.2]

(20) Distributors have suggested that while calculating the margin of profit, excise duty should be added to ex-mill prices. It is not possible in principle to accept a tax levy as a cost incidence.

[Paragraph 11.3.2.]

(21) Although ex-mill and retail prices are stamped by mills neither the Federation nor the producing units generally have taken any responsibility for looking into the proper working of the chain of distribution so as to ensure that the consumer was not mulcted.

[Paragraph 12.6.]

(22) The Federation, the commercial bodies and the labour representatives have stated that their is now no evidence of scarcity necessitating controls.

[Paragraph 12.6.]

(23) Unless local authorities take effective steps against parties found guilty of malpractices, mills and distributors exercise proper checks over the different tiers of the distribution system and consumers are vigilant about their rights, no system of price control, voluntary or statutory, would have the desired success.

[Paragraph 12.11.]

(24) Control, to be successful, must be comprehensive and thorough. It should embrace the entire range from producers of cloth and yarn to the ultimate consumers. Any system of control which fixes fair prices only for the organised sector of the industry cannot really protect the consumer against exploitation by dealers and middle-men and also from high prices of substitute products from the decentralised sector.

[Paragraph 13.1.]

(25) By securing economies through reduction of wastages of cotton, mill stores, etc., it should be possible, even with the existing machinery to achieve reduction in costs by improving efficiency and raising output. The existence of an expanding internal market, the relative ease with which goods are sold at stamped prices regulated by the industry itself and the high profits earned by the bulk of the industry since 1959 have, it appears to us, generated a sense of complacency amongst the majority of producers.

[Paragraph 13.2.]

(26) It was urged by the Federation that for purposes of flexibility fair prices should carry both a ceiling and a floor. We are of the opinion that the desired flexibility of return can exist even within a single fair price.

[Paragraph 13.6.]

(27) There should be effective external checks on sharing the fair margin by the links in the distribution chain. The necessary sanction for this could be built into business agreements. The introduction of competitive agencies like mill shops and fair price shops would prove even more effective.

[Paragraph 13.9.]

(28) After consulting technical experts, we consider that it would be fair if gross moisture regain be taken at 3.0 per cent and after deducting 0.5 per cent on account of wastage in reeling, the correction for moisture regain should be 2.5 per cent.

[Paragraph 14.4.7.]

(29) As regards the request of the Federation for suitable allowance for the coarseness of counts to be taken into account while calculating the requirements of yarn, we are of the view that any possible coarseness in counts of both warp and weft yarn would be counter-balanced by the elongation and hence no separate allowance in respect of coarseness of counts is necessary.

[Paragraph 14.5.4.1.]

(30) The late Textile Control Board recommended that the dyeing charges for yarn from dyed cotton should be paid at the same rate as for dyeing yarn though an exception was made for sulphur colours. We agree with the above and have decided that the cost of a fabric should not be higher merely because some units choose to produce it out of yarn made from dyed cotton. We have not, therefore, indicated for such yarns separate costs for different colours and different shades thereof.

[Paragraph 14.6.]

(31) As none of the costed units had undertaken, during the costed period, such special processing of fabrics as organised finish, water-repellant finish, crease-resisting finish, etc.,

no cost could be developed in such cases. The price control authorities should, therefore, fix such charges as are reasonably established to their satisfaction.

[Paragraph 14.8.1.]

(32) We consider that no separate element should be provided for shrinkage in the case of pre-shrunk fabrics like sanforized, as an average for the industry as a whole and it would be reasonable to assume the finished length of a sanforized fabric to be equal to its grey length.

[Paragraph 14.8.2.3.]

(33) The packing charges calculated separately for processed fabrics as a whole during the costed period worked out to about nP. 17.20 per lb. compared to nP. 6.27 per lb. for grey fabrics. We consider that the above packing charges will adequately cover, on the average, all kinds of packing normally required for processed piece-goods.

[Paragraph 14.8.9.]

(34) In the present economic conditions we consider that any price fixation for a period of over five years would not be realistic.

[Paragraph 14.9.]

(35) For purposes of indicating the base cotton prices (1960-61) on which escalation has to be developed or initial price fixation has to be made, the group ranges of cotton for different mixes and the prices they should carry are given in paragraph 14.9.1.2.

[Paragraph 14.9.1.2.]

(36) Where a unit uses a superior variety of cotton costing more than as mentioned in the table given in paragraph 14.9.1.2. we recommend that it should approach the Textile Commissioner with full particulars and if he is satisfied about the need for using such superior mix, he may allow a different rate for cotton mix reasonable in the circumstances.

[Paragraphs 14.9.1.3. and 16.9.]

(37) We consider that an average increase at 10 per cent of the actual conversion charges would be enough to cover the rise in wages upto the date of our inquiry and any possible

rise in the salaries of supervisory staff, cost of power and fuel, prices of stores materials, etc., for a period of five years.

[Paragraph 14.9.4.]

(38) To meet any unforeseen rise in prices in the future we have provided an allowance for contingencies at 2 per cent of actual conversion charges.

[Paragraph 14.9.6.]

(39) We accept gratuity and incentive bonus as items of cost wherever actually provided. Pending the orders of Government on the recommendations that may be made by the Bonus Commission, we have not agreed to consider profit-sharing bonus to labour other than as a charge on profits. Managing Agency commission also cannot be included as an item of cost as managing agents are recipients of a share of profits and are not strictly part of the salariat.

[Paragraph 15.1.2.]

(40) On a consideration of the various objective criteria which influence the rate of return for an industry, we are of opinion that a return of 12 per cent on employed capital would be reasonable for the cotton textile industry and adequate also to provide some resources for rehabilitation.

[Paragraph 15.1.6.]

(41) A return of 12 per cent on working capital relating to cotton works out to 3.5 per cent of the cost of cotton for spinning units and 5 per cent for composite units in respect of fabrics only. The balance of the total return when related to the total cost of production, excluding cotton (i.e., on the total conversion charges), works out to 12.6 per cent in the case of yarn for sale and 10.5 per cent in the case of fabrics.

[Paragraph 15.1.8.]

(42) In respect of loans for a capital needs, it would be fair to expect the industry, which is the ultimate beneficiary, to bear the bulk of amortisation charges.

[Paragraph 15.2.1.]

(43) As regards assets acquired after 1955, we consider that no allowance for rehabilitation would be necessary upto 1967. For the plant and machinery existing in 1955 the requirement of rehabilitation upto the year 1967 will be around

Rs. 88 crores. Distributing it over 10 years, the net annual amount required works out to about Rs. 8.8 crores. Estimating the capital employed by the industry as a whole at Rs. 518 crores, we have provided the element for rehabilitation at 2 per cent, the quantum per annum being about Rs. 10.4 crores which should cover the rehabilitation requirements as also a portion of tax element to be paid thereon. The above element works out, on an average, to about nP. 1 and nP. 1.25 per rupee of the net ex-mill price of yarn and fabrics respectively. The amounts realised (less tax) should be accounted for and utilised only for rehabilitation and not for distribution as dividends or bonus to labour.

[Paragraphs 15.2.3.5 and 15.2.3.6.]

(44) Provision for rebates on seconds etc., has been made in the fair prices of different categories of fabrics and is indicated in paragraph 16.3.

[Paragraph 16.3.]

(45) The schedules for fixing prices of yarn and fabrics and the method of their application are given in paragraphs 16.5.1 and 16.7. These schedules could remain effective for a period of five years, that is, upto 31st December 1967.

[Paragraphs 16.5.1 and 16.7]

(46) We recommend that the net ex-mill prices, that is, the prices to be retained by producers, determined according to the schedules should be deemed to be ceilings for the relevant varieties of cotton yarn and fabrics. We do not suggest that any proportion of the production of a unit should be left outside price control.

[Paragraphs 16.6 and 16.7]

(47) Costs of cotton have been treated independently of conversion costs as the two do not vary in unison. As regards variation in cost of raw cotton we recommend that there should be quarterly revision of prices on the basis of changes in raw cotton price. Price changes should be effected for a deviation of not less than 5 per cent in the price of raw cotton based on quotations in the Bombay market during the first week of the month preceding the quarter. For fixing the price initially, the price control authorities should adjust suitably the element for cotton, taking into account the rise or fall in the cotton prices of the appropriate grades since the base year 1960-61.

[Paragraphs 16.8.1 and 16.8.2.]

(48) Since in the structure of processing costs an allowance has been included for contingencies, no further escalation for rise in cost of stores, power and fuel, etc., is justified. In respect of labour costs, only statutory alterations or changes arising from the implementation of wage board awards may have an immediate effect on the ultimate prices and have to be pro-Other variations in labour costs arising negotiated settlements in certain areas will have only a local incidence and as such cannot be brought under escalation. In respect of any statutory increase or decrease in wages of the textile workers, we recommend that for each increase or decrease in wages including dear food allowance by Re. 1 per head per month, the price element corresponding to conversion charges of varn for sale should be increased or decreased by 0.40 per cent. The corresponding change in the price element for conversion charges of fabrics should be 0.35 per cent. The implementation of escalation should be limited to variations amounting to a minimum of nP. 1, fractions of a nava paisa being ignored.

[Paragraphs 14.9.5 and 16.8.3.]

(49) We recommend that the margin of 18 per cent (which includes freight charges) on the ex-mill price of cloth so far applied under the system of voluntary control need not be revised.

[Paragraph 16.10]

(50) As regards sales of yarn for which no margin has been fixed at present except in certain regions for supply to handlooms and co-operatives, a maximum 1½ per cent on exmill prices of yarn for sale plus actual freight charges to the main consuming centres would be adequate and we recommend that such a margin be fixed.

[Paragraph 16.10]

(51) On the basis of our schedules, after making due allowance for the recent rise in the ceiling prices of cotton, the fair selling prices of yarn and fabrics will not, by and large, be higher than the prevailing prices.

[Paragraph 16.11.]

(52) The system of supplying sized yarn on small beams helps handloom weavers to produce more and better cloth and we consider it to be a move in the right direction to be enconraged. Since the tax concession allowed on yarn supplied in

hanks to handloom weavers is in the nature of an incentive for development of genuine handloom products, to the extent this process will be helped by handlooms using sized yarns on beams, the tax concession should be extended to cover such cases also.

[Paragraph 17.2]

(53) In order that yarn consumers may be assured of proper quality, we recommend that the standard specification followed by spinning mills should be marked on the yarn bundles. We recommend that the net weight of yarn should also be stamped on yarn bundles.

[Paragraph 17.3.]

(54) The Federation can render positive service to the uneconomic units in the industry to improve their position. There are likely to be cases where amalgamation of units may improve their efficiency and financial stability. This is a line of development to be explored by the industry. In this connection we recommend that the suggestion of the Textile Enquiry Committee for the scrapping of all closed and sick units should be pursued vigorously.

[Paragraph 17.4.]

(55) To counter the trend of created shortage which makes the fixed income groups, particularly the low and middle income classes vulnerable, it may be necessary to impose regulatory restrictions at the retail end. The retailer of cloth should be licensed to function like a fair price shop. Besides being required to sell at marked prices and to show at authorised price lists, he should also keep for inspection his stock book for popular varieties in which he deals.

[Paragraph 17.5.]

We wish to thank the Indian Cotton Mills' Federation, the several regional associations of the cotton textile industry, the various mills in the industry, selling agents, wholesalers and retailers of cotton yarn and textiles and their Associations who submitted memoranda and later gave evidence before us. We also acknowledge the assistance received by us from technical research bodies like Ahmedabad Textile Industry's Research Association, South India Textile Research Association and Bombay Textile Research Association. Our thanks are also due to the representatives of powerloom factories and their association

and Apex Handloom Weavers Co-operative Societies who attended our public inquiry. We also wish to thank the representatives of the various Central and State Government Departments, Chambers of Commerce and Industry. Indian Central Cotton Committee, All-India Handloom Board, Cotton Textiles Export Promotion Council, The Indian National Trade Union Congress and the All-India Trade Union Congress for their assistance during our inquiry. Our thanks are also due to the representatives of Textile Commissioner for their assistance at all stages of our inquiry. We also wish to place on record our appreciation of the services rendered by Shri S. A. Kher, Chief Executive Authority, India United Mills Ltd.. who acted as our honorary technical adviser in connection with this inquiry. His experience and intimate knowledge of the manufacturing processes greatly helped us in our consideration of several difficult problems connected with the inquiry.

K . R. P. AIYANGAR,

Chairman

J. N. DUTTA,

Member

J. N. SEN GUPTA,

Member.

R. BALAKRISHNA,

Member.

PRAMOD SINGH,

Secretary.

BOMBAY,

Dated 26th October, 1962.

Post Script

Though we completed our task and signed our report on 26th October, 1962, to enable our colleague Shri J. N. Dutta (who has since retired) to associate himself with our unanimous recommendations, we held over the submission of the report to Government for good reasons. For some time now there has been an expectation of some pronouncements by Government on their price policies and we wished to review our conclusions in the light of such policies and any new factors that

may have arisen since then. The first phase of such decisions has now been indicated in Parliament on 10th November, 1962. The national emergency created by the Chinese incursion into our country has understandably put back the consideration of less pressing problems. We have, however, advisedly re-checked the effect of our recommendations on the immediate and vital economic problem of holding the price line in respect of essential commodities like cotton yarn and fabrics, and satisfied ourselves that they are in consonance with the objective. We have covered in detail the matters germane to the terms of our reference and wish to emphasise briefly our main conclusions which will subserve the objectives of price-policy.

- 2. Increased production is essential to help bring down prices of manufactured goods, and adequate supply of the main raw material (cotton) at reasonable price is needed. Measures announced for the control and distribution of cotton should help towards this end. Even with existing plant and machinery the organised industry can raise its output by about 10 to 15 per cent. Given adequate supply of cotton, the output can be further stepped up if necessary in the present emergency by working third shift and seven days of the week.
- 3. Price control, whether statutory or voluntary has to be comprehensive. Fair prices which may be ceiling prices for cotton varn and fabrics can be fixed in either case in terms of our detailed price schedules. Given the specifications which are required from the start for producing different varieties of goods the tables can be easily used as ready reckoners for determining their prices. Government may also consider the desirability of limiting the prices under our formula to existing prices in the event of the latter being found to be lower in any case. The formula for escalation has also been suggested. The stamping of ex-mill prices by mills which is necessary must be followed up by other measures to contain the distribution margins. We have recommended that there should be no increase in the overall margin of 18 per cent for the determination and stamping of retail prices. After allowing adequate margins as indicated for wholesalers, semi-wholesalers and ancillary intermediaries there should still be an economic margin for the retailer. The margin for sale yarn has also been suggested by us. Even where no statutory margins for distribution are fixed, mills can play a positive and constructive role by exercising control based on agreements with their wholesalers and approved retailers. Apart from statutory enforcement of stamped

retail prices, the introduction and extension of competitive agencies like mill shops and fair price shops, and the entry of co-operative stores in the field would put effective curbs on possible malpractices in the trade. Retail distribution of cloth can be licensed and all such licensed shops may be required to function as fair prices shops which will charge no more than the stamped retail price. The general pattern of sales-tax administration could doubtless help the authorities in the licensing of such fair price shops. If retailers are required to exhibit current price lists of mills and also to declare their stocks from time to time, there would be an adequate preventive check on malpractices, which, if still noticed, should receive condign punishment from the enforcement authorities.

- 4. We have not dealt with pattern of production as this was not strictly within our terms of reference. The Textile Control Order already vests in the authorities necessary powers to control production and give directives relating to production of goods essential to meet not only the defence needs but also that of the more vulnerable sections of civilian consumers. Our price schedules can be applied for fixing prices of all varieties and will be found to carry no bias which might cause a shift in pattern of production when it is not controlled. It will also be found that despite the rise in price of cotton since the base period there is no occasion to raise prices of yarn and piecegoods.
- 5. We consider in all the circumstances that our main recommendations will not only give adequate coverage to the terms of our reference but satisfy the more immediate needs of the present emergency in the matter of controlling of the prices of cotton yarn and textiles.

K. R. P. AIYANGAR, Chairman.

> J. N. SEN GUPTA, Member

R. BALAKRISHNA, Member.

PRAMOD SINGH,

Secretary.
BOMBAY,
21st November 1962

APPENDIX I

[Vide Paragraph 1·1·1] GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY RESOLUTION

New Delhi, the 5th December, 1960.

- No. 3(12)-TEX(A)/60.—The question of fair prices which should be charged by the cotton textile industry to the trade and the prices which the trade should in turn charge to the consumers has assumed considerable importance in recent periods. The prices of cotton textiles were under complete control (in regard to prices, distribution, etc.) during the War and post-war period until the lifting of such controls in the middle of 1953; thereafter the prices were governed by the normal conditions of supply and demand till the end of 1955. During the first half of 1956, the prices shot up to high levels and Government had to step in by resorting to an increase in excise duty to remedy the situation.
- 2. In the latter half of 1957 and in 1958 the industry was faced with a different problem of accumulation of stocks and particularly marginal units were reported to be experiencing difficulties. A committee of enquiry was appointed to enquire into the problems and suggest remedial measures. On the basis of their interim recommendations, a readjustment of the rates of Excise Duty was done which improved the position.
- 3. For nearly over a year, the prices for cotton textiles have been increasing causing undue hardship to the consumers. Even after taking into consideration the difficulties faced by the industry in securing essential raw materials like cotton and other factors affecting the manufacturing costs, it became clear that the prices were unaccountably high requiring immediate measures to bring down and hold the price line.
- 4. At the suggestion of the Government, the Indian Cotton Mills, Federation issued a warning as early as January, 1960 proposing certain measures to bring down the prices. This warning had, however, only a transitory effect and the prices started going up again to further high levels. The extent of the increase has not, however, been uniform in the several units of the industry as each unit adopts its own pattern of price fixation. The industry has contended that a large slice of this increase was legitimate on account of the increase in the cotton prices and in the wages on account of award of the Wage Board; the mills also claim that they should be allowed to charge extra margins to recoup their past losses.

- 5. Broadly the industry, through the Federation have urged that as compared with the basic period August, 1959, just before the commencement of the cotton season 1959-60 there is a legitimate case for increase in prices of cloth, coarse by 25 per cent, lower medium by 22 per cent, higher medium by 18 per cent, fine by 11½ per cent and superfine by 9 per cent.
- 6. The impact of these increases on the consumers is one of great hardship to the general public and also to the large number of persons employed in the handloom industry.
- 7. Government, therefore, consider that in the circumstances the several aspects affecting the problem of cotton textiles and prices may be referred to the Tariff Commission under section 12(d) of the Tariff Commission Act, 1951 for a full enquiry and report. The Commission is accordingly requested to report on the following specific aspects which will form the terms of reference:—
 - (i) the cost of production of the various representative types of cloth and yarn;
 - (ii) the capital structure, investments and fair return thereon bearing in mind the need for continuous rehabilitation and modernisation and what would be a fair return to allow to the industry over the cost of production;
 - (iii) fair ex-mill prices of cloth and yarn.
- 8. The Commission is also requested to devise methods for effecting suitable adjustments from time to time in the fair ex-mill prices of cloth and yarn so as to allow for major fluctuations in the price of raw cotton and other elements of cost of production; and to enquire into the distribution cost for cloth and yarn in the country with reference to all relevant factors including the present pattern of sales adopted by the different units of the industry and to devise a reasonable basis for the determination of fair retail prices for cloth and yarn.
- 9. Firms or persons interested, who desire that their views should be considered by the Tariff Commission should address their representations to the Secretary, Tariff Commission, Central Government Offices Building, 101, Queen's Road, Bombay-1.

ORDER

ORDERED that the Resolution be published in the Gazette of India.

ORDERED also that a copy of the Resolution be communicated to all concerned.

Sd/-

APPENDIX II

[Vide Paragraph 1.3.1]

List of cotton textile mills visited by Chairman, Members and other Officers of the Commission

GUJARAT

- The Ahmedabad Manufacturing and Calico Printing Co. Ltd., Ahmedabad.
- 2. The Arvind Mills Ltd., Ahmedabad.
- 3. Shri Vivekanand Mills Ltd., Ahmedabad.

MAHARASHTRA

- 4. The Bombay Dyeing & Manufacturing Co. Ltd., Bombay.
- 5. The Coorla Spinning & Weaving Co. Ltd., Bombay.
- 6. The Svadeshi Mills Co. Ltd., Bombay.
- 7. The Finlay Mills Ltd., Bombay.
- 8. The Standard Mills Co. Ltd., (New China Mills), Bombay.
- 9. Tata Mills Ltd., Bombay.
- 10. Shree Madhusudan Mills Ltd., Bombay.
- 11. The Modern Mills Ltd., (No. 1), Bombay.
- 12. Shree Ram Mills Ltd., Bombay.
- 13. The Western India Spinning & Manufacturing Co. Ltd., Bombay.
- Central India Spinning, Weaving & Manufacturing Co. Ltd., "The Empress Mills", Nagpur.
- 15. Raja Bahadur Motilal Poona Mills Ltd., Poona.

RAJASTHAN

- 16. The Jaipur Spinning and Weaving Mills Ltd., Jaipur.
- 17. The Mahalakshmi Mills Co. Ltd., Beawar.

DELHI

- 18. Swatantra Bharat Mills, New Delhi.
- 19. Delhi Cloth and General Mills Co. Ltd., Delhi.

- 20. The Ajudhia Textiles Ltd., Delhi.
- 21. The Birla Cotton Spinning and Weaving Mills Ltd., Delhi.

UTTAR PRADESH

- 22. Cawnpore Textiles Ltd., Kanpur.
- 23. Swadeshi Cotton Mills Co. Ltd., Kanpur.
- 24. The New Victoria Mills Co. Ltd., Kanpur.
- 25. The Elgin Mills Co. Ltd., Kanpur.

PUNJAB

- 26. Punjab Hosiery & Textiles Ltd., Ludhiana.
- 27. Dayalbagh Spinning & Weaving Mills, Amritsar.
- 28. Jagatjit Cotton Textile Mills Ltd., Phagwara.

WEST BENGAL

- 29. Dunbar Mills Ltd., 24-Parganas.
- 30. The Mohini Mills Ltd. (No. 2), 24-Parganas.
- 31. Rampooria Cotton Mills Ltd., Serampore.
- 32. Bangashree Cotton Mills Ltd., 24-Parganas.
- 33. Kesoram Industries & Cotton Mills Ltd., Calcutta.

MADRAS

- 34. The Buckingham & Carnatic Co. Ltd., Madras.
- 35. Mettur Industries Ltd., Mettur Dam.
- 36. Madura Mills Co. Ltd., Tuticorin.
- 37. The Somasundaram Mills Private Ltd., Coimbatore.
- 38. The Pankaja Mills Ltd., Coimbatore.
- 39. The Sree Meenakshi Mills Ltd., Paravai.
- 40. The Sree Meenakshi Mills Ltd., Madurai.
- 41. Indra Cotton Milis Private Ltd., Madras.
- 42. The Sri Venkatesa Mills Ltd., Madras.

MYSORE

- 43. The Mysore Spinning & Manufacturing Co. Ltd., Bangalore.
- 44. Minerva Mills Ltd., Bangalore.
- 45. The Bangalore Woollen, Cotton and Silk Mills Co., Ltd. Bangalore.

ANDHRA PRADESH

46. Tirupati Cotton Mills, Renigunta.

KERALA

- 47. Chakolas Spinning and Weaving Mills Ltd., Alwaye.
- 48. The Alagappa Textiles (Cochin) Ltd., Alagappanagar.
- 49. Vijayamohini Mills Ltd., Trivandrum.



APPENDIX III

(Vide Paragraph 1 · 3 · 2 · 2)

Statement showing region-wise distribution of composite mills and spinning mills as on 1st January 1961 and the number of mills selected in each region for cost investigation

State		nposite [ills		ning ills	Tota	1
State	No. of mills	No. of mills selected for costing	No. of mills	No. of mills selected for costing		No. of mills selected for costing
Andhra Pradesh	2	~ 500	S) 11	1	, 13	1
Bihar	3			3	. 3	••
Gujarat						
(a) Ahmedabad	62	4	5	••	67	4
City (b) Rest of Gu- jarat	27	2	7	••	34	2
TOTAL .	89	6	12		101	6
Kerala	5	सद्य1्व	जयते8	2	13	3
Madhya Pradesh	17	2	1	••	18	2
Madras	24	2	108	5	132	7
Maharashtra.			•			
(a) Bombay City (b) Rest of Maharashtra.	56 23	7 3	4 6	1	60 29	8 4
Total .	79	10	10	2	89	12

State			posite ills		nning ills	T	otal
State		No. of mills	No. of mills selected for costing	No. of mills	No. of mills selected for costing	No. of mills	No. of mills selected for costing
Mysore .	•	8	1	8	1	16	2
Orissa .		i		2		3	
Punjab .		4	1	2		6	1
Rajasthan		6	2	3		9	2
Uttar Pradesh		16	○ 3	6	1	22	4
West Bengal		18	2	13		29	2
Delhi .		4	î		••	4	1
Pondicherry	•	3	Min	II.		. 3	••
	,	- 1		NA SA			
All India	•	279	31	182	12	461	43

Note.—Eight composite mills and ten spinning mills have not been included.

APPENDIX VI

(Vide paragraph 1.3.2.3)

A. 1. Statement showing coverage (in terms of spindleage and loomage) of composite mills selected for cost investigation.

State No. of As % of As % of No. of No. of As % of No. of No. of As % of No. of No. of As % of No. of No. of No. of As % of No. of No			Composite	Composite mills as on 1st January, 1961	1st January	, 1961		Compo	Composite Mills selected for costing	lected for c	osting		
No. of N		;		acity						Capacity			
Pradesh 2 60,552 0.58 1,228 0.63	State	ž's	No. of spindles	As% of total spindleage	No. of looms	As % of total loomage	No. of Mills	No. of spindles	As % of spindleage in the State	As % of total spindleage of selected Mills	To. of looms	As % of loo mage in the State	As % of total loomage of selected Mills
Librardabad City 62 2,035,344 19.48 41,683 21.32 4 142,768 7·01 11.10 Leat of Gujaral 27 693,502 6.63 13,726 7·02 2 66,764 9·62 5.19 TOTAL 89 2,728,846 26·11 55,40 9 28·34 6 209,532 7·68 16·29 TOTAL 5 8 77,740 0·74 1,397 0·72 1 12,400 15·95 0·96 I Pradesh 7 7 482,368 4·62 12,362 6.32 2 50,296 10·43 3·91	Andhra Pradesh .	"	60,552		1,228	0-63	1		:	:	:	:	:
Libracdabad City 62 2,035,344 19.48 41,683 21.32 4 142,768 7·01 11.10 test of Gujarat 27 693,502 6.63 13,726 7·02 2 66,764 9·62 5.19 TOTAL 89 2,728,846 26·11 55,40 9 28.34 6 209,532 7·68 16·29 Total 89 2,728,846 26·11 55,40 9 28.34 6 209,532 7·68 16·29 I Pradosh 7 7 482,368 4·62 12,362 6·32 2 50,296 10·43 3·91	Bihat		33,584		743	0.38	•		:	:	:	:	:
Leat of Gujarat . 27 693,302 6.63 13,726 7.02 2 66,764 9.62 5.19 Total . 89 2,728,846 26.11 55,40 9 28.34 6 209,532 7.68 16.29 Total . 5 77,740 0.74 1,397 0.72 1 12,400 15.95 0.96 Pradesh . 17 482,368 4-62 12,362 6.32 2 50,296 10-43 3-91	Gujarat				1	À	9						
cost of Gujatat 27 693,502 6.63 13,726 7.02 2 66,764 9.62 5.19 TOTAL 89 2,728,846 26.11 55,40 28.34 6 209,532 7.68 16.29 . 5 77,740 0.74 1,397 0.72 1 12,400 15.95 0.96 Pradesh . 17 482,368 4-62 12,362 6.32 2 50,296 10-43 3-91 . . 2 1,157,994 11-08 7,376 3-77 2 55,780 4-81 4.34	(a) Ahmedabad City				41,683	21.32	*	142,768	7.01	11.10	2,826	6.78	11.03
TOTAL . 89 2,728,846 26·11 55,40 9 28.34 6 209,532 7·68 16·29 5 77,740 0·74 1,397 0·72 1 12,400 15·95 0·96 . Pradesh 17 482,368 4·62 12,362 6.32 2 50,296 10·43 3·91 24 1,157,994 11·08 7,376 3·77 2 55,780 4·81 4·34	(b) Rest of Gujaral	?			13,726	7.02	2	66,764	9.62	5.19	1,372	10.00	3.57
5 77,740 0.74 1,397 0.72 1 12,400 15.95 0.96 1 Pradesh 17 482,368 4.62 12,362 6.32 2 50,296 10.43 3.91 24 1,157,994 11.08 7,376 3.77 2 55,780 4.81 4.34	Total	. 89			55,40 9		9	209,532	7.68	16.29	4,198	7.58	16.42
l Pradesh 17 482,368 4-62 12,362 6.32 2 50,296 10-43 3-91 24 1,157,994 11-08 7,376 3-77 2 55,780 4.81 4.34	Kerala		77,740	0.74	1,397	0.72	-	12,400	15.95	96.0	281	20.11	01-1
24 1,157,994 11.08 7,376 3.77 2 55,780 4.81	Madhya Pradosh .	. 17	482,368	4.62	12,362	6.32	7	50,296	10.43	3.91	1,431	11.57	3.60
	Madras	7		11.08	7,376	3-77	7	55,780	4.81	4.34	985	13.35	3.85

Capacity No. of As % of No. of As % of No. of As % of Mills spindles total looms total of Mills sy City . 36 3,086,164 29·53 61,455 31.44 7 TOTAL . 79 3,920,172 37·51 79,211 40·52 10 TOTAL . 79 3,920,172 37·51 79,211 0·98 1 1 47,728 0.46 864 0.44 sh 6 112,564 1·08 2,559 1·31 2 sh 16 707,924 6·77 11,3138 6·82 3 th 16 707,924 6·77 11,338 6·82 3 th 16 707,924 6·77 11,338 6·82 3 th 16 106,968 1·62 3,728 1·91 1		1	Ŝ	Composite mills as on 1st January, 1961	no sa ell	1 Ist Jax	1961 , 1961			Composite	Composite Mills selected for costing	ed for cos	ting	
No. No. of As % of No. of As % of No. of As % of Mills spindles total looms total looms total of Mills ayindlesgs 100msgc 100m				Capacity							Capacity	ity		
TOTAL . 36 3,086,164 29·53 61,455 31.44 FORM C. 36 3,086,164 29·53 61,455 31.44 TOTAL . 79 3,920,172 37·51 79,211 40·52 1	State	Nof.	No. of spindles	As % of total spindleage	1		s % of total comage	No. of Mills	No. of spindles	As % of spindleage in the State	As % of total spindleage of selected Mills	No. of Iooms	As % of loomage in the State	As % of total loomage of selected Mills
F. Maharashtra 23 834,008 7-98 11,736 9-08 TOTAL 79 3,920,172 37-51 79,211 40.52 1 TOTAL 8 294,388 2-82 3,869 1-98 1 47,728 0.46 864 0.44 4 91,070 0.87 1,911 0.98 6 112,564 1.08 2,559 1.31 sh . 16 707,924 6.77 13,338 6-82 l 18 487,006 4-66 9,365 4,79 4 168,968 1.62 3,728 1.91	Kaharashtra-					de.	6	1						
TOTAL . 79 3,920,172 37-51 79,211 40.52 1 TOTAL . 79 3,920,172 37-51 79,211 40.52 1 1 47,728 0.46 864 0.44 1 47,728 0.46 864 0.44 6 112,564 1.08 2,559 1.31 sh 16 707,924 6.77 13,338 6.82 l 18 487,006 4.66 9,365 4.79	(a) Bombay City	•			d-4	61,455	Ų		475,808	15.42	37.01	10,004	16.27	39.12
Toral Toral Top 3,920,172 37-51 79,211 40.52	(b) Rest of Maharash				86.	17,786			144,952	17.38	11.28	2,774	15.62	10.85
8 294,388 2 82 3,869 1 47,728 0.46 864 4 91,070 0.87 1,911 6 112,564 1.08 2,559 sh 16 707,924 6.77 13,338 18 487,006 4.66 9,365 4 168,968 1.62 3,728	TOTAL	1			Al	79,211	40.52	01	620,760	15.83	48.29	12,778	16-13	49.97
	Mysore	1	8 294,3		82	3,869	86-1	-	50,492	17.15	3.93	SS SS	12.92	1.96
th 4 91,070 0.87 1,911 1 6 112,564 1.08 2,559 2h 16 707,924 6.77 13,338 1 18 487,006 4.66 9,365 2 4 168,968 1.62 3,728	Orissa		1 47.7		4 .	864	0.44	9	1	:	:	;	:	:
th 6 112,564 1.08 2,559 th 16 707,924 6.77 13,338 1 18 487,006 4.66 9,365 4 168,968 1.62 3,728	Punjab		4 91,0		.87	1,911	0.98	-	36,640	40.23	2.85	830	43.43	3-24.
th 16 707,924 6-77 13,338 18 487,006 4-66 9,365 4 168,968 1.62 3,728	Rajasthan		6 112,5		80.	2,559		7	37,896	33.67	2.95	1,052	41.11	4.11
45,006 4.66 9,365 4 168,968 1.62 3,728	Jttar Pradesh .		9,707 31		11	13,338	6.82	E	127,464	18.00	16.6	2,270	17.02	8.88
4 168,968 1.62 3,728	West Bengal		18 487,0		%	9,365		6	72,100	14.80	5.61	9,939	10-03	3.67
211 6 25.0 0.104 6	Selhi		4 168,9		79	3,728		•	12,324	7.29	96.0	307	8.23	1.20
011'7 01.0 974'6) 6	Pondicherry .		3 79,428		9.76	2,116	1 · 09	:	:	:	:	:	:	:
ALL INDIA . 279 10,450,332 100.00 195,476 100.00 31 1,	ALL, INDIA	۱ ۲	1			95,476	100.00	15	31 1,285,684	12.30	100.00	25,571	13.08	100.00

Nors,-Details relating to eight composite mills are not included.

A. 2. Statement showing coverage (in terms of spindleage) of spinning mills selected for cost investigation

State		nning mills st January		Sp	inning mi cost inv	lls selecte estigation	
	No.	Capa	city	No.	Capa	city	
	mills	No. of spindles installed	As % of total spindle- age	mills	No. of spindles installed	As % spindle-age in the State	As % of total spindle-age of selected mills
Andhra Pradesh.	11	147,376	4.82		12,000	8 · 14	2.69
Bihar .						• •	
Gujarat							
(a) Ahmed-	5	61,456	2.01	MI			• •
abad City. (b) Rest of Gujarat.	7	95,264	3-11		1	••	••
TOTAL .	12	156,720	5.12			•••	• • •
Kerala .	8	130,528	4 · 27	जयते 2	61,096	46 · 81	13 · 71
Madhya Pradesh.	i	15,252	0 · 50	••	••	••	••
Madras .	108	1,967,338	64 · 31	5	242,540	12.33	54 · 42
Maharashtra							
(a) Bombay city (b) Rest of Maha- rashtra.	y 4 6	79,896 63,712	2·61 2·08	1	26,664 12,872	33·37 20·20	5·98 2·89
TOTAL .	10	143,608	.4.69	2	39,536	27 · 53	8 · 87

State		inning m Ist Janua	ills as on ry 1961	Sį	oinning mi cost inv	lls select estigation	
	No.	Ca	pacity	No. of	Capa	acity	
	of mills	No. of spindles installed	of -	mills	No. of spindles installed	As % spindle age in the State	e- of
Mysore .	8	153,380	5.01	1	72,904	47 · 53	16.35
Orissa .	2	11,488	0.38				
Punjab .	2	39,240	1.28	12		- •	• •
Rajasthan .	3	34,188	1.12				
Uttar Pradesh	6	93,140	3 · 04	1	17,600	18.90	3.96
West Bengal	11	167,084	5.46	IY			• •
Delhi .		11	THE	37		• •	
Pondicherry	,,					• •	••
All India .	182	3,059,34	2 100 00	12	445,676	14 · 57	100 · 00

Note.—Details in respect of ten spinning mills are not included.

APPENDIX IV [Vide paragraph 1.3.2.3.]

B. 1. Statement showing the region-wise and size-wise distribution of composite mills as on 1st January, 1961 and those selected for cost investigation in respect of spindleage

					[N	ote	Z = Z	o. of 1	[Note. $-N = No.$ of mills; $C = Capacity$]	= Ca	pacity]				
Reg	Region		_	0—10,000	000	10,	10,00,1— 20,000	30.00	20,001— 30,000	30,	30,001— 40,000	50,	40,001— 50,000	8	50,001 —
			Ι΄.	z	ပ	z	O	z	ວ	z	C	z	၁	z	3
Andhra Pradesh	tesh						सह								
Total			•	;	;	:	中	Ц	24,416	_	36,136	:	:	:	:
Sample				:	:	:	1	Service of the servic	H (8)	0	ar	:	:		:
%				:	:	:	パ オ コ コ コ	7			:	:	:	:	:
Bihar							<i>ु</i>	JA.	j	1					
Total				7	14,304	=	19,280	:	:	3	:	:	:	:	:
Sample				:	:	:	:	:	:	:	:	:	:	:	:
%				:	:	:	:	:	:	:	:	:	:	:	:
Gujarat (a) Ahmedabad City	ıbadı	City													
Total			•	:	:	7	121,748 23	23	583,722	81	635,814	9	440,516	-	51,976
Sample				:	:	:	:	7	51,496	-	39,296	:	:	_	51,976
%			•	:	:	:	:	:	8.82	:	6.18	:	:	:	100.00

Region		0—10,000		10,00,1— 20,000	-1,1 000	30,0	20,001— 30,000	30,0	30,001— 40,000	40,001— 50,000	-00 -00 -00	90,0	50,001— 60,000
morgan.	Z	O		z	O	Z	ပ	z	၁	z	O	z	ပ
(b) Rest of Gujarat													
Total	:::		:::	ज ्यमेत जय	87,144 16	9 : :	400,274	66:	102,768 166,764 64·96	:::	:::	° ::	103,316
Total-Gujarat Total Sample	:::		:::	ਰ £ ::	208,892	662:	983,996 21 51,496 3 5 ·23	. 35 :	738,582 106,060 14·36	01 : :	440,516	16 3	155,292 51,976 33.47
Kerala Total Sample	:::		:::	4-	55,512 12,400 22:34	- :	22,228	::	::	::	• •	::	:::

Madhya Pradesh	rades	ųs													
Total		. •	•	:	:	8	69,476	9	158,184	ĸ	103,900	-	103,900 1 43,468 2	7	107,340
Sample		•	•	:	:	:	;	7	50,296	:	:	:	:	:	:
%	•	•	•	:	:	:	:	:	31 · 79	:	:	:	:	:	:
fadras							4		9	S					
Fotal	•	•	•	-	4,100		1 12,460 5	5	130,308	S	170,490	4	173,856 3	8	166,644
Sample		•	•	:	:	या	1	4	25,656	Į.	30,124	:	:	:	:
»		•	•	:	:	49		Ų.	19.68		17.67	:	:	:	:

Reg	Region			60,001— 70,000	ı	70,001— 80,000		80,001- 90,000	-10 00	90,00—1 100,000]8	100,001 & above	શ્ર	Ţ	Total
			'	z	ပ	z	၁	z	С	z	ပ	z	ပ	z	C
Andhra Pradesh	adesh												! !		
Total		_		:	:	:	;	:	:		:	:	:	8	60,552
%	• •			::	::	स		1			::	::	::	::	::
Bihar Total Sample % .	• • •			:::	:::	यमेव जयते					:::	:::	:::	ო::	33,584
(a) Ahmedabad City Total Sample	dabad C	Š		3 201	201,568	:::	:::	:::	:::	:::	:::	:::	:::	24 :	,035,344 142,768 7.01
(b) Rest of Gujarat Total Sample	of Gujan	į.			::	::	::	::	::	::	::	::	::	27	693,502 66,764
		•			:	:	:	:	:	:	:	:	:	:	79.6

• • •		201									0	2 770 046
•		} :	: :	: :	::	: :	::	: :	: :	: :		209,532
		:	:	:	:	:	:	:	:	:	:	2.68
								٠	٠		•	
•		:	:	{	;	16	É	:	:	. :	S	77,740
•		:	स		B			:	:	:		12,400
:		:	द्या					:	:	:	:	15.95
		/	ाव ज		W							
•		:	यते				1	:	:	:	17	482,368
•		:	:)	:		3.	:	:	:	7	50,296
:	•	:	:	:	:	:	:	:	:	:	:	10.43
	19	60,704	1	77,740	:	:	:	:	m	361,692	24	1,157,994
:		:	:	:	:	:	:	:	:	:	7	55,780
:		:	:	:	:	:	:	:	:	:	:	4.81

[Note.— N = No. of mills; C = Capacity]

£		0—10,000	000'1	10,0	10,001— 20,000	20,	20,001— 30,000	30,	30,001— 40,000	40,	40,001— 50,000	20	50,001— 60,000
Wegion		z	၁	z	၁	z	၁	Z	၁	z	ပ	z	င
Maharashtra													
(a) Bombay City	B		٠	-	6	15	Sec. Sec.	E					
Total .	•	7	.*	સચ		69	80,388 7	. 31	2,35,532	; 23	587,320	13	7,13,868
Sample .		:	:	मेव		1		2	31,460	-	45,768 1		54,204
	•	:	:	ল্য		1			13-35	:	7.79	:	7.59
(b) Rest of Maharashtra	harashtra	-		ति	9	6		2					
Total .	. •	:	:	s,	68.560	00	1.83.552	7	69,148	ო	145,948 3	m	157,692
Sample .	•	:	:	7	29,764	:	:	:	:	:	:	:	
%		:	:	:	43.41	:	:	:	:	:	:	:	
Total of Maharashira	ashtra												
Total		7	*	ν)	68,560	11	2,63,940	0,	3,04,680	16	733,268	16	8,71,560
Sample .	•	:	:	7	29,764	:	:	-	31,460	-	45,768	11	54,204
. %		:	:	:	43.41	:	:	:	10.33	:	6.24	:	6.22

Mysore															
Total Sample				::	::	::	::	٦:	42,732	٦ :	74,332	ო :	126,832		50,492
	.•	,•	,•	:	:	:	:	:	:	:	:	:	:	· :	10,000
Orissa										•					
Total	•	•	•	;	:	:	:	:	:	:	:	7	47,728	:	:
Sample		•	;	:	:	:	:	:	:	:	:	:	:	:	:
	•	•	•	:	:	:	:	:	:	:	:	:	:		.:
Punjab							-{		16	E					
Total	•	•	•	:	:	स	10,862	7	43,568	£	36,640	:	:	:	:
Sample			•	:	:	qì	1	ŀ		-	36,640	:	:	:	:
	•	•	•	:	:	19		Ų.			100 90	:	:	:	:
Rajasthan						नयः	N.	\$							
Total		•	•	:	;	4	58,404	7	54,160	2	:	;	:	:	:
Sample		•	•	:	:	_	13,728	7	24,168	:	:	:	:	:	:
%	•	•	•	:	:	:	23.50	:	44.62	:	:	:	:	:	:
Uttar Pradesh	desh														
Total	•	•	•	:	:	7	37,280	4	103,260	7	74,904	4	185,608	~	54,584
Sample		•	•	:	:	:	:	~	57,392	:	:	:	:	:	:
. %		•	•	:	:	:	:	:	22.28	:	:	:	:	:	:
		*Tw	o mil	*Two mills do not have spindles.	lave	spindle	ž.								

Two mins do not nave spingtes.

Note.—Details relating to eight composite mills are not included.

£				Ġ	0-10,000	-	10,001 20,000	10	7	30,000	*•	30,001 40,000	- 41	40,001— 50,000		50,001—	و ل
4	Region	_		z	ن ا		z	ပ	Z	ن ر	Z	ت -	Z	D		z	ပ
West Bengal	'a'																
Total Sample			•	74	15,448	4 :	90,0	60,024	- -	172,556	 ;	33,608	⇔	130,330	: :		: :
· %		• •	•	: :	:	:	V	d	:	16-91	1	:	·:	32.94	::		: :
Delhi						선인			10		253						
Total	•	•	•	:	:	149	12,	324	W			39,896	-	41,032	:		:
Sample %	٠.	٠.	• •	::	: :	기식	100	00.00				50	::	::	::		::
Pondicherry	~					d		A			2						
Total	•	•	•	:	:		13,800	90	_	22,972	:	;	-	42,656	:		:
Sample			•	:	:	:		:		:	:	:	:	:	:		:
· ×	•	•		:	:	:		:		:	:	:	:	:	:		:
All India											•						
Total	•	•	•	7	33,852	47,	626,8	8 27	2	20,22,320	, 2	16,13,168	4	19,65,294	26	14,0	5,912
Sample %	•			: :	: :	^	10.88	^ _ ≈	•	11.78	ر ه	12.66	7	88,696	.	รั -	130,077

*Two mills do not have spindles.
Note.—Details relating to eight composite mills are not included.

Region			: 	.70,001 -80,000	:::	80,001	: :	90,001—	-100	100, and 2	100,001— and above	Ħ	Total
		z	ပ	z	ပ	z	ပ	z	Ü	z	O	z	Ü
Maharashira													
(a) Bombay City	Į.				(0	É					
Total Sample		Ŀ u ∷	455,464 136,764 30:03	सन्यमेव ज	373,688	44:	86,400 86,400 100·00	٠: ۲	195,040	m - :	358,464 121,212 33.81	56	30,86,164 475,808 15·42
(b) Rest of Maharashtra	zharashtro	~		यने									
Total Sample	• • •	:::	:::	:::	::::	:::	:::		93,920	:	115,188 115,188 100·00	: 33	834,008 144,952 17·38
Total of Maharashtra	rashtra												
Total Sample . %		۲n :	455,464 136,764 30·03	n ::	373,688	:	86,400 86,400 100-00	ო : :	288,960	40 :	473,662 236,400 49·91	&2 € :	39,20,172 620,760 15·83

		88	60,001— 70,000	70,001-	1	80,001- 90,000	128	90,001	<u> </u>	100,0 anc	100,001— and above	Ĕ	Total
x	Kognon .	z	ပ	z	ပ	z	ပ	z	ပ	z	O	z	ပ
Mysore													
Total Sample				:::	Test (:::				:::	:::	∞∺:	294,388 50,492 17·15
Total Sample %.	• • •				गोत जगने	:::	Birth	111	energy.	:::	:::	· ved	47,728
Total Sample % .	• • •	• • •		:::		:::		:::		:::	:::	4 ⊷ ;	91,070 36,640 40 · 23
Total Sample	• • •	1::		:::		:::		:::		:::	:::	٠ ٢٥	112,564 37,896 33·67

Uttar Pradesh	adesu	•											;		
	•	٠.	••	-	70,000	-	70,072	:	:	:	:	-	112,216	16	707,924
Sample	•		•	:	:	-	70,07	:	:	:	:	:	:	m	127,464
%	•	•	•	:	:	:	100-00	:	:	:	:	:	:	:	38·00
West Benga	gal														
Total	•	•	•	:	:	-	75,040	:	:	:	:	:	:	18	487.006
Sample		•	•	:	:	:	:	:	:	:	:	:	;	~	72,100
%	•	•	í	:	:	:	•	:	:	:	:	:	:	:	14.80
Delhi							6	- 1	Second	6					
Total	•		•	:	:	Н	75,716	14				:	:	4	168.968
Sample	•		•	:	:	:	Ü	y		10		::	•	-	12,324
%	•	•	••	:	:	:		44		ş	250	:	:	•	7.29
Pondicherry	5						li Luci	1							
Total	•	•	•	:	:	:)-			3	:	:	:	æ	79,428
Sample	•		•	:	:	:	:	:	:	:	:	:	:	:	:
%		•	•	:	:	:	:	:	:	:	:	:	:	:	:
All India															
Total	•	•	•	12	787,736	6	672,256	_	86,400	æ	288,960	œ	9,47,560	279	1.045,332
Sample		•	•	7	136,764	-	70,072	_	86,400	:	:	7	236,400 31	31	12,85,684
%	•	•	•	:	17.30	:	10.42	:	100.00	:	:	:	24.95	:	12.30

-1 Wo mills do not layer spinutes.

Note: -- Details relating to eight composite mills are not included.

B 2, Statement showing the region-wise and size-wise distribution of composite mills and those selected for cost investigation in respect of loomage

[Note: N = No. of mills, C -- Capacity]

			0-250	50	251	251-500	202	501-750	751.	751-1000	1001	1001-1250		1251-1500		1501-1750
Region			z	ָ ט	z	C	z	ပ	z	ပ	z	υ	z	ပ	z	ບ
Andhra Pradesh						1			68							
Total .	•	•	:	:	:	्या त्यम	7	1,228			:	:	:	:	:	:
Sample	•	•	:	:	:	FI FI			*		:	:	:	:	:	:
Per cent	•	÷	:	:	:	ज	:		٠		:	:	:	:	:	:
Bihar						ात पते	7	1								
Total .	•	•	7	225.	:	:	-	518	:	:	:	:	:	:	:	:
Sample.	•	٠	:	:	:	:	:	:	:	:	;	:	:	:	:	:
Per cent	•	•	:	:	:	:	:		•	:	:	:	:	:	:	:
Gujarat																
(a) Ahmedabad City	d City		: :	: :	:			:								
Total .	.•	•	:	:	16	7,157	74	7,157 24 14,450 17	17	14,299	4	4,517	1	1,260	:	:
Sample	•	•	:	:	71	962	:	:	_	848	-	1,016	:	:	:	:
Fer cent	•	•	:	:	:	13.44	:	:	:	5.93	:	22.49	:	:	:	:

:::	:::	:::	1,635	:::
• • •	:::	:::	:::	:::
:::	1,260	:::	2,810	:::
* * *	end : :	• • •	~ ; ;	:::
:::	4,517 1,016 22.49	:::	1,146	:::
:::	4 ∺ :	:::	- ::	:::
1,803 	16,102 848 5.27		2,486 864 34.75	:::
·* ::	<u>s</u> -:		ღ≕ :	:::
6,221 1,372 22.05	20,671 1,372 6.64		2,601 567 21.80	603 603 100.00
92 :	¥4 :		4⊷ :	==:
5,467	12,624 962 7.62	1,297 281 21.66	1,574	2,457 382 15.54
4 ::	: 530	4∺ :	₹ : ;	∞-:
235 14	235	99 : :	110	1,537
₩::	 ::	- ::	~ ::	4 : :
• . • . •	• • •	• • • •		
jarat ∴			• • •	
(b) Rest of Gujarat Total Sample Per cent	Total Gujarat Total . Sample Per cent	Kerala Total . Sample Per cent .	Total . Sample Per cent Madras	Total . Sample Per cent

Region			6	0-250	251	251-500	501	501-750	751-	751-1000	1001	1001-1250	125	1251-1500	15	1501-1750
		•	z	O	z	ပ	z	ပ	z	O	z	O	z	ပ	z	C
Maharashtra																
(a) Bombay City	City															
Total . Sample Per cent	• • •	• • •	- ::	119 ::	ო::	1,187 1,187	771	4,631 15 680 14.68	<u>s</u> : :	12,868	15:	16,487 1,018 6.17	4∺:	5,396 1,282 23.75	• 5 2 :	9,788 3,178 32.47
(b) Rest of Maharashtra	fahara	shtra	_			जयने	117				,					
Total . Sample Per cent			- ::	96 ::	10 :	3,872 667 17.23	ო::	1,665	9::	1,890	4::	4,523 	₩::	1,369	:::	:::
Total Maharashtra	htra															
Total . Sample Per cent		• • •	8 : :	215	13	5,059 667 13.18	10	6,296 680 10.80	1. ::	17 14,758	13	21,010 1,018 4.85	٠- :	6,765 1,282 18.95	98:	9,788 3,178 32.47

Mysore		•														
Total . Sample Per cent	• • •	• • •	∹ ::	9::	4⊣:	1,392 500 35.92	۹ : :	1,310	:::	:::	- ::	1,157	:::	:::	:::	:::
Orissa																
Total Sample Per cent		• • •	:::	:::	:::	सन्यम		VA.	- 13	864	:::	:::	:::	:::	:::	:::
Punjab Total . Sample Per cent	• • •	• • ••	∺ ::		₩ : :	275 275		578	H⊢:	830 830 100.00	. :::	:::	:::	:::	:::	:::
Rajasthan Total . Sample Per cent	• • •	• • •	:::	:::	ν - :	1,923 416 21.63		636 636 636 636	:::	:::	:::	:::	:::	:::	:::	:::

£	,		. 0-250	0	251.	251-500	501-	501-750	751-	751-1000	1001	1001-1250	125	1251-1500	150	1501-1750
Kegion		•	z	Ö	z	O	z	0	z	O	z	O	z	C	z	C
Uttar Pradesh																
Total . Sample Per cent		• . • • • .	~ ;;;;	94 : :	77 :	773 350 45.28	4⊢ :	2,340 584 24.95	7 : :	1,654	m ::	3,351	 :	$^{1,336}_{1,336}$	- ::	1,726
West Bengal						स	R	1								
Total . Sample Per cent			٠:: ٣	882	9 - :	2,349 434 18.47	რ⊣:	1,571 505 32.14	ო::	2,571	:::	:::	:::	:::	:::	:::
Delhi	٠.						A	y	100	à						
Total . Sample Per cent			:::	:: :	→~:	307 307 100.00	⊣ ::	672	:::	:::	₩;:	1,094	:::	:::	⊣ : :	1,655
Pondicherry		- 4			:					٠						
Total .			;	:	-	386	****	675	:	:	_	1,055	. :	:	:	:
Per cent		•	:	:	:	:	:	:	:	:	:	:	:	:	:	:
11100 10 1	•	٠	:	:	:	:	:	:	:	:	:	:	:	:	:	;

ALL-INDIA																
Total .	•	•	. 31		62	30,416	65	39,699	46	39,265	8	33,330	6	12,171	6	14,804
Sample	•	•	:	:	11		90		~		~	2,034	~		7	3,178
Per cent	•	:	:	:	:	14.13	:		Ĝ	6.47	:	6.10	:	21.51	:	21.47

Note: Details relating to eight composite mills are not included.

B-3 Statement showing the region-wise and size-wise distribution of spinning mills as on 1st January 1961 and those selected for cost investigations in respect of spindles

[Note: N=Number of mills; C=Capacity]

Degion			0-10,000	000	10,001	20,000	20,001	-30,000	10,001-20,000 20,001-30,000 30,001-40,000 40,001-50,000 50,001-60,000	000,	40,001-	20,000	50,001-	000'09
TOBON.	<u>.</u>	'	z	Ö	z	σ	z	C	z	ပ	z	Ö	z	ပ
Andhra Pradesh					स		1							
Total .	•	•	4	27,040	यमे	75,336	7	45,000		:	:	:	:	:
Per cent	٠.	• •	::	::	া লয়	15.92			50	::	::	::	::	::
Bihar					ाते		1							
Total .	•	•	:	:	:	:	:	:	5	:	:	:	:	:
Sample	•	٠	:	:	:	:	:	:	:	:	:	:	:	:
rer cent		•	:	:	:	:	:	:	:	:	:	:	:	:
Gujarat									,					
(a) Ahmedabad City	d Cit	~												
Total .	•	.•	7	13,260	2	26,388	-	21,808	:	:	:	:	:	:
Sample		•	:	:	:	:	:	:	:	:	:	:	:	:
rer cent	•	•	:	:	:	:	:	:	:	:	:	:	:	:

(b) Rest of Gujarat	arat													
Total .	•	•	7	11,416	4	56,908	-	26,940	:	:	:	:	:	:
Person	•	٠	:	:	:	:	:	:	:	:	:	:	:	:
rei ceiit	•	•	:	:	:	:	:	:	:	:	:	:	:	:
Total Gujarat	•													
Total .	٠.	•	4	24,676	9	83,296	7	48,748	:	:	:	:	:	:
Sample Per cent	.• ·	.• (: :	: :	: :	:	:	:	:	:	:	:	:	:
	•	•	:	:	:	:	:	:	:	:	:	:	:	:
Kerala	-					(65	Sec. Sec.	E					
Total	٠.	٠	ო	21,788	4	62,724	I A			:		46,016	:	:
Sample Per cent	•	•	:	:	714	15,080	4					46,016	:	:
	•	•	:	:	Ale	ţ	1			200	:	30.81	:	:
Madhya Pradesh	. 48				451		6		2					
Total .	· .	•	:	:	. 🕶	15,252	:		3	:	:	:	:	:
Sample	•	•	:	:	:	:	:	:	:	:	:	:	:	:
rer cent	•	•	:	:	:	:	:	:	:	:	:	:	:	:
Madras														
Total .	•	•	22	108,228 47	47	589,536	71	514,062	13	424,312	7	97,496	7	104,244
Per cent			::	::	∹ :	2.71	- :	5.44	٠:	16.28	::	::	::	::

Region			0-10,000	10,00	10,00120,000 20,00130,000 30,00140,000 40,00150,000	20,001	-30,000	30,001~	40,000	40,00	1-50,000	50,00	50,001-60,000
TO SON		z	O	z	ပ	z	ပ	z	O	z	O	z	C
Maharashtra													
(a) Bombay City	ity							(
Total Sample	. •		2 9,272	Moder	HE I	74	26,664		::	- :	43,960	::	::
(b) Rest of Maharashtra	sharash	. tra	:	111 11	ing s	14	3.3		:	:	:	:	:
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			1751-;	1751-2000	2001	-2250	2251	-2500	250	2001-2250 2251-2500 2501-2750 2751-3000	2751	-3000	3001 and above	and		Total
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			1751-2000 2001-2250	8	2001-	2250	1	2251-2500 2501-2750	2501	-2750	2751-3000	3000	3001 and	and		Total
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Sample			:	:	:	•	:	:	:	:	:	:	:	:	7	1,431
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Note. -- Details relating to eight composite mills are not included.

		60,001	-70,000	70,001	60,001-70,000 70,001-80,000	80,001	-90,000	90,001-	80,001-90,000 90,001-100,000	100,	100,001 and above		Total
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West Bengal											
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Note. - Details relating to ten spinning mills are not included.

Region	ion	60,001	60,001—70,000 70,001—80,000 80,001—90,000	70,001	-80,000	80,001-	-90,000	90,001— 100,000	18	100,001 and above	001 1bove	F	Total
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Note.-Details relating to ten spinning mills are not included.

APPENDIX V

[Vide paragraph 1.3.2.4]

Statement showing installed capacity, wet processing facilities available, average number of shifts worked, average count of yarn produced and types and varieties of cloth produced in the mills selected for cost examination

A--Composite Mills

ž. Š	Name of the mill	Year	Capacity as on	ŀ	Wet	Average no of		Average		tate proc	Loom-state production of fabrics in 1960	fabrics	п 1960		Major varieties of	ا ق
		-moo	Caindle		8 i	1960		of yarn	Total	Coarse	Coarse Lower	Higher	Fine	Super-	ciorn manutac- tured in 1960 with	ა⊈
		of pro-	nience spinute Loomage is nient age avi of pro- avi duc- tion	SOUTH SEC	ties ties available	Spg.	Wvg.	pro- duced in 1960	sand yards	AN	aru 194a	me dium		fine	percentage of production indi- cated in brackets	_±#
1	2	9	+	2	•	1		6	01	В	22	13	4	15	16	1
Gularat	wat				니티	5	7	7		%	%	*	%	%		' !
1 The Ady Ltd.	The Ahmedabad Advance Mills Ltd., Ahmed-	1903	51,976	1,016 B,D,M, F&F	B,D,M, F &F	en	m	34	29,322	3.	ę, ro	74.6	7.0	13.9	P(21), Pr(20), (13), L(11), (10), Sh(10), (2), M(5)	DON
2 The	The Marsden Spg. & Mfg. Co. Ltd., Ahmedabad.	1922	25,508	482	B,D&P	173	m	34	20,624	:	€: 0	2.66	:	:	Sh(39), P(38), S(19), D(3).	6
3 Shri Mill aba	3 Shri Vivekanand Mills Ltd., Ahmed- abad.	1919	25,988	480	В, D&M	7	7	36	10,662	:	10.0	20.0	35.0	5.0	Sh(35), P(20), D(12), S(10),	ଚ୍ଚିତ୍ର
Mills Mills	The New Swadeshi Mills of Ahmed- abad Itd., Ab- medabad.	1925	39,296	848 B,D&P	, ጋ &P	m	e	33	48,606	4	58.0	37.9	:	:	L(28), Sh(14), D(7), M(6), (5).	á.

5 The Baroda Spg. & Wvg. Co., Baroda.	1884	34,352	658	658 B,D&P	71	7	27	21,635	5.5	2.3	92:3	:	:	P(48), M(18), Sh (15), L(9).
6 The New Jehangir Vakil Mills Lid., Bhavnagar.	1918	32,412	714	B,D&P	8	7	23	23,722	:	59.5	\$:04	:	:	Pr(25), L(17), D (14), S(13), M (10).
Kerala														
7 Chakolas Spg. & Wvg. Mills Ltd. Alwaye.	1958	12,400	281	Ξ̈̈́	m	6	30	4,808	:	29.4	9-02	:	:	L(74), M(26).
Madras														
8 Mettur Industries Ltd., Mettur Dam.	1938	25,656	603	B,F&Y PM	6	m	3\$	17,930	:	:	00.001	:	:	M(61), L(39).
9 The Somasundaram Mills Private Ltd., Coimbatore.	1942	30,124	382	424 Q 7 8		14	32	5,811	4	7.0	93:0	: .	:	Sh(53), L(34), D (13).
Maharashtra				मेव	Œ.	1			2					
10 The Bombay Dyc- ing & Mis. Co. Ltd., (Textile Mills), Bombay.		86,400	1,656	B,D&F	7	MP	20	37,237	21.2	53-2	19.9	5.7	:	Sh(44), L(26), C(9).
11 The Bombay Dye- ing & Mig. Co., Ltd., (Spinning Mills), Bombay.	1908	12,212	2,076	щ	7	7	8	55,161	34.9	46.1	18.4	9	:	L(61), G(7), Sh (7).
12 The Western India Spg. & Mfg. Co. Ltd., Bombay.	1880	\$4,204	1,282	ï.	m	7	22	27,880	14-4	20.0	9.69	5.7	0.3	L(32), P(27), S(25),
13 The Cooria Spg. & Wvg. Co. Ltd., Bombay.		After 31,460 1874-75	680	вал	7	ч	21	18,344	20.7	17.6	61 · 7	:	:	L (29), S (20), G(15) D(9), P(9), C(9)Sh(8)
14 The Gold Mohur Mills Ltd., Bombay.	1926	45,768	1,018	E Z	m	~	62	15,504	:	:	7.9	9:	83-5	M(39), D(31), L(8) S(3).
15 Shree Madhusudan Milis Ltd., Bombay.	1950	66,804		1,522 B, D & P	ъ.	7	53	41,977	9.4	36-8	50.3	7.7	2.3	L(32), S(19), P(12), Sh(10), D(7).

1																	1
-	2	m	4	80	9	1	œ	Φ.	10	=	13	13	7	13	91		
	Maharashtra (Contd.)									%	%	%	%	%			1
16	The Tata Mills Ltd., Bombay.	1917	072'1 096'69	1,770	В, D&Р	m		23	44138	14.6	18.4	65.9	:	Ξ	1-1 L(35), Pr(14), G(13), D(8), Sh(7).	₹ <u>\$</u>	13),
11	Vidrabha Mills (Berar) Ltd., Ellichpur,	1926	13,500	347	B,D,F & ypm	m	71	21	9,173	4.9	95.1	:	:	:	L(73), D(25).	S	
82	Shri Sahu Chhatrapati Milis Ld., Kothapur	1911	16,264	320	B&D of yard	m	(* 1	21	7,774	39.7	38.3	22.0	:	:	L(83), D(17).	(17).	
61	The Central India Spg. Wvs. & Mfg. Co. Ltd., Nagpur.	1874	1874 115,188	2,107	B,D & P		m	20 \$	52,632		40.9	46.2	:	5.6	5·6 L(44), D (10), M(8), P(5).	(i0), M((8)
·	Madhya Pradesh				中		W			2							
20	The Hira Mills Ltd., Ujjain.	1935	27,540	26	864 B,D,&F	e.	er	21 2	26,567	24.0	52-4	23.6	:	:	L(76), M(6), G(3).		Sh(3)
71	The Rajkumar Mills Ltd., Indore.	1924	22,756	267	567 B,D&P	7	6	188	21,689	8.04	59.2	:	:	:	L(62), C(7), (Sb)3, G(3).		D(4),
-	Mysore														i		
23	Mysore Spg. Wvg. & Mfg. Co. Ltd., Bangalore	1894	50,492	200	500 B,D&P	ю	7	21	9,075	41.9	43.5	9.6	6.4	0.1	L(30), D(12), G(12), Sh(8), C(7), P(4).	12) G(1	. [2]
7	Punjab																
23	Jagatjit Cotton Textile Mills Ltd., Phagwara.	1951	36,640	830	B&D	e	m	8	20,979	6.6	62.7	27.4	:	:	L(73), D(7), S(5).		M(6)
•	Rajarthan																
7,	Mahalaxmi Mills Co. Ltd., Beawar.	1925	13,728	416	D&F	æ	7	81	7,558	3.1	6-96	:	:	:	L(69), D	D(28), Sh(3)	ලි
25	The Krishna Mills Ltd., Beawar,	1891	24,168	636	ŭ.	71	-	٥	8,520	79.4	20.6	:	:	:	L(60), I	D(27).	

	83·4 5·7 0·1 L(93), M(2).	71·8 11·4 L(43), P(21), S(14)	86·5 2·0 L(81), M(10).D(3).		12.8 74.3 9.5 3.4 D(52), S(43), L(5).	11.0 73.0 1.0 1(31), D(19), P(17), Sh(10)		99·5 L(78), D(6).	Notes:—(i) In the column under 'wet processing facilities' the following (ii) In the column under 'major varieties of cloth manusabbreviations are used to indicate the processes shown against the residing to lowing abbreviations are used to indicate the processes shown against the residing to have a subsequent to the processes of the processes
	8.8	240 16-8	10,399 11.5		608	20 12,618 15.00	OU.	99 0.5	g (ii) In nst fac
	18 18,210	20 44,240	10,3		32 17,505	12,6		10,5	lowing n again
		70	:		32	70	1	2 20 10,599	the follows
		m			en.	2	U	配包以	ities" t
	584 B&D of yarn 3	1,336 B, D & P 3	350 B&D 3		434 B & D of 3	B&D 3	I Ha	307 B,D&P 3	processing facil
	284				434	202		307	der 'wet used to
	27,624	70,072	1953 29,768		29,172	42,928		12,324	lumb und
	1922	1920			1939	1878		1943	In the colabbreviati
Uttar Pradesh	The Cawapore Textiles Ltd., Kaapur.	27 New Victoria Mills Kanpur.	28 The Lord Krishana Textile Mills, Saharanpur	West Bengal	The Mohini Mills Ltd., Belgharia 24-Parganas.	Dundar Mills Etd., Shanmagar, 24-Parganas,	Delhi	31 Ajudhia Textiles Ltd., Delhi.	Notes:—(i) I al
	56	21	28		କ୍ଷ	8		31	

D—Dhotics.
S—Sarces.
M—Mulls, Dorias and Voiles.
M—Mulls, Dorias and Voiles.
P—Poplins, Crepes Twills and Hair Cords.
I.—Long cloth, Sheeting Leopard Cloth and Markin.
Sh—Shrings, & Suctes.
Pr—Prints & Chintz.
C—Coatings, Tussores, Corduroy and Bedford.
G—Drills, Jeans, Salins and Gaberdires. B—Bleaching.
D—Dyeing.
F—Finsthing.
P—praining.
M—Mercerising
Ypm— Varn processing machinery.

B-Spinning Mills

	80s & above	4	%	:	:	:	:	:	:
096	31-80s	13	%	:	:	r -	:		Z
Production of yarn in 1960	41-60s (12	%	4	:	14	4	-	9
ı of ya	31-40s	11	%	ν.	:	47	29	14	23
duction	1-30s	10	%	11	10	15	:	30	9
Pro	-20s 2	6	%	9/	54	17	57	49	65
	110s 11	∞	%	4	36	3.	:	₹	:
	Total 1-10s 11-20s 21-30s 31-40s 41-60s 61-80s 80s & in '000 above lbs.	7		4,882	3,094	3,420	1,560	627	7,819
Average Count	roduced in 1960	9		17	15.5	37	30	21	24
Average No. of		5		m	.	m	2	7	8
Year of Capacity Average Average commen- as on No. of Count coment 1.1.61 shifts of variances.	t,	4	sdo	26,664	12,872	46,016	15,080	1889 129,460	37,900
Year of (commen-	of pro-	3		1933	1923	1944	1949	1889	1927
Name of the Mill		2	MAHARASHTRA	Modern Mills Ltd., No. I, Bombay.	2 Jaishankar Mills, Barsi KERALA	Alagappa Textiles (Cochin) Ltd., Alagappanagar.	Vijaymohini Mills, Trivandrum. MADRAS	Madura Mills Ltd., Amoasamudram.	Shree Meenakshi Mills Ltd., Samayanallur Branch.
<i>7</i>	S.	-	•	1 1	2 J.	m	4	ku	90

:		•		:		:		:	
:	4	:		:		:		:	
14	11	:		ę		:			
30	85	11		7		Z		7	
27 11 18 30	:	:		16		9		46	
11	:	68		99		25		33	
	:		5	4.3	87	36		18	
3,165	3,101	2,735	00000	18.5 17,523		13 1,862		3,645 18	
29	47	23	9	18.5		13		21	
6	£	6	E	n				m	
27,980	31,200	16,000	10	72,904		17,600		12,000	
1932	1947	1958		1889		1923		1957	
Pankaja Mills Ltd., Coimbatore.	Cauvery Spg. & Wvg. Mills Ltd., Cauvery- nagar.	South India Coopera- tive Spg. Mills, Pettai, Tirunelvely.	MYSORE	Gokak Mills Ltd., Gokak Falls.	UTTAR PRADESH	Prem Spinning Mills, Ujhani.	ANDHRA PRADESH	Tirupati Cotton Mills Ltd., Renigunta.	
7	90	ο.		10		11		12	

N-Negligible.

APPENDIX VI

[Vide Paragraph 1.3.3.]

List of units selected for cost investigation and names of the Cost Accounts Officers who examined the accounts

	Name of the mill	Period costed	Name of the Cost Accounts Officer
1.	Bombay Dyeing and Mfg. Co. Ltd. (Tex- tile Mills), Bombay.	January—June 1961	Shri S. K. Basu, Senior Cost Accounts Offi- cer.
2.	Bombay Dyeing & Mfg. Ltd., (Spring Mills), Bombay.	January—June 1961	Ditto.
3.	The Modern Mills Ltd.(No.1), Bombay.	May—October 1960	Shri U. R. Padma- nabhan, Cost Accounts Officer,
4.	The Tata Mills Ltd., Bombay.	January—June 1961	Ditto.
5.	The Somasundaram Mills, Pvt. Ltd., Coimbatore.	July—December 1960	Ditto.
6.	The Ahmedabad Advance Mills Ltd., Ahmedabad.	(1) July-September 1959 (2) January—June 1961	Ditto.
7.	Central India Spg., Wvg. and Mfg. Co. Ltd., Nagpur.	January—June 1961	Ditto.
8.	Tirupati Cotton Mills Ltd., Renigunta.	April—September 1961	Ditto.
9.	The South India Co- operative Spg. Mills Ltd., Tirunelveli.	January—June 1961	Ditto.
10.	Cauvery Spg. & Wvg. Mills Ltd., Vellanur.	October 1960 March 1961.	Ditto.
11.	The Krishna Mills Ltd., Beawar.	July—December 1961	Shri M. V. Rat- nam, Cost Ac- counts Officer.

Name of the mill	Period costed	Name of the Cost Accounts Officer
12. The Marsden Spg. & Mfg. Co. Ltd., Ahmedabad.	July—December 1960	Shri M. V. Rat- nam, Cost Ac- counts Officer.
13. The Gokak Mills Ltd., Gokak Falls.	July—December 1960	Shri S. R. Mallya Assistant Cost Accounts Offi- cer.
14. The Mysore Spg. & Mfg. Co. Ltd., Bangalore.	April—September, 1961	Ditto.
15. The New Jehangir Vakil Mills Co. Ltd., Bhavnagar.	July—December 1960	Ditto.
16. The Mahalakshmi Mills Co. Ltd., Bea- war.	August—December 1960	Ditto.
17. Vijayamohini Mills Ltd., Trivandrum.	July—December 1961	Ditto.
_ · · · · · ·	July—December 19 60	Shri S. R. Mallya Assistant Cost Accounts Offi- cer.
19. Shree Madhusudan Mills Ltd., Bombay.	(1) July-September 1959 (2) July-December 1960	Ditto.
20. The Coorla Spg. & Wvg. Co. Ltd., Bombay.	(1) July-September 1959 (2) July-December 1960	Shri A. K. Banerji Assistant Cost, Accounts Offi- cer.
21. The Hira Mills Ltd., Ujjain.	July 1960 March 1961	Ditto.
22. The Baroda Spg. & Wvg. Co. Ltd., Baroda.	July—December 1960	Ditto.
23. The Western India Spg. & Mfg. Co. Ltd., Bombay.	October 1960—March 1961,	Ditto.
24. The New Swadeshi Mills of Ahmedabad Ltd., Ahmedabad.	October 1960—March 1961.	Shri A. K. Ganguli Assistant Cost Accounts Offi- cer.
25. Jagatjit Cotton Tex- tile Mills Ltd., Phag- wara.	August 1960—January 1961.	Ditto.

	Name of the mill	Period costed	Name of the Officer
26.	The Vidarbha Mills Berar Ltd., Ellich- pur.	January—June 1961	Shri A.K. Ganguli Assistant Cost Accounts Officer.
27.	Shri Vivekanand Mills Ltd., Ahmedabad.	JulyDecember 1961	Ditto.
28.	The Prem Spg. & Wvg. Co. Ltd., Ujhani.	October 1960—April 1961.	Ditto.
29.	The Gold Mohur Mills Ltd., Bombay.	July—December 1960	Shri S.N. Raghavan, Assistant Cost Accounts Officer.
30.	The Sree Meenakshi Mills Ltd., Madurai.	October 1960—March 1961.	Ditto.
31.	Madura Mills Co. Ltd., Ambasamudram.	January—June 1961	Ditto.
32.	The Jaya Shankar Mills Barsi Ltd., Barsi.	April—September 1961	Ditto.
33.	The Lord Krishna Textile Mills, Saharanpur.	June—November 1960	Ditto.
34.	Sri Sahu Chhatrapati Mills, Shahupuri.	January—June 1961	Ditto.
35.	Chakolas Spg. & Wvg., Mills Ltd., Alwaye.	January—June 1961	Shri M. S. Srinivasan, Inspecting Officer. Shri Y. L. N. Achar, Deputy
		{	Achar, Deputy Director.
36.	Mettur Industries Ltd., Mettur Dam.	(1) July-September 1959(2) July-December 1960	Shri K. G. Viswa- nathan, Assistant Director.
37.	Cawnpore Textiles, (Cooperganj.	(1)July—September 1959 (2)July—December 1960	Shri V. R. Mehta Assistant Direc- J tor.

Name of the mill	Period costed	Name of the Officer
38. The New Victoria Mills Co. Ltd., Kan- pur.	January—June 1961	Shri B.D. Mukher-
39. The Mohini Mills Ltd., (No. 2), 24-Parganas.	JulyDecember 1960	Shri B.D. Mukher- jee, Assistant Director.
40. The Alagappa Tex- tiles (Cochin) Ltd., Alagappanagar.	September—December 1960.	
41. The Ajudhia Textiles Ltd. Delhi.	July—December 1960	Shri A. J. R. Gon- salves, Assistant
42. Pankaja Mills Ltd., Coimbatore.	2010	Director.
43. The Rajkumar Mills Ltd., Indore.	July—December 1960	j

सत्यमेव जयते

APPENDIX VII

[Vide Paragraph 1·3·5]

I-List of persons who attended the Commission's group discussion with producers on 18th July 1962

A—COTTON TEXTILE MILLS' ASSOCIATIONS

	A—COTTON '	TE.	XTILE	MILLS'	ASSOCIATIONS
2. \$ 3. \$ 4. \$ 5. \$ 7. \$	Shri Bharat Ram Shri Ramnath A Podar. Shri Krishnaraj M. D. Thackersey. Shri B. G. Kakatkar Shri C. H. Desai Shri R. K. Parikh Shri C. V. Radhakri- shnan.	•	Represe		The Indian Cotton Mills' Federation, Elphinstone Building, Veer Nariman Road, Bombay-1.
9. 8	Shri R. V. Joshi Shri N. Sakarlal . Shri K. C. Parikh .	8		12	ne Ahmedabad Millowners' Association, Navrangpura, Post Box No. 7, Ahmedabad-9.
	Shri T. P. Chakravart Shri M. L. Shah	i]	,,	3357/07	engal Millowners' Association, 2, Church Lane, Calcutta-1.
13. 5	Shri S. Bhandari			7.0%	ne Madhya Pradesh Millowners' Association, Street No. 1, 8, South Tukoganj, Indore.
15. 5	Shri P. V. Mackay Shri D. W. Law Shri T. Rangaswamy	.]	स्यम्	ा जयते । जयते	ne Southern, India Millowners' Association, Post Box No. 98, Coimbatore-1.
17. \$	Shri D. S. Bakhle	•	,,		ne Millowners' Association, Elphinstone Bldg. Veer Nariman Rd. Bombay-1.
19. S 20. S	Shri C. V. Shah Shri S. Mangaldas Shri A. P. Shah Shri P. D. Trivedi	}	, "		urashtra Millowners' Association, Dhranga- dhra House, Surendra- nagar.
22. \$	Shri M. L. Soni .	•	,,		P. Cotton Textile Millowners' Committee, 14/69, Civil Lines, Kanpur.

23. Shri S. Srinivasan	. Repr	esenting	Tamil Nad Association,	Miliowners' Madurai-3.
24. Shri G. R. Podar	• ,	,	The Rajasthan Association, Road, Jaipt	Power House
25. R. M. Nanavati	•	,,	Course Reand Baroda Co. Ltd., P.	Gujarat Mills ries, Race oad, Baroda Spg. & Wvg. B. No. 57, Near Bhadra,
B. CO	TTON	TEXTIL	E MILLS	
26. Shri M. N. Shah 27. Shri R. B. Mehta 28. Shri K. M. Medhora	·) Repr	resenting	Mills Ltd.,	oad Advance Outside Delhi No. 18, Ah-
			Road, Bom Central Indi & Mfg. Co	ls Ltd., Dadar bay-14. a Spg, Wvg. b. Ltd., "The ills", Nagpur.
29. Shri P. D. Gandhi	- (17	••		nd Mills Ltd., Post, Rakhial edbad-10.
30. Shri S. Narayanan	स	यमेव जय	Pvt. Ltd., 134, Coimb	Post Box No.
31. Shri B. Raha 32. Shri C. Hankins	:	**	Manufactu Neville H	Dyeing & ring Co. Ltd., ouse, Graham allard Estate,
33, Shri C. C. Sampat	•	,,	The Western Mfg. Co. chowki R pokli, Bol	India Spg. & Ltd., Kala-d., Chinch-nbay-12.
34. Shri K. A. Desai 35. Shri M. Banawadi	:}	"	The Rajkum Shilnath C	ar Mills Ltd., amp, Indore.
36, Shri D. T. S. Siva F	lao	,,		ohur Mills Ltd., Main Road,

37. Shri J. D. Patel	. Rep	resenting	Shree Madhusudan Mills Ltd., Globe Mill Passage, Delisle Road, Bombay-13,
38. Shri V. Y. Gadre 39. Shri V. V. Kulkarni	:}	,,	Sri Sahu Chhatarapati Mills, Shahupuri, Kolhapur.
40. Shri V. M. Puranik	•	,,	The Coorla Spg. and Wvg. Co. Ltd., 114, Old Agra. Road, Kurla, Bombay-70.
41. Shri S. Mangaldas	•	,,	The New Jehangir Vakil Mills Co. Ltd., P. B. No. 2, Bhavnagar.
42. Shri J. M. Dalal	•	**	The Marsden Spg. & Mfg. Co. Ltd., Gomtipur Post, Rakhial Road, Ahmed- abad-10.
43. Shri D. J. Madan			The Gokak Mills Ltd., Gokak Falls, Dist., Bel- gaum
44. Shri P. D. Tekriwal		"	The Ajudhia Textiles Ltd., G. T. Road, Azadpur, Delhi.
45. Shri M. P. N. Mud liar. 46. Shri V. S. S. Mudali	2.1.3	1111	The South India Co-operative Spg. Mills Ltd., Pettai Post, Tirunelveli-4.
47. Shri S. C. Bose 48. Shri S. C. Jain	:}		The Hira Mills Ltd., Agar Road, Ujjain.
49. Shri M. D. Rathi	सह	रमेव जयते	The Krishna Mills Ltd., Near Railway Station, Beawar.
50. Shri S. Kothari 51. Shri V. D. Khanna	:}	**	The Mahalakshmi Mills Co. Ltd., Beawar.
52. Shri L. Nilsen	•	**	Cawnpore Textiles Ltd., P. B. No. 68, Cooperganj, Kanpur.
53. Shri R. N. Nigam	•	,,	The New Victoria Mills Co. Ltd., 14/1, Civil Lines, Gwaltoli, Kanpur.
54. Shri J. D. Sachdeva 55. Shri S. Kumar	: }	**	The Lord Krishna Textile Mills, P. B. No. 38, Saharanpur.
56. Shri M. P. Mehta	•	,,	The Mohini Mills Ltd., No. 2, Belgharia, 24- Parganas, Dist. Hooghly.

57. Shri S. B. Agarwal .	Representing	Dunbar Mills Ltd., Sham- nagore, 24-Parganas.
58. Shri V. S. Rao .	,,	Madura Mills Co. Ltd., Ambasamudram.
59. Shri R. Jerome .	**	The Sree Meenakshi Mills Ltd., P. B. No. 1, Thirup- parankundram Road, Madurai-1.
		The Alagappa Textiles (Cochin) Ltd., Alagappanagar.
		Vijayamohini Mills Ltd., Thirumalai, Trivan- drum-6.
60. Shri V. H. Mhatre .		The Mysore Spg. & Mfg. Co. Ltd., Malleswaram, Bangalore-3.
61. Shri M. R. Rao .	,,	The Modern Mills Ltd., No. 1, 98, Elphinstone Road, Parel, Bombay-13.
	C. OTHER	s
62. Shri K. R. Marfatia . 63. Shri R. Rungta .	7 / / / / / / 11 / 11 / 11	g East India Cotton Association Ltd., Cotton Exchange Building, Bombay-2.
64. Shri C. Nanjundayya	सन्त्रमेव जय	The Bombay Textile Research Association, Bombay-Agra Road, Ghatkopar, Bombay-77.
65. Dr. T. S. Subramanian 66. Shri S. N. Bhaduri 67. Shri P. S. B. Nayar) } ,,	The Ahmedabad Textile Industry's Research As- sociation, Navrangpura, Ahmedabad-9.
D. GOVE	RNMENT DEI	PARTMENTS
68. Shri I. B. Dutt 69. Shri R. D. Shah 70. Shri G. R. Joshi 71. Shri K. R. Aravamuthan. 72. Shri A. C. Chaudhuri 73. Shri T. V. Sundararajan. 74. Shri R. Seshadri 75. Shri M. S. Srinivasan 76. Shri K. S. Bhujang	Representing	

77. Shri Madan Mohan R. Ruia.78. Shri R. G. Sariya	Representing	Indian Central Cotton Committee, Indian Mercantile Chambers, 14, Nicol Road, Ballard Estate, Bombay-1.
79. Shri A. K. Mitra .	••	The Coal Controller, 1, Council House Street, Calcutta.
80. Shri C. D. Khanna .	,,	Industrial Finance Corporation of India, Reserve Bank Bldg., Parliament Street, New Delhi.
81. Shri P. K. Mitra .		The National Industrial Development Corpora- tion Ltd., P. Box No. 458, Udyog Bhavan, Maulana Azad Road, New Delhi-11.
II. List of persons who all consumers of	ttended the Con yarn held on 19	amission's discussions with 9th July 1962
	OF HANDLO	OM WEAVERS AND TORIES
 Shri M. R. Pulli Shri M.S. Mukhedkar 		The State Industrial Co- operative Association, 9, Bake House Lane, Bombay-1.
 M.P.N. Mudaliar Shri K.A.K. Mudaliar Shri A.J. Arunachalam Shri V.S.S. Mudaliar Shri A. Mariappan 		Madras State Handloom Weavers' Co-operative Society Ltd., 24/1-A Pantheon Road, Egmore, Madras.
8. Shri S. Bancrjii	,,	West Bengal State Hand- loom Weavers' Co- operative Society Ltd., 67, Badridas Temple Street, Calcutta-4.
9. Shri R.M. Dalya 10. Shri F.R. Shah 11. Shri M.V. Datar	} "	The Ichalkaranji Power loom Weavers' Co-operative Association Ltd., Ichalkaranji.
12. Shri N.Y. Shivnekar	**	The Bhiwandi Textile Manufacturers' Association Ltd., Bhiwandi (Dist. Thana).

13.	Shri A.A. Sohel Ansari	Representing	The	West	Khandesh, Tex-
		-	mai	rk Ass	ociation, Dhulia.

14.	Shri R.K. Kamble	•	ገ .	,,	Powerloom	Industries-
	Shri S. Tapadia Shri S. Parikh	•	}	••	Association, Market Bombay-2	Dubash Building,

B. CHAMBERS OF COMMERCE

17. 18.	Shri S. Podar . Shri P. Mahensari	:}	Representing	Bharat merce,	Chamber of State	Com- Bank
					g, (Bara), Calcutta	

- Shri C.H. Shah
 Shri C.M. Shah
- 21. Shri K.T. Shah

Gujarat Vepari Maha-mandal, Gujarat Chamber Building Ashram Road, P.B. No. 162. Ahmedabad.

C. OTHERS

- Representing The 22. Shri P. Mehta
- 23. Shri D. Megji .
- 24. Shri D.S. Kotwal
- 25. S.P. Subramanian

Textile Processors' Association (India), 4th Floor, Co-operative Insurance Building, Sir P. M. Road, Bombay-1.

The Yemmiganur Weavers' 26. Shri M. Somappa . Co-operative Production & Sale Society Ltd., Yemmiganur P.O., Kurnool Dist.

D. GOVERMNENT DEPARTMENTS

- 27. Shri K.R. Aravamuthan Representing The Textile Commissioner. Wittet Road, Ballard
- Shri M.S. Ramnath
 Shri T.V. Sundararajan
 Shri R. Seshdari
- 31. Shri S.S. Aggarwal.

All India Handloom Board, New Queen's Road, Bombay-4.

Estate, Bombay-1.

III. List of persons who attended the commission's group discussions with distributors held on 19th July 1962

A. DEALERS' ASSOCIATIONS

1. 2. 3.		. \ Repr . \ . \	esenting	Bombay Piece-Goods Mer- chants Mahajan, M.J. Market Hall, 250, Sheikh Memon Street, Bombay-2.
5.	Shri H. Gopaldas Shri D. Kejriwal Shri A.K. Agnihotr	;}	,,	The Hindustani Merchants and Commission Agents Association Ltd., 342, Kalbadevi Road, Bombay-2.
7. 8.	Shri D. Parthasarth Shri T.M. Chetty	y. }		The Madras Piecegoods Merchants, Association, 100, Godown Street, Madras-1.
9.	Shri K. P. N. Meno	n	in the	Calicut Retail Cloth & Hosiery Merchants' Association, Dress Land Buildings, Court Road, Calicut-1.
10. 11.	Shri S.K.D. Garg Shri M.L. Garg	:}		The Gwalior Wholesale Cloth Mercantile Associa- tion, Naya Bazar, Lashkar, Gwalior.
	Shri A.B. Sutaria Shri R.V. Shah	: }ायां	पेन जयते	The Maskati Cloth Market Association, Maskati Cloth Market, Railway- pura, Post No. 2, Ahme- dabad.
14. 15.	Shri A. C. Shah Shri C. J. Shah	:}	,,	The Panchkuva Cloth Merchants' Association, 518, Panch Kuva Ahmedabad-2.
16.	Shri S. R. Chakrat	parti	,,	West Bengal Textile Dealers' Association, P-11, Mission Row Extension, Calcutta-1.
17. 18. ₁ 9.	Shri B. B. Sharan Shri S. Mangla Shri R. K. Mahens	. }	,,	Cloth Commission Agents Union, Moti Bazar, Chandni Chowk, Delhi-6.
20. 21. 22.		٤. >	**	Delhi Hindustani Mer- cantile Association, Chandni Chowk, Delhi-6.

		_			
23. 24.	Shri R. Jain Shri B. Baheti .	} Rep	resenting	Maharaja Tukojirao C Market Mercha Association, 68, M Cloth Market, Indon	nts' 4.T.
25. 26.		}	,,	Bhàrat Me rchants' Cham 339, Kalbadevi Ro Bombay-2.	
27. 28.	Shri A. K. Jobanputra Shri M. V. Dhabliwal	a}	,,	Federation of Born Retail Cloth Dea Association, 24/30, Marine Street, Dl Talao, Bombay-2.	lers'
29. 30.		}	,,	North Bihar Mercha Chamber, Bank R Muzaffarpur.	
	B. YARN M	erch.	ANTS' A	SSOCIATIONS	
31. 32.		} Rep	resenting	The Bombay Yarn lechants' Association & change Ltd., 111, Change Building, Tambaka Bombay-3.	Ex-
	Shri J. A. Shah . Shri B.C. Shah .	}		Shree Ahmedabad Merchants' Assoicia' Sakar Bazar, Ahm bad-2.	tion,
	C. 5	SELLI	NG AGE	NTS	
35.	Shri M, Dwarkadas	Repr	esenting	Chaturbhuj Gordhanda Co., 20-22, Champa C Mulji Jetha Ma Bombay-2.	Galli,
36.	Shri K. T. Sonney .		,,	Beniprasad Krishnage G. T. Road, Phage	
37.	Shri D. Jamnadas .		**	Laxmidas Kalyanji Co., Johri Mansion, Kalbadevi R Bombay-2.	
38.	Shri S. J. Patal .		,,	Harivallabhadas Ka (Pvt.) I td., Sakar B Ahmedabad-2.	lidas azar,
39	Shri L. Laxmidas .		**	Bhagwandas Lalji & 55/57, Champa Gali, bay-2.	Co., Bom-

- 40. Shri R. Mulji Representing Vasonjee Morarjce, 259, Kalbadevi Road, Johri Mansion, Bombay-2.
- 41. Shri K. P. Hamlai , , Doongarsee Gangji & Sons (Pvt.) Ltd., Canada Building, 2nd Floor, Home Street, Fort, Bombay-1.

D. DISTRIBUTORS

- 42. Shri V. Devarajulu Chetty & Sons & Sami Venerata-chelam Chetty & Co., 17-A, Godown Street, Madras-1.
- 44. Shri M. A. Khan ,, The Madras Mills Trading Co., 18/18 A; Central Avenue Road, Gandhi Bagh, P. B. No. 376, Nagpur-2,

E. GOVERNMENT DEPARTMENTS

- 45. Shri K. R. Aravamuthan
 46. Shri T.V. Sundararajan
 47. Shri R. Seshadri

 Representing The Textile Commissioner, Wittet Road, Ballard Estate, Bombay-1
 Estate, Bombay-1
 - IV. List of persons who attended the Commissions discussion with labour Unions held on 20th July 1962

A. LABOUR UNIONS

- 1. Shri G. D. Ambekar
 2. Shri N. S. Deshpande
 3. Shri V. R. Hoshing
 4. Shri G. V. Chitnis
 4. Shri G. V. Chitnis
 5. Shri V. Charas
 6. Shri V. Charas
 7. All-India Trade Union Congress, 4, Ashok Road, New Delhi-1.
 6. Shri V. Charas
- 5. Shri Y. V. Chawan . ,, Mumbai Girni Kamgar Union, Bombay.

B. GOVERNMENT DEPARTMENTS

	B, GO (ERIM		110111111111111111111111111111111111111
6. 7.	Shri K. R. Aravamu- } than	Representing	The Textile Commissioner, Wittet Road, Ballard Estate, Bombay-1,
8. 9.	Shri A. C. Chaudhuri Shri T. V. Sundara- rajan		
10.	Shri R. Seshadri .		
11.	Shri N. K. Chadda .	,,	The Regional Labour Commissioner (Central), Wakefield House, Sprott Road, Bombay-1.
12.	Shri R, J. Tamboli	,,	The Labour Commissioner, Government of Maha- rashtra, Framji Cawasji Institute Building, Dhobi Talao, Bombay-2.
V	. List of persons who at exporters held		mmissions discussions with 1962
4. 5. 6. 7. 8. 9.	Thackersey Shri R. A. Podar Shri C. Shah Shri B. G. Kakatkar Shri G. K. Devarajulu Shri C. V. Radhakri- shanan Shri V. S. Rao Shri B. Raha Shri M. R. Hingorani Shri H. A. Bharucha Shri C. C. Javeri Shri K. K. Seth Shri S. O. Shroff Shri R. V. Vora Shri P. N. Joshi	Representing	The Indian Cotton Mills' Federation, Elphinstone Building, Veer Nnariman Road, Bombay-1. All-India Exporters' Cha- mber, Churchgate House, Churchgate Street, Fort, Bombay-1. The Kanti Cotton Mills Pvt. Ltd., Surendranagar.
17. 18.	than Shri A. N. Ramachandran Shri T. V. Sundarara- jan Shri R. Seshadri Shri H. A. Bagalkot Shii B. C. Shroff	} "	The Textile Commissioner, Wittet Road, Ballard Estate Bombay-1. The Cotton Textile Export Promotion Council Cecil Court, 4th Floor, 26, Lansdowne Road, Apollo Bunder, Bombay-1.

VI. List of persons who attended the Commission's public inquiry on 23rd July 1962

A. COTTON TEXTILE MILLS' ASSOCIATIONS

1. 2. 3. 4. 5. 6. 7.	Shri R. A. Podar Shri K. M. D. Thackersey Shri B. G. Kakatkar Shri R. K. Parikh Shri C. H. Desai Shri C. V. Radhakrishanan Shri R. V. Joshi	presenting	The Indian Cotton Mills' Federation, Elphinstone Building, Veer Nariman Road, Bombay-1.
10. 11.			The Millowners' Associa- tion, Elphinstone Bldg., Veer Nariman Road, Bombay-1.
13. 14.	Shri C. V. Shah Shri L. G. Shukla Shri A. P. Shah Shri P. D. Trivedi	i,	Saurashtra Millowners' Association, Dhran- gadhra House, Surendra- nagar.
17.	Shri G. K. Devarajulu Shri V. S. Rao Shri T. Rangaswamy		The Southern India Millowners' Association, P. Box No. 98, Coimbatore-1.
19. 20.	Shri N. Sakarlal . Shri K. C. Parikh . }	ामुब जयते	The Ahmedabad Mill- owners' Association, Nav- rangpura, P. B. No. 7, Ahmedabad-9.
21. 22.	Shri M. D. Rathi . Shri S. G. Seksaria . }	**	The Rajasthan Textile Mills Association, Power House Road, Jaipur.
23. 24.		,,	Bengal Millowners' Association, 2, Church Lane, Calcutta-1.
25.	Shri S. Bhandari .	,,	The Madhya Pradesh Millowners' Association, 8, South Tukoganj, St. No. 1, Indore.
26.	Shri S. Srinivasan .	,,	Tamil Nad Millowners Association, Madurai-3.

B. ASSOCIATIONS OF HANDLOOM WEAVERS AND POWERLOOM FACTORIES

Shri M. P. N. Mudalar | Representing loom Weavers' Cooperative Society Ltd., Balasundaram Buildings, 34/1-A, Pantheon Road, Egmore, Madras-8.

29. Shri R. M. Dalya . ,, The Ichalkaranji Power-loom Weavers' Co-operative Association Ltd., Ichalkaranji (Dist. Kolhapur).

30. Shri S. Tapadia , ,, Powerloom Industries Association, Dubash Market Building, Bombay-2.

C. YARN MERCHANTS ASSOCIATION

31. Shri K. K. Seth . Representing The Bombay Yarn Merchants' Association & Exchange Ltd., 111, Chawala Building, Tambakanta, Bombay-3.

D. DISTRIBUTORS

32. Shri V. Devarajulu
Chetty.
33. Shri V. Janardanan

Representing V. Devarajulu Chetty & Sons and Sami Vencata-chelam Chetty & Co.,
17-A, Godown Street,
Madras-1.

E. DEALERS' ASSOCIATIONS

34. Shri A. B. Sutaria . Representing The Maskati Cloth Market Association, Maskati Cloth Market, Railway-pura Post No. 2, Ahmedabad.

35. Shri N. L. Shah . } , Bombay Piece-Goods Merchants' Mahajan, Mulji Jetha Market Hall, 250, Sheikh Memon Street, Bombay-2.

37. Shri Ganpat Rai . } , Delhi Hindustani Mercantile Association,

Chandni Chowk, Delhi-6.

39. Shri H. Gopaldas . Representing The Hindustani Мет-40. Shri A. K. Agnihotri chants & Commission Agents Association Ltd., 342, Kalbadevi Road. Bombay-2. 41. Shri D. Parthasar-The Madras Piecegoods Merchants' Association, thy 100. Godown Street, Madras-1. 42. Shri B. B. Sharan Cloth Commission Agents ,, Union, Moti Bazar Chandni Chowk, Delhi-6. 43. Shri A. C. Shah The Panchkuva Cloth Merchants' Association, 518, Panch Kuva, Ahmedabad-2. F. OTHERS 44. Shri Prabhu Mehta . Representing Textile Machinery Manufacturers' Association. Brabourne Stadium, 87. Veer Nariman Road. Bombay-1. 45. Shri K. A. S. Rao Shree Niwas Cotton Mills Ltd., Delisle सत्यमेव जयत Lower Parel, P. B. No. 13, Bombay-13. Vimms Corporation, 46. Shri V. D. Kapadia 10 Bruce Street, Fort. Bombay-1. G. LABOUR UNIONS 47. Shri G. D. Ambekar Representing Indian National Trade Congress, 17, Union Janpath, New Delhi-1. 48. Shri G. V. Chitnis . All India

Trade Union

Congress, 4, Ashok Road.

New Delhi-1.

H. GOVERNMENT DEPARTMENTS

 Shri Anil De Shri I. B. Dutt Shri G. R. Joshi Shri K. R. Aravamuthan. Shri M. S. Ramnath Shri R. K. Rakshit . Shri A. C. Chaudhuri Shri A. N. Ramachandran Shri T. V. Sundararajan Shri R. Seshadri Shri M. S. Srinivasan 		The Textile Commissioner, Wittet Road, Ballard Estate, Bombay-1.
60. Shri R. G. Saraiya .		Indin Central Cotton Committee, 14, Nicol Road, Ballard Estate, Bombay-1.
61. Shri B. C. Shroff . 62. Shri S. Viswanah .	} "	The Cotton Textile Export Promotion Council, Cecil Court, 4th Floor, 26, Lansdowne Road, Apollo Bunder, Bombay-1.
63. Shri P. K. Mitra .	स्यमेव जयते	The National Industrial Development Corporation Ltd., Post Box No. 458, Udyog Bhavan, Maulana Azad Road, New Delhi.
64. Shri I. Mahadevan .	**	Government of Madras, Madras.
65. Shri M. A. Doshi .	"	Government of Gujarat, Ahmedabad.
66. Shri A. R. Bhat .	,,	Government of Maharashtra, Bombay.

APPENDIX VIÍI

[Vide paragraph 3.2]

A-Statement showing the types of spindles installed as on 1st January, 1961

		Mule			Ring Warp	۵		Ring Weft		ŭ	Total	
States	Spinning mills	Composite Total	Total	Spinning mills	Spinning Composite mills mills	Total	Spinning mills	Spinning Composite mills mills	Total	Spinning (mills	Spinning Composite mills mills	Total
Andhra Pradesh	:	:	:	143,829	42,720	186,549		17,832	17,832	17,832 143,829	60,552	204,381
Bihar	:	:	:	(2) (2)	19,856	19,856		13,728	13,728	:	33,584	33,584
Gujarat	:	:	•	144,854	1,590,346 1,735,210	1,735,210	11,856	11,856 1,152,912 1,164,768 156,720 2,743,258 2,899,978	1,164,768	156,720 2	,743,258 2	899,978
(a) Ahmedabad City	:	:	;	51,984	0001/01	1,157,776 1,209,760	5,212	877,568	882,780	57,196	57,196 2,035,344 2,092,540	,092,540
(b) Rest of Gujarat	:	:	:	92,880	432,570	525,450	6,644	275,344	281,988	99,524	707,914	807,438
Kerala	:	:	:	130,076	63,348	193,424	452	14,392	14,844	130,528	77,740	208,268
Madhya Pradesh	:	:	:	096'6	288,236	298,196	5,292	194,132	199,424	15,252	482,368	497,620
Madras	:	:	:	1,968,858	1,968,858 1,121,998 3,090,856	3,090,856	9,344	41,644	50,988	1,978,202	1,163,642 3,141,844	.141,844
Maharashtra .	:	:	:	124,776	2,632,740 2,757,516	2,757,516	22,744	1,376,046	1,398,790	147,520	4,008,786 4,156,306	,156,306
(a) Bombay City. (b) Rest of Maharashtra.	::	:;	::	82,208 42,568	82,208 2,031,900 42,568 600,840	2,114,108 643,408	1,600 21,144	1,129,578 246,468	1,131,178 267,612	83,808 63,712	3,161,478 3,245,286 847,308 911,020	,245,286 911,020
Mysore	:	:	:	141,380	287,284	428,664	:	21,792	21,792	141,380	309,076	450,456
Orissa	:	:	:	11,488	27,720	39,208	:	20,008	20,008	11,488	47,728	59,216
Punjab	:	4,110	4,110	39, 240	56,972	96,252	:	29,988	29,988	39,240	91,070	130,310

				7767				्र वि		mmissioner	Textile Cor	of the	E Se	Source Office of the Textile Commissioner.
3,663,265	,606,882 1	056,383 10	,484,584 3,	3,413,284 3	71,300	94,906 2,923,263 7,160,512 10,083,775 71,300 3,413,284 3,484,584 3,056,383 10,606,882 13,663,265	7,160,512	2,923,263	906'\$6	33,086	61,820	•		Total
79,428	79,428	:	14.704	14,704	É	64,724	64,724	:	:	:	:	. '	•	Pondicherry
168,968	168,968 16	:	71,964	71,964	:	97,004	97,004	:	:	:	:		•	Delhi .
644,794	477,710	167,084	198,270	183,582	14,688	435,448	283,052	152,396	i1.º76	11,676	:		•	West Bengal
836,112	730,640	105,472	235,348	234,052	1,296	\$29,964	486,328	43,636	70,800	10.260	60,540			Uttar Pradesh
152,000	132,332	19,668	32,136	26,508	5,628	110,944	98,184	12,760	8,920	7,640	1,280	٠		Rajasthan .

Nore.—Statewise details of spindleage according to spinning frames installed are not available. However, from the replies furnished by 287 mills having 9.9 million spindles, it is observed that 3 roller types of spindles accounted for 14.6 per cent., 4 roller 27.4 per cent., high draft 54.7 per cent., super high draft 3.1 per cent. and others 0.2 per cent.

B-Statement showing the types and reed spaces of looms installed sa on 1st January, 1961

		Plain looms	9			Automatic Iooms	c Iooms			Others	· s			Total	Total looms	
	Below 40°	Between 40° and 60°	60" and above	Total	Below 40°	Between 40° and 60°	60° and above	Total	Below 40″	Between 40° and 60°	60° and above	Total	Below 40″	Between 40° and 60°	60" and above	Fotal
Andbra Pra- desh.	163	846	219	1,228	:	:	:	:	- 14	1	:	:	163	846	219	1,228
Bihar	8	614	21	734		6	A	6		5	:	:	66	623	21	743
Gujarat .	12,486	35,161	5,448	53,095	948	1,408	156	2,512	Miles		æ	30	13,434	36,5 9	5,634	55,637
(a) Ahmeda- bad City.	619'6	25,430	4,242	39,291	006	1,286	132	2,318	7	31	30	8	10,519	26,716	4,404	41,639
(b) Rest of Gujarat.	2,867	9,731	1,206	13,804	4	122	24	194			:	:	2,915	9,853	1,230	13,998
Kerala .	106	742	220	1,068	•	8	279	329		2	:	:	106	792	499	1,397
Madhya Pra- desh.	2,162	7,914	1,892	11,968	:	195	96	291	w	16	82	103	2,167	8,125	2,070	12,362
Madras .	215	2,996	330	3,601	O.	3,268	392	3,669	36	:	30	26	280	6,264	802	7,346
Maharashtra.	12,612	53,411	9,101	75,124	316	3,220	1,503	5,039	126	4	431	866	13,054	57,072	11,035	81,161
(a) Bombay	989'6	40,769	7,279	57,734	268	3,194	1,479	4,941	:	4	235	379	9,954	44,107	8,993	63,054
(h) Rest of Maharashtra.	2,926	12,642	1,822	17,390	84	56	24	86	126	297	961	619	3,100	12,965	2,042	18,107
Mysore .	682	2,217	391	3,290	:	1,347	:	1,347	:	:	:	:	682	3,564	391	4,637
Orissa	72	756	36	864	:	:	:	:	:	:	:	:	72	756	36	364
Punjab .	402	978	171	1,551	72	180	96	348	:	:	12	12	474	1,158	279	1,911

198,785	23,283	34,351 141,151	34,351	672 1,589	672	730	187	16,312	2,907	1,767 11,638 2,907	1,767	128,783 19,704 180,884	19,704	128,783	32,397	TOTAL .
2,116	13	1,828	275	:	:	5	. 8	518	:	267	251	1,598	2	1,561	24	Pondicherry .
3,728	575	2,657	496	'n	:	€ 5	:	1,586	318	1,097	171	2,137	257	1,555	328	Delhi .
9,135	337	7,958	840	33	7	31	:	513	99	447	:	8,589	569	7,480	840	West Benga!
13,509	975	11,023	1,511	324	81	237	:	131	-	130	:	13,034	887	10,636	1,511	Uttar Pradesh
3 011	397	1,916	869	8 0	er.	:	:	:	:	:		3,003	389	1,916	869	Rajasthan .

Source :- Office of the Textile Commissioner,

APPENDIX IX

(Vide pararaph 3.2)

Statement showing changes in pattern of looms installed in the composite mills

A. ACCORDING TO TYPES OF LOOMS

As on Janu			No. of Mills	Plain	Automatic	Others	Total
1956.	•	•	291	180,404 (88·9)	12,035 (5·9)	10,462 (5·2)	202,901 (100·0)
1957.	•	•	292	180,433 (89·7)	13,198 (6·6)	7,352 (3·7)	200,98 3 (100·0)
1 95 8.		•	295	186,244 (92·5)	13,476 (6·7)	1,560 (0·8)	201,280 (100·0)
1959.			294	184,976 (92·0)	14,844 (7·4)	1,243 (0·6)	201,063 (100·0)
1960.	•	•	293	813,516 (91·6)	14,648 (7·8)	1,108 (0-6)	200,272* (100·0)
1961 .	•	•	286	180,884 (91·0)	16,312 (8·3)	1,580 (0·7)	198,785* (100·0)

B. ACCORDING TO REED SPACES

As	on 1s	t Janu	ary	1	Below 40"	Between 40" & 59"	60" and above	Total
1956	•		•	. 1	37,196 (18·3)	144,888 (71·4)	20,817 (10·3)	202,901 (100·0)
1957	•		•		36,550 (18·2)	143,063 (71·2)	21,370 (10·6)	200,983 (100·0)
1958	•	•	•	•	35,930 (17·9)	143,357 (71·2)	12,993 (10·9)	201,280* (100·0)
1959	•	•	•	•	35,964 (17·9)	142,843 (71·0)	22,256 (11·1)	201,063* (100·0)
1960	•	•	•	•	36,103 (18·0)	141,584 (70·7)	22,585 (11·3)	200,272* (100.0)
1961		•	•	•	34,351 (17·3)	141,151 (71·0)	23,283 (11·7)	198,785 * (100.0)

^{*}Excluding tape looms.

Figures in brackets indicate percentages to the total.

(Source: Office of the Textile Commissioner.)

APPENDIX X

[Vide paragraph 3.32]

Statement showing double frequency distribution of composite mills according to size of spindleage and loomage installed as on 1st January 1961

Size Group					707	LOOMS					
Spindles		0-250 251- 5	251— 500	501— 750	751— 1000	1001— 1250	1251 1	501- 1750	2000	2001— & above	Total
0-10000 .		9	210		100		:	:	:	:	7
10001-20000		ø	35	7	類人			:	:		4
20001—30000.	•	10	33	38	2		gra,	:	:	:	83
30001—40000.	•	٧.	7	17	20	2	57	:	:	:	46
40001—50000.	•	7	9	5	18	H	7	:	:	:	44
20001—60000	•	:	4	>	8	10	ĸ	7	:	:	24
	•	:	-	:	:	4	7	_	-	:	6
. 00001—80000	•	:		:	:	-	т	ю	-	,	10
8000190000	•	:	:	:	:	:	:	-	:	:	-
90001-100000	•	:	:	:	:	:	1	:	:	7	e
100001 & above.		7	:	:	:	1	1	2	:	S	01
TOTAL	•	33	82	62	45	30	12	6	2	∞	283

Note.-Four composite mills which are in fact weaving establishments are not included.

APPENDIX XI

[Vide paragraph 3.5.2]

Statement showing frequency distribution of composite mills and spinning mills according to size of spindleage and loomage installed as on 1st January 1961

on territory	,		•	COMPOSITE MILLS—LOOMS	SITE	MILLS	S-LQ	SWC				Total		Grand
STINDLES	. 18	58	68	900 1199	1499	900—1200—1500—1800 1199 1499 1799 2099	2099	2100—2	40 2699	700—3000— 2999 and above	and and	Site Mills	Ailis Mills	
0—5999	4	:	:	:	म जग					:	:	4	25	53
6000-11999	9		:	101	in a	制	1			:	:	7	38	4 2
12000-17999	10	18	:	:	:	:	:	,		:	:	28	62	8
18000—23999	10	31	7	:	:	:	:	:	:	:	:	84	18	8
24000—29999	4	32	11	:	;	:	:	:	:	:	:	41	16	63
30000-35999	m	m	17	7	:	:	:	:	:	:	:	25	=	36
36000 41999	6	7	21	S	:	:	:	:	:	:	:	31	m	34
42000—47999	-	8	01	=======================================	-	:	:	:	:	:	:	28	က	31
48000—53999	-	m	7	Ξ	(C)	:	:	:	:	:	:	20	4	24

12	9	∞	∞	:	-	m	-	:	0	466	
:	:	:	₩.	:	:	:	:	:	7	183	
12	9	∞	7	:		æ	-	:	7	283	led.
:	:	:	:	:	:	:	:	:	:	:	t includ
:	:	:	:	;	:	:	:	;	7	2	are no
:	:	:	:	,	4		20	LE CONTRACTOR	24	:	ments
:	:	:	:	:		7				60	tablis
:	:	:	7	:	B	T.			71	~	ving e.
7	:	4	7	:	A.			D. 3	A	01	ict wea
m	-	m		:	W		<u> </u>			13	re in fa
S	-	-	7	:	*	(sq.	19	7141	-	38	which a
:	8	:	:	:	:	:	:	:	:	11	te units wh
-	-	:		:	:	:	:	:	:	86	posite
-	:	:	:	:	:	:	:	:	:	43	I) Four con
54000—59999	. 66659—00009	. 6600071999	72000—77999	. 666800087	84000-89999	. 6665600006	96000-101999 .	102000-107999	108000 and above	TOTAL .	Notes.—(1) Four composite units which are in fact weaving establishments are not included

(2) Details in respect of six spinning units and three (waste) spinning units are not available and hence they have also been excluded.

APPENDIX XII

[Vide paragraph 3.7.1]
A-Statement showing production of yarn during the years 1951 to 1961

(In million lbs.)

,	Production	Production	Total		Production	of yarn ace	Production of yarn according to count groups	ount grou	sd
	oy spin- ning mills	by compo- l site mills	Production	1-108	-10s 11-20s	21—40s	41—60s* 61—80s	51—80s	81s and above
	. 174	1,130 (86.7)	1,304 (100.0)	94 (7·2)	625 (47.9)	452 (34·7)	133 (10·2)	::	::
1952 .	. 200 (13·8)	1,249 (86·2)	1,449 (100·0)	127 (8-7)	739 (51·0)	498 (34·4)	88 (6·8)	::	::
1953 .	. 207	1,298 (86·2)	1,50 5 (100·0)	140 (9·3)	782 (51.9)	472 (31·4)	111 (7:4)	::	::
	. 220 (14·1)	1,341 (85·9)	1, 5 61 (100·0)	149 (9.6)	762 (48·8)	536 (34·3)	114 (7·3)	::	::
. 1955	. 226 (13·9)	1,404 (86·1)	1, 6 30 (100)·0	164 (10·1)	753 (46·2)	617 (37·8)	96 (5·3)	::	::
	. 237 (14·2)	1,434 (85·8)	1,671 (100.0)	170 (10·2)	716 (42·8)	683 (40·9)	102 (6·1)	::	::
	. 277 (15·6)	1,503 (84·4)	1,780 (100·0)	181 (10·2)	786 (44·2)	723 (40·6)	(3·2)	23 (1·3)	10 (0·5)

1959	183	658		•	î	?
332 1,405	(10.0)	(38·2)	771 (44·7)	3.8)	33 (1·9)	13 (0·8)
(4.08)	171 (9·9)	572 (32·9)	860 (49·5)	70 (4·0)	46 (2·7)	13 13 18 19
1,530 (80·5)	194 (10-2)	653 (34·4)	924 (48·6)	£ (1·4)	37 (9·1)	15 (0·8)

Notes.—Figures in brackets indicate percentages to total.
*Figures upto and inclusive of 1956 represent 41s and over.
(Source: Office of the Textile Commissioner.)

(In million lbs.) B.—Statement showing production of yarn from different types of cotton during the years 1956 to 1961

Year							1	From waste cotton	From Indian cotton	From foreign cotton	From Indian cotton mixed with foreign cotton	From cotton mixed with staple	Total
1956					.	सद्य		43	1,396	185	41	9 6	1,671
•						मेव	8	(2.6)	(c.g.)	(0.11)	(C.7)	£ \$	1,780
1957	•	•	•	•		ল্	2/	43 (2·3)	(85.6)	(6·6)	(2.5)	(0.3)	(100.0)
1958		•				ते	57	38 (2.3)	1,440 (85.4)	152 (9·0)	49 (2·9)	(0·4)	1,685 (100·0)
[959		•		•	•			41 (2.4)	1,499 (87.0)	127 (7.4)	54 (3·1)	(0·1)	1,723 (100·0)
1960	:	•	•	•	•	•		. 46 (2-6)	1,242 (71 · 5)	199 (11·5)	248 (14·3)	(0·1)	1,737 (100·0)
1961		•	•	•				48 (2.5)	1,206 (63·5)	196 (10·3)	448 (23·6)	(0·1)	1,900 (100·0)

Note.—Figures in brackets indicate percentages to total. (Source: Office of the Textile Commissioner.)

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C-Statement showing loom-state production of cloth during the years 1951 to 1961.

				3)	19				
n yards)	4	Printed	10	333 (8·2)	383 (8.3)	407 (8·3)	492 (9·8)	446 (8·8)	492 (9·3)
(In million yards)	Processed cloth	Dyed	6	\$19 (12·7)	629 (13.7)	822 (16·9)	804 (16·1)	699 (13·7)	689 (13·0)
	Pro	Bleached	œ	1,441 (35·4)	1,191 (25.9)	1,321 (27·1)	1,208 (24·2)	1,483 (29·1)	1,703 (32·0)
		Total	7	4,076 (100.0)	4,599 (100.0)	4,878 (100·0)	4,998 (100·0)	5,094 (100·0)	5,307 (100·0)
	ğ.	Super- fine	9	284 (7·0)	195 (4.2)	304 (6·2)	335 (6·7)	301 (5·9)	347 (6·5)
	Loom-state production of cloth	Fine	8	1,348 (33-1)	1,194 (26.0)	839 (17·2)	462 (9·3)	462 (9·1)	444 (8·4)
	state prod	Higher medium	4	स्या	व नय	1	::	::	::
 	Loom	@Lower medium	3	2,081 (51.0)	2,707 (58.9)	3,136 (64·3)	3,691 (73·8)	3,759 (73·8)	3,797 (71·6)
		Coarse	2	363 (8·9)	503 (10.9)	599 (12·3)	\$10 (10·2)	572 (11·2)	719 (13·5)
						•			•
					•	•	•		•
	700	1 (4)	1	1951 .	1952 .	1953 .	1954 .	1955 .	1956 .

-			7	3	4	\$	9	7	œ	6	10
1957 .			1,164 (21 · 9)	3,503 (6.59)		383 (7·2)	267 (5·0)	5,317 (100·0)	1,775	693 (13·0)	538 (10·1)
1958 .	•	•	970 (19·7)	3,396 (68.9)	THE PERSON NAMED IN	303 (6·2)	2 58 (5·2)	4,927 (100·0)	1,723 (35·0)	804 (16·3)	580 (11·8)
1959 .	•	•	892 (18·1)	1,742 (35-4)	1,758 (35·7)	242 (4·9)	291 (5·9)	4,92 5 (100·0)	1,813 (36·8)	767 (15·6)	652 (13·2)
. 0961	•	•	705 (14·0)	1,739 (34.4)	2,074 (41·1)	229 (4·5)	301 (6·0)	5,048 (100·0)	1,861 (36·9)	789 (15·6)	622 (12·3)
1961 .	•	•	864 (16·8)	1,663 (32·4)	2,179 (42·4)	196 (3·8)	238 (4·6)	5,140 (100·0)	1,914 (37·2)	878 (17·1)	675 (13·1)

Notes.—Figures in brackets indicate percentages to total.

@Figures upto 1958 are inclusive of higher medium categories of fabrics.

(Source: Office of the Textile Commissioner.)

APPENDIX XIII

[Vide paragraph 4.1.3.2]

Statement showing the staple-wise production of cotton since 1955-56

(In '000 bales of 392 lbs.)

,	Superior long	long	Long staple		Superior medium	edium	Medium staple	staple	Short staple	staple	Total	-
	staple (1" and above)	bove)	(28/32" to 31/32")	1/32")		27/32")	(23/32" 10	25/32")	staple (13/16" to 27/32") (23/32" to 25/32")11/16" and below)	below)	į	j
	Qty.	%	Qty.	%		%	Qty.	%	Qty.	%	Qty.	%
955-56	30\$	00	1,272	- F	1,217	30	545	14	662	17	4,001	100
956-57	329	7	1,549	333	1,545	32	605	13	707	15	4,735	8
1957-58	338	7	1,633	34	1,397	30	572	12	799	11	4,739	8
958-59	382	00	1,386	8	1,662	35	426	6	830	18	4,686	8
929-60	451	12	1,382	36	1,071	28	279	7	652	11	3,835	8
960-61	517	0	1,924	36	1,762	33	450	∞	741	4	5,394	8
inal esti- mates)			1,873	42			1,784	4	843	18	4,500	8

*Revised subsequently to 36.78 lakh bales. †Provisional.

(Source: Indian Central Cotton Committee.)

APPENDIX XIV

(Vide paragraph 4·1·3·3)

Statement showin Variety-wise area and production of cotton in India

			t	AREA (Thousand acres)	acres)					(Thous	PRODUCTION (Thousand bales of 392 lbs. each)	PRODUCTION nd bales of 392 lb	r os. each)		
irade Jesstipiton	1955-	56 19:	56-57	957-58	958-59	1955-56 1956-57 1957-58 1958-59 1959-60 1960-61 Pariall revised	· ·	1961-62 Final estimates	1955-56	1956-57	1955-56 1956-57 1957-58 1958-59 1959-60 1960-61 Partially revised	1958-59	1959-60		1961-62 Final estimates
Bengals	6	931	876	1,066	1,164	1,014	1,011	1,339	306	322	461	397	429	477	929
Americans	. 4.0	4,023	3,543	3,328	3,349	5,102	5,325	5,253	1,095	1,389	1,176	1,039	1,445	1,721	1,394
Sea Island 'Andrews' .	•	:	:			₩.	6	01		:	:	:	-	'n	4
Virnar (incld. Jarilla)	3,217		3,157	3,350	3,590	3,751	3,146	2,945	428	725	809	744	411	842	78
H420 (incld. Verum & others)		159	744	734	722	167	146	148	70	153	136	136	12	53	13
Ooniras	. 2,2	2,282	1,852	1,610	1,381	830	820	702	260	327	283	228	66	171	88
Hyderabad-Gaorani	. 1,7	. 799	2,030	1,031	1,067	1,068	1,093	1,037	173	270	160	147	113	274	128
Malvi	. 1,3	,394	810,1	1,143	1,127	8	834	1,020	223	249	254	196	114	146	97
Broach-Vijay	. 1,3	,343	1,506	1,442	1,485	1,252	1,298	1,186	445	340	34	454	265	480	439
Surti-Vijalpa(incld. Suyog)		695	710	754	705	909	627	630	219	169	162	212	119	231	611
Dholleras	2,104		2,088	2,345	2,409	1,807	1,762	1,912	487	* 08	368	638	272	519	903
Southerns	. 1,972		2,314	3,140	2,875	2,126	2,557	2,373	239	366	267	484	374	‡	440
Comilias		26	\$\$	53	52	\$	49	15	91	17	91	Ξ	19	11	13
Desi varieties of Vidarbha region	iha	;	:	•		123	1 61	104	:	;	:	:	30	4	Ξ
Total	879,978	1	19,893	19,996	19,926	18,804	18,81	18,710	4,001	4,735	4,739	4,686	3,678	5,390	4,500

(Source : Indian Central Cotton Committee.)

APPENDIX XV

(Vide paragraph 4.4) Statement showing imports of foreign cotton

(Qty. in bales; Value in lakh Rupees)

Countries and	1948-49	49	1956	26	61	1957	1958	8 8	1959	<u>6</u>	1960	0	1961	=	1962 (JanMar.	nMar.)
staple lengths	Qty.	Value	Ą.	Value	Qty.	Value	Ş.	Value	ŝ	Value	ĝ	Value	Š	Value	Qty.	Value
I. 1.6/16 and above.																
Egypt .	258,349	2,884	2,884 160,622	1,526	78,266	866	60,289	557	95,687	739	92,503	842	710'66	927	33,750	306
Sudan .	46,834	417	477 117,698	1,184	62,275	139	77,248	999	149,664	984	93,504	786	102,060	789	38,413	289
Peru	:	:	*	:	12,549	12,549 141	962	00	298	2	524	4	:	:	:	:
TOTAL	335,183	3,361	3,361 278,320	2,710	2,710 153,090 1,878 138,499	1,878	138,499	1,231	1,231 245,649	1,725	186,531	1,632	1,632 201,077	1,716	1,716 72,163	595
II 1 1/16" to 13/16"						व ज		177								
East Afreia	147,549	973	973 249,969	1,815	1,815 101,481 706 139,899	706	139,899	932	932 175,258	997	997 176,878	1,128	1,128 144,062	1,015	42,609	163
U.S.A.	28,901	187	67,258	242	542 477,124	2,231	2,231 120,600	871	106,324	697	697 548,179*		2,970 710,814	4,064	20,486	125
Others .	397,941	1,902	31,404	262	4,072	36	3,162	56	8,314	€.	55.159@	313	35,173	131	49,798‡	574
TOTAL	574,391	3,062	3,062 348,631	2,649	2,649 582,677	2,973	2,973 263,661	1,829	1,829 289,896	1,747	1,747 780,216 4,411 890,049	4,411		5,210	5,210 112,893	862
GRAND TOTAL 909,574 6,423 626,951	909,574	6,423	626,951	5,359	735,767	4,851	102,160	3,060	5,359 735,767 4,851 402,160 3,060 535,545	3,472	3,472 966,747 6 013 1,091,126 6,926 185,056	6 013 1	,091,126	6,926	185,056	1,457

*Includes estimated import of 2.76 lakh bales of cotton of staple lengths of 1" and below.

@Includes estimated import of 0.39 lakh bales of cotton of staple lengths of 1" and below. fincludes ostimated import of 0.90 lakh bales of cotton of staple lengths of 1" and below.

!Includes imports of cotton of staple lengths of 1" and below.

(Source : Indian Central Cotton Committee.)

^{**}Included under 'others'.

APPENDIX XVI

(Vide Paragraph 14.3.2.2)

A.—Statement showing the various types of cotton from which different mixing are used as furnished by the Textile Commissioner

Mixing	Types of cotton from which a number of varieties are selected for the given mixing
14s and 20s	Pratap, Madhya Bharat Jarilla, Vijay, Vidarbha M. P. 197/3, Punjab 320F, Buri-American 0394, Kalyan, Jarilla, Karunganni, Inferior Cambodia, Rajasthan American, Latur G. 12, Hingoli G. 6, Laxmi 'B', Vidarbha Jarilla, foreign cotton e. g., American Strict Middling 15/16" American Good Middling.
24s	Kalyan, 197/3, Digvijay, Lower Surti, 0394, Laxmi, 2087, Vijay, G. 6, LL 54, Punjab 320F Co2, Cambodia, Gaorani, Karunganni.
28s/30s	L. 147, 2087, 197/3, Laxmi, Co2, Amravati, Vijay, Digvijay, 320F, Laxmi, Surti, Cambodia (better quality), foreign cotton, e.g., American Good Middling, California, American Strict Middling 31/32*, AR BP52, Mwanza, Syrian (African.)
32s Com.	CO2, L. 147, 320F, 0394, 2087, Digvijay, Laxmi, foreign cottons e. g., American Good Middling, BP. 52.
34s/38s	Manavadar, CO2, Digvijay, L. 147, Surati, Rajapalayam, 0394. Cambodia (Inferior variety) and foreign cottons, e.g., Syrian, Buzoga, American.
38s Superior	AR BP 52, Egyptian Karnak, Sudan × 14L, Sudan × G2L, American 1", AR Busoga, CO2/170. American Good Middling 1-5/32", African Mwanza.
60s	BP 52, Tanganyika, Kampala, CO2 Gujarat, Sudan, Egyptian, CO2 (1-1/16').
80s	Sudan, G2L, Sudan P2L, Karnak.
1 00s	No information available.

Note,—Soft waste and comber waste are also used for coarser mixing.

B.—Statement showing the various types of cotton from which different mixing are used as furnished by the Indian Cotton Mills Federation

Mixing	Types of cotton from which a number of varieties are selected for the given mixing	Recovery
14s and 20s	Kalyan, Pratap, Mugalai 197/3 Khandesh, Jarilla 27/32, Vidarbha, M. P. 197/3, Punjab 320/F, Jayadhar 27/32, Laxmi 27/32, Western 27/32, Digvijay B 13/16.	82%
24s	Buri American 0394-7/8 Vijay A, Surti (Rajpipla-Jhagadia), Punjab, American H. 14, Javadhar 7/8, Laxmi 7/8 Gourani 6,	83%
28s/30s	Digvijay A, Surat 15/16, Punjab, American 216F, Laxmi 15/16, Karangani 15/16, Cambodia B 15/16, Buri American L, 147. SAME MIXING FOR 30s COMB. Pakistan A. C. 134. and American 1*	84%
32s Comb.	Indian Cotton only. Co2, 134-Cambodia A, Nagar 1" and above, Syrian 1-3/16".	76%
34s/38s	Foreign, American 1-5/32", B.P.52 (Uganda), G5L and G6L, Sudans.	76%
38s Superrior	For Poplins: G3L, G4L.	}
60s	Same as above.	
8 0 s	Qualities Equivalent to G2L and 2S and Sudan Egyptian, Carnac 154, Peruvian Pima, Manufi (Best) 34.	75%
100s	Carnac 151 & G. S.	}



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