



**GOVERNMENT OF INDIA
TARIFF COMMISSION**

REPORT
**On the Continuance of Protection to the
Cotton Textile Machinery (Spinning Ring
Frames, Spindles, Spinning Rings, Fluted
Rollers and Looms) Industry**

BOMBAY 1957

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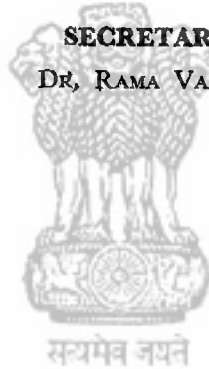
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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF HEAVY INDUSTRIES)

New Delhi, the 15th Nov., 1957.

RESOLUTION

Tariffs

No. 18(5)-T.R./57.—The Tariff Commission has submitted its Report on the continuance of protection to the Cotton Textile Machinery (Spinning ring frames, Spindles, Spinning rings, Fluted rollers and Looms) Industry on the basis of an inquiry undertaken by it under Sections 11(e) and 13 of the Tariff Commission Act, 1951. Its recommendations are as follows:—

- (1) Protection to the cotton textile machinery industry in respect of complete ring frames, spindles, spinning rings, fluted rollers and automatic looms should be continued beyond 31st December, 1957, for a further period of three years ending with 31st December, 1960, and the protective duty should be continued at the existing rate of 10 per cent *ad valorem*.
- (2) Protection in respect of plain looms should be discontinued with effect from 1st January, 1958.
- (3) The Textile Commissioner should take early steps to assess the capacity of the various units licensed to manufacture different items of cotton textile machinery with the help of his technical staff.
- (4) The Inspectorate of the Textile Commissioner should be set up with adequate staff and arrangements made to bring the producers and consumers together at periodical conferences to develop better understanding of the problems confronting both the parties so as to enable the manufacturers of textile machinery to improve the quality of their products according to the requirements of the consuming industry.
- (5) The Textile Commissioner should make arrangements to assess the raw material requirements of individual units in the industry on the basis of the production planned on them, and in consultation with the Iron and Steel Controller and the Coal Commissioner, should take necessary steps to ensure regular supplies of iron, steel and coke to the industry.
- (6) The Forest Research Institute, Dehra Dun, should undertake investigation into the types of wood suitable for looms, and advise the industry of its findings. The industry should get in touch with the institute and provide it with the information which it may require in carrying out the investigation.
- (7) All the manufacturers of cotton textile machinery should take steps to provide quick and adequate after-sale services : the centres where their machines are installed, and lapses on their part should be taken serious notice of by the Inspectorate of the Textile Commissioner.

(8) The cotton textile machinery industry should submit its case for export of its product to the Export Promotion Department of the Ministry of Commerce and Industry, if it is convinced that it can find an export market with reasonable assistance from Government.

2. Government accept recommendations (1) and (2) and the necessary legislation will be undertaken in due course.

3. Government have taken note of recommendations (3) to (6) and will consider suitable action to the extent possible.

4. The attention of the industry is drawn to the latter portion of recommendation (6) and to recommendations (7) and (8).

ORDER

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

S. RANGANATHAN,

Secretary to the Government of India



REPORT ON THE CONTINUANCE OF PROTECTION TO THE COTTON TEXTILE MACHINERY INDUSTRY

1.1. The claim of the cotton textile machinery industry to protection or assistance was first referred to the Tariff Board by Government in July, 1946. The terms of reference covered

Origin of the case. only ring frames, spinning rings and spindles.

In its report to Government, the Board held the view that the claim of the industry to protection was premature and recommended that the inquiry should be postponed and taken up again early in 1948, when the industry was expected to be in a position to submit its costs of production with reasonable accuracy. The Board could, however, undertake the next inquiry only in 1949 when on a further reference from Government the scope of the inquiry was enlarged to cover looms and loom parts also. On the recommendation of the Board, protection was granted to ring frames, spinning rings, spindles and plain looms for use in the cotton textile industry, for a period of three years ended 31st March, 1953, and the protective duty was fixed at 10 per cent. *ad valorem* on all the above articles. In order that the protective duty should be fully effective, Government found it necessary to extend the application of that duty to parts of ring frames also. Under the Finance Act of 1951, a revenue surcharge of 5 per cent. of the customs duty was levied on a large variety of articles which included also the protected categories of cotton textile machinery.

1.2. In 1950, the claims of the fluted and tin rollers sections of the industry to substantive protection, independent of the protection granted to them along with other component parts of ring frames, were referred to the Board. The Board, however, came to the conclusion, after full examination of the case, that, the then existing duty of 10½ per cent. *ad valorem* (inclusive of surcharge) on fluted rollers and tin rollers afforded adequate protection to the industry and, therefore, recommended that the duty on fluted and tin rollers should remain in the protected category so long as complete ring frames continued to enjoy protection, i.e., up to 31st March, 1953. Government accepted that recommendation.

1.3. Protection to the cotton textile machinery industry which was due to expire on 31st March, 1953, was extended on the advice of the Tariff Commission, first up to 31st December, 1953, by the Indian Tariff (First Amendment) Act, 1952, and subsequently up to 31st December, 1954, by the Indian Tariff (Third Amendment) Act, 1953.

1.4. The last inquiry into this industry was held by the Commission in 1954. On its recommendation the protection granted to tin rollers was discontinued. The period of protection to ring frames, spinning rings, spindles and fluted rollers was extended up to 31st December, 1957, at the existing rate of duty. In the case of looms, the scope of protection was enlarged to cover all kinds of looms and the period of protection was extended up to 31st December, 1957, at the same rate of duty as was applicable to plain looms. By Finance (No. 2) Act, 1957, the rate of protective duty on cotton textile machinery was reduced to 10 per cent. *ad valorem* with effect from 16th May, 1957.

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

Present inquiry.

3.1. On 10th April, 1951, a press note was issued requesting firms, associations and others interested in the industry to obtain copies of the relevant questionnaires from the Secretary to the Commission and to submit their replies.

Method of inquiry.

Simultaneously, questionnaires were issued to the known producers, consumers and importers of protected articles of cotton textile machinery. The Textile Commissioner was requested to forward a detailed memorandum on the progress made by the industry since the Commission's last inquiry. The Iron and Steel Controller, Calcutta, was requested to furnish information regarding the supply position of iron and steel required by the industry. The State Governments of Bombay, Madras, West Bengal, Mysore and Madhya Pradesh were also addressed for information relating to the problems facing the industry in their respective States and their views in regard to the continuance of protection to the industry. Information was obtained from the Indian Standards Institution about the progress made in laying down standards for the protected items of cotton textile machinery. The Collectors of Customs at the principal ports and the Trade Representatives of the Government of India in the United Kingdom, West Germany and Japan were requested to furnish information about the latest c.i.f./f.o.b. prices of selected types and sizes of cotton textile machinery. A list of those to whom questionnaires were issued and from whom replies or memoranda were received is given in Appendix I.

3.2. Shri S. K. Basu, Cost Accounts Officer, visited the factory of Star Textile Engineering Works Ltd., Bombay, in April, 1957, and examined the cost of production of fluted rollers. He visited the Textile Machinery Corporation Ltd., Belgharia (West Bengal) in May, 1957, and examined the costs of production of ring frames, spinning rings and spindles. He also examined the costs of production of looms at the Central India Machinery Manufacturing Co. Ltd., Birlanagar, Gwalior, during the same month.

3.3. The Commission visited the factory of National Machinery Manufacturers Ltd., Thana, in Bombay, on 4th July, 1957. The Commission also visited the Tata Mills Ltd., Bombay, on 8th July, 1957.

3.4. A public inquiry into the industry was held on 16th July, 1957. A list of those who attended the public inquiry is given in Appendix II.

4. In 1954 the scope of the inquiry included spinning rings frames, spindles, spinning rings, fluted rollers, tin rollers and looms of all kinds. Subsequently protection granted to tin rollers was discontinued with effect from 1st January, 1955. We have, therefore, excluded this item from the scope of the present inquiry. At the public inquiry

Scope of the inquiry.

one company, namely, Texspin (Private) Ltd., Bombay, made a request for inclusion in the scope of the inquiry of a blow-room machine called 'super cotton cleaner' which had been patented in 1954. From the discussion that ensued we gathered that this type of cleaner was not considered to be an essential equipment in textile mills, that every few of them had been imported in the past, and that the above mentioned company was the only one that manufactured it in the country. Texspin's representative also admitted that the cost of indigenous manufacture was lower than the price at which a foreign super cotton cleaner can be imported. We are, therefore, of opinion that there is no *prima facie* case for including 'super cotton cleaners' in the scope of our inquiry which remains limited to spinning ring frames, spindles, spinning rings, fluted rollers and looms of all kinds.

5.1. The recommendations made by the Commission in 1954 on **Implementation of matters other than tariffs and the extent to Commission's recommendations.** which those recommendations have been implemented are given below:—

5.2. "The cotton textile machinery industry deserved high priority in the allocation of materials. The industry should be given all possible assistance in obtaining adequate supplies of materials required by it and especially in building up reasonable stocks of graded pig iron and mild steel."

Government accepted this recommendation and the Iron & Steel Controller, Calcutta, was requested to take necessary action to implement it. The present position regarding raw materials is discussed in paragraph 8.

5.3. "The Collectors of Customs and Director General of Commercial Intelligence and Statistics should, wherever practicable, record imports of spinning ring frames, spinning ring spindles, spinning rings, fluted rollers, tin rollers and plain and automatic looms, in numbers as well as in value".

Government accepted this recommendation. Since January, 1955, the Director General of Commercial Intelligence and Statistics, Calcutta, has been furnishing to the Commission imports of all the items of cotton textile machinery mentioned above both by quantity and value. In the revised and enlarged "Monthly Statistics of the Foreign Trade of India" published by the Director General of Commercial Intelligence and Statistics from January, 1957, imports of cotton textile machinery are recorded under the following heads:—

- Ring frames—cotton
- Fluted rollers for cotton machinery
- Cotton spinning rings
- Cotton spinning ring spindles
- Automatic power looms—cotton
- Plain power looms—cotton
- Silk looms.

5.4 "While imports of textile machinery should be carefully regulated in order to secure a fuller utilisation of domestic capacity, the mill industry should be allowed reasonable freedom to experiment with such improved types of machinery as are not yet manufactured in the country."

We have been informed by Government that the import policy was flexible enough to permit import of those types of machinery which were not manufactured in India. The import policy is discussed in paragraph 10.2.

5.5. "Government should give a clear indication to the textile industry as early as possible of their policy regarding the installation of automatic looms, since the present uncertainty is hampering the development of this section of textile machinery industry."

Government's policy in regard to the installation of automatic looms was defined in the resolution passed in the Lok Sabha on 10th September, 1954. The Resolution reads as follows:—

"The House is of opinion that rationalisation of the textile and the jute industries, where it is necessary in the country's interests, must be encouraged, but the implementation of such schemes should be so regulated as to cause the least amount of displacement of labour in these industries providing reasonable facilities for the employment of such displaced labour."

Government also stated that applications for replacement of plain looms by automatic looms would be considered on merits in each case having regard to the principles laid down in the above Resolution.

5.6. "Government should make suitable arrangements as early as possible to obtain expert technical advice on the quality of textile machinery which the mill industry is required to purchase from indigenous sources by reason of import control. The voluntary co-operation of the textile industry is essential for the healthy growth of the textile machinery industry and this cannot be ensured unless adequate arrangements exist for an impartial investigation of all complaints from the consuming industry about the quality of the indigenous products. A special officer for cotton textile machinery should be appointed in the Ministry of Commerce and Industry to keep a continuous watch over the progress of the cotton textile machinery industry as a whole and to recommend suitable measures to promote its development on sound lines."

An Industrial Adviser has been appointed in the office of the Textile Commissioner Bombay. We understand that an Inspectorate is being set up under him to conduct periodical investigations into the quality of the textile machinery manufactured in the country. The Textile Commissioner expects that when this Inspectorate is established, he will be in a position to assess the improvements made in the textile machinery and to suggest ways and means for further improvements, if necessary. The Inspectorate is also expected to serve as a liaison between the machinery manufacturers and the consumers which in turn would result in more cordial relations between the producers and consumers of the textile machinery.

5.7. "The Indian Standards Institution should expedite the formulation of standard specifications for the various components of cotton textile machinery manufactured in the country."

The Indian Standards Institution has informed us that the following four Committees are actively engaged in the formulation of draft standards for the articles mentioned against each.

- | | |
|--|--|
| (i) The Cotton Weaving Machinery Components Sectional Committee (T. D. C. 29). | Standards for major dimensions and important replacement parts of looms. |
| (ii) The Cotton Spinning Machinery Components Sectional Committee (T. D. C. 30). | Standards for major dimensions of ring frames and cards and for important replacement parts of ring frames and of cards. |
| (iii) Sub-committee for fluted rollers (T. D. C. 24:1) | Standards for fluted rollers. |
| (iv) Sub-committee for spindles (T. D. C. 24:2) | Standards for spindles. |

6.1. The domestic demand for various items of cotton textile machinery is determined (a) by the needs for expansion and modernisation of the cotton textile industry and (b) by that industry's requirements for renovation of old plant and machinery. The extent of expansion and modernisation would be determined by factors relating to the demand for cloth and yarn on the one hand and technological changes brought about in the manufacture of textile goods on the other. The extent of renovation and replacement would depend largely on the result of normal wear and tear arising from the extent of use and age of textile manufacturing plants and machinery.

6.2. Undoubtedly there has been considerable increase in the demand for yarn and cloth as is evidenced by the progressive rise in the output of the various sectors of the industry, namely, textile mills, power looms and hand looms. According to the information furnished by the Ahmedabad Millowners' Association, Ahmedabad, Government had estimated the current annual requirements of cloth at 8,400 million yards of which 7,400 million yards are for domestic consumption and 1,000 million yards for export. The present production of cloth in the country is estimated at 5,700 million yards. To meet the requirements for domestic consumption Government has planned additional production of 1,700 million yards of which 700 million yards will be by the handloom industry, 300 million yards from Ambar Charkha, 200 million yards from the power loom and handloom sector and 350 million yards from expansion of the mill sector exclusively for export. As regards the balance of 150 million yards no final decision has yet been taken.

6.3. For some time, cotton textile manufacturers have contended that unless they are permitted to modernise their plant and machinery to keep pace with developments in other textile manufacturing countries they would find it extremely difficult to compete with them in overseas markets. Taking this factor into account Government have agreed to the installation of 18,000 automatic looms. There are, however, limitations placed on the installation of such automatic looms by the mills. Those mills which wish to add to loomage

by installing automatic looms should give guarantees to export the entire production of cloth from the automatic looms. In addition to this guarantee, mills which had exported cloth in the past should give undertakings to continue to export at least 87·5 per cent. of their export in any one of the past three years of their choice. Further, licences for import of automatic looms will be issued only if the licensee is prepared to buy indigenous looms on the basis of ratios prescribed by Government. If a mill fails to export cloth up to the quantities fixed for it, it will have to pay penal excise duty for the short-fall in export. Also, in the State of Bombay, if any mill wishes to replace plain looms by automatic looms it has to satisfy the State Government that the replacement is made with the concurrence of its labour union.

6.4. It will be obvious from a careful examination of the above mentioned policy of Government regarding expansion in textile mills that the demand for cotton textile machinery is mostly governed by the pace of such expansion. Government's policy, however, forms part of a larger plan and has to be accepted with all its implications. This, however, would apply only to requirements for expansion and modernisation of textile mills. As regards the requirements for renovation and replacement of the existing plant and machinery in textile mills no reliable estimates were made in the past. In order to assess the demand for cotton textile machinery as a whole both for expansion as well as for replacement an *ad hoc* committee consisting of representatives of Government, manufacturers of machinery and producers of cotton textiles was appointed recently. This committee has estimated the demand for spinning ring frames and looms within the frame work of the above policy and on the assumption that during the Second Plan period the per capita consumption of cloth would increase from 18·5 yards to 20 yards. The Committee has also considered requirements for normal replacement demands for the next three years. Its average annual estimates are as follows:—

| | Expansion | Replacement | Total |
|-----------------------------|--------------|-------------|--------------|
| Ring frames | 2060 | 750 | 2810 |
| Looms (Plain) | 4250 | 1875 | 6125 |
| Looms (Automatic) | 6000 | 2500 | 8500 |
| TOTAL | 10250 | 4375 | 14625 |

After discussion of the above estimates at the public inquiry and after satisfying ourselves that all relevant factors have been taken note of by the *ad hoc* committee we have decided to accept the above estimates of demand. We would mention, however, that the estimates for looms are exclusive of the demand for power looms which is estimated at 35,000 over a period of four years.

6.5. The above estimates of demand are based on the needs of the situation both in regard to expansion and replacement. For the demand to materialise eventually the desideratum is the availability of large scale finance and the necessary foreign exchange. It is understood that an organisation has been set up under the Textile Commissioner to assess the financial requirements of individual mills and recommend loans. The progress made in this direction is, however, reported to be limited. The problem is one that would depend for solution on the initiative of the textile mill industry and the assistance which it receives from Government. We would only mention that unless the large scale financial implications of the expansion and renovation are realised and schemes are formulated in this regard, the demand estimated above, which is very essential to the prosperity of the textile machinery manufacturing industry, may not materialise.

6.6. The *ad hoc* committee did not make estimates of demand for spindles, spinning rings and fluted rollers. The Textile Commissioner, however, furnished us with estimates of demand for these articles on the basis of obsolescence reports received by him from the mills. These estimates were discussed at the public inquiry. Representatives of the machinery manufacturers and the textile mills contended at the public inquiry that it would not be fair to estimate the demand for replacements merely on the basis of obsolescence reports. They suggested that the life of the articles would be a more reasonable basis for estimating the replacement demand for spindles, spinning rings and fluted rollers. It was also mentioned that the average life could be taken as 15 years for spindles, 5 years for spinning rings and 20 years for fluted rollers. Agreeing with the above views, the Textile Commissioner submitted revised estimates of annual demand for replacement of spindles, spinning rings and fluted rollers. The revised estimates, which we accept, are given below:—

| | |
|----------------------------|-------------------|
| Spindles | 0.78 million nos. |
| Spinning rings | 2.34 „ |
| <i>Fluted rollers</i> | |
| for ring frames | 8,775 lines |
| for speed frames | 1,593 „ |
| for draw frames | 2,124 „ |
| TOTAL | 12,492 „ |

7.1. A brief history of the cotton textile machinery industry in India will be found in the 1949 and 1951 reports of the Tariff Board and in the 1954 report of the Commission. Further progress in regard to capacity and production is described below.

7.2. *Spinning ring frames*.—In 1954 there were four units namely, Textile Machinery Corporation Ltd., (Texmaco), Belgharia, National Machinery Manufacturers Ltd., Bombay, Textool Company

Ltd., Coimbatore and Ramakrishna Industries (Private) Ltd., Coimbatore, engaged in the production of spinning ring frames. No new unit has been established since then. The two units at Coimbatore have, however, increased their capacity. The aggregate capacity of the four units at present is 804 spinning ring frames a year on single shift which is 18 per cent. more than in 1954. National Machinery Manufacturers Ltd., has been licensed to double its present capacity to 600 spinning ring frames a year on single shift. Another unit, Lakshmiratan Engineering Works Ltd. Bombay, which at present, produces spindles and fluted rollers, is also licensed to manufacture 300 spinning ring frames a year on single shift. This firm has entered into technical collaboration with a Japanese firm and proposes to establish its factory for manufacturing spinning ring frames at Kanpur. When the expansion programme of National Machinery Manufacturers Ltd., is completed and when the new factory of Lakshmiratan Engineering Works Ltd., also goes into production, the total capacity of the industry will increase to 1404 spinning ring frames a year on single shift. The actual production of spinning ring frames since 1954 was as follows :—

| Year | Production (Nos.) |
|----------------|----------------------|
| 1954 | 356 |
| 1955 | 884 |
| 1956 | 1,111 |
| 1957(Jan-May) | 608 |

7.3. *Spindles*.—There are, at present, six units engaged in the manufacture of spindles. They are, Textile Machinery Corporation Ltd., Textool Company Ltd., National Machinery Manufacturer Ltd., Lakshmiratan Engineering Works Ltd., Parmar Mechanic Works, Surendranagar and Sewing Machine Parts Making Works, Surendranagar. The aggregate capacity of these units is 784,400 spindles on single shift. In 1954, there were two more units, namely, Textile Equipment Co. Ltd., Bombay and Indian Textile Supply Co. Ltd., Bombay, which were manufacturing spindles. The capacity of the former was only 18,000 spindles a year, while the latter had a capacity of 30,000. We have not received any information about the Textile Equipment Co. Ltd., nor could the Textile Commissioner furnish us with any information about it. As regards the Indian Textile Supply Co. Ltd. we are informed that it has stopped production. A new unit, namely, Indo-Belga Engineering Co. Ltd., Ahmedabad, has been licensed to produce 60,000 spindles a year on single shift, and an existing unit, namely, Parmar Mechanic Works has been licensed to expand its capacity by 180,000 spindles a year on single shift. After completion of the projects covered by these

two licences, the total capacity for the manufacture of spindles will reach a figure of 10,24,400 a year on single shift. The production of spindles since 1954 was as follows:—

| Year | Production (Nos.) |
|--------------------------|----------------------|
| 1954 | 572,041 |
| 1955 | 773,082 |
| 1956 | 1,047,111 |
| 1957 (Jan-May) | 495,119 |

7.4. *Spinning Rings*.—In 1954, only three units, namely, Textile Machinery Corporation Ltd., National Machinery Manufacturers Ltd. and Textool Company Ltd. produced spinning rings. Two more units, namely, Parmar Mechanic Works and Indo-Belga Engineering Co. Ltd., have been licensed to produce spinning rings. They have not yet started production of spinning rings. The aggregate capacity of the three units, now in production is 572,400 spinning rings a year on single shift. The capacity sanctioned to the two new units is 480,000 spinning rings on single shift. After completion of the two projects covered by the additional licences the capacity for spinning rings will reach a figure of 10,52,400 a year on single shift. The production of spinning rings since 1954 was as follows :

| Year | Production (Nos.) |
|--------------------------|----------------------|
| 1954 | 729,066 |
| 1955 | 932,536 |
| 1956 | 1,262,925 |
| 1957 (Jan-May) | 451,413 |

7.5. *Fluted Rollers*.—Besides the five units, namely, Textile Machinery Corporation, Textool Company Ltd., Lakshmiratan Engineering Works Ltd., National Machinery Manufacturers Ltd. and Star Textile Engineering Works Ltd., Bombay, which were producing fluted rollers in 1954, one more unit, namely, Ramakrishna Industrial (Private) Ltd., is also producing fluted rollers now. The total capacity of the six units is 10,224 lines (25 numbers per line) a year on single shift. Parmar Mechanic Works and Indo-Belga Engineering Co. Ltd., also have been licensed to produce fluted rollers. The combined capacity sanctioned for the two units is 2,448 lines a year

on single shift. The total capacity for fluted rollers after completion of the newly sanctioned projects will be 12,672 lines a year on single shift. The production of fluted rollers since 1954 was as follows:

| Year | Production (Lines) |
|--------------------------|-----------------------|
| 1954 | 9,431 |
| 1955 | 12,909 |
| 1956 | 15,363 |
| 1957 (Jan-May) | 7,030 |

7.6. *Looms.*—In 1954, four units, namely, Central India Machinery Manufacturing Co. Ltd., Gwalior, Cooper Engineering Ltd., Satara, Mysore Machinery Manufacturers Ltd., Bangalore and India Machinery Co. Ltd., Calcutta, were manufacturing looms. The same four units continue to produce looms. No fresh unit has been licensed since then. The combined capacity of the four units is 6,300 a year on single shift. The production since 1954 was as follows:

| Year | Production | | | | Total |
|--------------------------|----------------|--------------------|------------------------|---------------------|-------|
| | Plain looms | Automatic looms | Silk/art silk looms | Dropbox & others | |
| 1954 | 1,649 | 276 | .. | 207 | 2,132 |
| 1955 | 2,381 | 70 | 118 | 139 | 3,008 |
| 1956 | 2,396 | 161 | 380 | 271 | 3,208 |
| 1957 (Jan-May) | 1,174 | 13 | 134 | 9 | 1,330 |

7.7. Details of capacity and production of individual units in respect of the different items of textile machinery enumerated above are given in Appendix III. In this connection we would mention that figures of rated capacity which we received from the manufacturers were not complete in most cases. Nor was a precise assessment possible on the basis of data furnished by the Textile Commissioner. We would, therefore, recommend that the Textile Commissioner should take early steps to assess the capacity of the various units licensed to manufacture different items of cotton textile machinery with the help of his technical staff.

8.1. The principal raw materials required by the industry are coke, pig iron of No. 1 and No. 2 grades, mild steel, free-cutting quality (high sulphur) steel and hard drawn bright flats and bars. Of these, the first three are produced in the country and the other two are imported. We have received complaints from all the manufacturers that they are not receiving adequate supplies of coke,

Raw materials.

iron and steel. Our attention was drawn to the fact that the actual deliveries of iron and steel from indigenous sources fell far short of the quota allotted by the Iron and Steel Controller. The representative of the Iron and Steel Controller, who was present at the inquiry, confirmed this and stated that during the last two years the demand for iron and steel has increased considerably with the result that there has been all round shortage and actual supplies fell far below the allotted quotas. Production, however, did not suffer to any appreciable extent because of liberal imports of iron and steel in 1955 and 1956. The modification of the import control policy in June 1957 has, however, created further difficulties in augmenting the supplies through imports. According to the new policy, licences for the import of steel will hereafter be issued only to actual users and such licences will in the first instance be issued only to cover the certified three months' requirements of the applicants. Further, import licences will generally be restricted to categories and specifications of steel not produced in the country. The only exception will be in the case of users who have not hitherto been receiving quotas of steel from indigenous production and have, therefore, been completely dependent on imported steel. Unless the present import control policy is reviewed quickly and suitable action taken to meet the requirements of iron and steel for the cotton textile machinery manufacturing industry, the industry will be placed under a serious handicap, and its production will suffer. We are informed that the Textile Commissioner has been authorised to sponsor the iron and steel requirements of the industry which are routed through the Development Wing. As regards foundry coke we were informed that supplies were inadequate and irregular. We recommend that the Textile Commissioner should make arrangements to assess the raw material requirements of individual units on the basis of the production planned on them and, in consultation with the Iron and Steel Controller and the Coal Commissioner, should take necessary steps to ensure regular supplies of iron, steel and coke to the industry. We have also received complaints that the quality of the pig iron which manufacturers receive is not always satisfactory and when low manganese iron is received, it has to be brought up to the required specification by adding ferro-manganese. Deliveries of this material from indigenous sources are reported to be irregular and import is banned. The requirements of the industry are comparatively small, and if indigenous supplies are not available, manufacturers may be permitted to import the material. The quality of ring frames has much to do with the quality of the iron which is used, and ferro-manganese is an essential material for improving low grade manganese iron.

8.2. We are informed that the manufacturers of looms are finding it difficult to obtain seasoned quality of wood. The domestic manufacturers are at present using pine wood. It is brought to our notice that in the wood which the manufacturers receive now, there are cracks and other defects, with the result that wastage is high. We recommend that the Forest Research Institute, Dehra Dun, should undertake investigation into the types of wood suitable for looms, and advise the industry of its findings. The industry should also get in touch with the Institute and provide it with the information which it may require in carrying out the investigation.

9.1. The Commission in its last report observed that the quality of indigenous cotton textile machinery had improved considerably but stated that further efforts were required to bring it to the requisite standard. The industry has claimed that the quality of its products has improved considerably. The steps taken by individual units to improve the quality are given below:—

9.1.1. *Texmaco*.—The Company has entered into an agreement with Howa Machinery Ltd., Japan, for technical assistance in the manufacture of cotton spinning machinery. It claims to have improved its castings in the grey iron foundry and obtained better finish. As regards steel components, the Company claims to have made numerous changes in its production methods and established effective control over quality by Patrol Inspection carried out at various stages of manufacture. A statistical quality control unit has also been set up in its works under the guidance of the Indian Statistical Institute.

9.1.2. *National Machinery Manufacturers Ltd.*—This Company is associated with Textile Machinery Makers Ltd. and Tweedales and Smalley Ltd., both of the United Kingdom. The foreign associates have granted to the Company an exclusive licence to use in India their patent rights, trade names and goodwill. The components of the machinery which they manufacture are made in accordance with the specifications and standards laid down by the foreign associates. After the last inquiry on the advice of two leading foundry consultants from its foreign associates, the Company has introduced various systems of metal and sand control and proposes to introduce hot blast cupolas to overcome the difficulties experienced by the poor quality of foundry coke and pig iron allocated to it. Arrangements are stated to exist for periodic visits of various experts from its British associates to examine the performance of machinery and components already installed in textile mills and to advise it on the process of manufacture. It has also introduced statistical quality control on a fairly large scale in all departments.

9.1.3. *Textool Company Ltd.*—The Company has claimed that its products are just as good as imported ones in every respect and that it has facilities for testing raw materials, rough castings and finished products in its laboratories.

9.1.4. *Lakshmiratan Engineering Works Ltd.*—The Company has entered into an agreement with Toyoda Automatic Loom Works Ltd., Japan, for training technical personnel in Japan. It has claimed that its Development Section is constantly making improvement in the use of its tools and in the finish of spindles and fluted rollers. It has fixed its own standard for the manufacture of machinery after studying the standard of S.K.F. Ball Bearing Co. Ltd., and its Japanese collaborator.

9.1.5. *Central India Machinery Manufacturing Co. Ltd.*—This Company is primarily engaged in the production of Plain looms, Drop Box looms and Automatic looms. It has stated that in order to improve the quality of its products and to ensure interchangeability of parts it has increased the use of gauges and fixtures, enforced rigid inspection, and set up a Statistical Quality Control

Unit. For the manufacture of Automatic looms the company entered into agreements in 1955 with (1) Societe Anonyme Metiers Automatiques Picanol of Belgium and (2) Holding Luxembourgeoise Metapic S.A. of Luxembourg and obtained assurances of technical assistance patent rights, and inspection for the commercial manufacture of "Texmaco Picanol A" type of Automatic looms. In accordance with the terms of the agreement the Company sent to Belgium over a year ago one Automatic loom of its manufacture for examination but has received no reply to its letters asking for the Inspection Report and suggestions for any modifications considered necessary. It would thus seem that the company's endeavour to secure technical collaboration for the manufacture of Automatic looms has failed.

9.1.6. *Parmar Mechanic Works*.—The firm has stated that it is continuously trying to improve the quality of its products from practical experience.

9.1.7. *Star Textile Engineering Works Private Ltd.*—This company claims to have given special attention to improve the quality of its fluted rollers by changing the process of manufacture and also by introducing new precision machines, various special tools and equipment for checking dimensions.

9.1.8. *Cooper Engineering Ltd.*—The Company has entered into an agreement with International Meehanite Metal Co. Ltd., London, for training its staff to improve its castings. It claims to have a quality control testing laboratory under fully qualified staff and equipped with latest instruments.

9.2. Out of nineteen textile mills who replied to our questionnaire, nine have made adverse comments of a general nature regarding indigenous cotton textile machinery, while only one, namely, Madura Mills Ltd. has given a list of specific defects in certain supplies of spindles, spinning rings and fluted rollers. This Mill has, however, confirmed that the bulk of the supplies have been satisfactory and that the defects discovered by it have been rectified by the respective manufacturers in subsequent supplies. The Engineering Association of India has stated that improvement has taken place in the quality of indigenous products since our last inquiry in 1954 and that they have been exhibited in certain international exhibitions and the Indian Industries Fair in New Delhi in 1955, where they received commendations for design, finish and performance. The Millowners' Association, Bombay, has agreed that there has been noticeable improvement in the quality of indigenous textile machinery, but the Ahmedabad Millowners' Association has expressed dissatisfaction with the industry's performance in general and after-sales service in particular. The Textile Commissioner is of opinion that considerable improvement in quality has taken place since the last inquiry and that indigenous products have proved quite satisfactory in a number of cases. After a general assessment of the evidence received by us we are of opinion that the quality of spinning ring frames, spinning rings, spindles, fluted rollers and looms (other than automatic looms) of indigenous manufacture is generally satisfactory. The case of indigenous automatic looms, however, is on a different footing, as they have not been installed and proved

on an extensive scale. It would seem that the textile industry, in general, is apprehensive of their quality. It is also to be noted, in this connection, that the arrangement for foreign collaboration made two years ago by the Central India Machinery Manufacturing Co. Ltd. for the specific purpose of ensuring conformity of its automatic loom to the design, construction and quality of the "PIGANOL" Belgian loom has failed. The apprehensions of the textile industry in respect of automatic looms are not, therefore, entirely groundless. A Committee has been constituted recently, under the Chairmanship of the Textile Commissioner, to investigate into the quality of indigenous automatic looms. We suggest that this Committee should, while making its investigation, assess the merits and importance of foreign technical collaboration in the indigenous production of automatic looms. Our anxiety in this regard arises from the fact that the indigenous producer of automatic looms has been provided with a sheltered market through mixing regulations in Import Control, and it is only fair that the buyer should be assured that the investment in automatic looms in the ratios specified in paragraph 10.2.1 will not result in misdirection of his resources over the purchase of indigenous looms.

9.3. We mentioned in our last report that the voluntary co-operation of the textile industry is essential for the healthy growth of the textile machinery industry and that this cannot be ensured unless adequate arrangements exist for an impartial investigation of all complaints from the consuming industry about the quality of the indigenous products. We also recommended the appointment of a Special Officer for cotton textile machinery in the Ministry of Commerce and Industry to keep a continuous watch over the progress of the industry as a whole and to recommend suitable measures for its development on sound lines. We are informed by the Textile Commissioner that there is a proposal to set up an Inspectorate in his office to conduct periodical investigations of the manufacturing process in the factories which produce textile machinery and also to inspect the actual working of the machines in textile mills. This proposal was welcomed by manufacturers of textile machinery as well as by manufacturers of textiles. We recommend that the Inspectorate should be set up with adequate staff without delay and that there should also be arrangements to bring the producers and consumers together at periodical conferences to develop a better understanding of the problems confronting both the parties so as to enable manufacturers of textile machinery to improve the quality of their products according to the requirements of the consuming industry.

9.4. Another complaint that we received from certain consumers was in regard to the poor quality of the after-sales service provided by some machinery manufacturers. It was mentioned that at certain consuming centres, the local agents of machinery manufacturers paid little attention to complaints and invariably referred them to their principals as a result of which long delays and protracted correspondence took place. In our view, the poor quality of service is a major cause of the prejudice against indigenous machinery and needs to be remedied effectively. We, therefore, recommend that all manufacturers of cotton textile machinery should take steps to provide quick and adequate after-sales services at the centres

where their machines are installed, and that lapses on their part should be taken serious notice of by the Inspectorate referred to in the previous paragraph.

10.1. *Imports.*—Imports of spinning ring frames, spindles and looms (plain and automatic), have been recorded in the published **Imports and im-** 'Accounts Relating to the Foreign Trade and **port and export con-** Navigation of India' since April, 1955. Since **trol policy.** January 1957, imports of all the protected items of cotton textile machinery are classified separately in the 'Monthly Statistics of the Foreign Trade of India'. The imports for the period from 1st April, 1955 to 30th June, 1957, are given in the following table:—

| | | 1955 (April-December) | | 1956 | | 1957 (January-June) | |
|------------------------------|-------|--------------------------|-------------------------|--------------|-------------------------|------------------------|-------------------------|
| | | Qty. Nos. | Value Rs. (Lakhs) | Qty. Nos. | Value Rs. (Lakhs) | Qty. Nos. | Value Rs. (Lakhs) |
| Spinning ring frames . . . | 172 | * 43.61 | 679 | 220.52 | 9,803 | 64.65 | |
| Spinning rings . . . | .. | .. | .. | .. | (Cwt) 232 | 3.10 | |
| Spinning ring spindles . . . | .. | 1.18 | .. | 1.91 | 90,481 | 6.62 | |
| Fluted rollers . . . | .. | .. | .. | .. | (Cwt) 513 | 2.92 | |
| Automatic looms . . . | } 623 | 13.53 | 139 | 10.56 | 555 | 31.85 | |
| Plain looms . . . | | | | | 1,724 | 1.18 | |
| Silk looms . . . | .. | .. | .. | .. | 218 | 2.87 | |

10.2. *Import control policy.*

10.2.1. For the purpose of issuing import licences, protected items of cotton textile machinery are included under Sl. No. 5 of Part III of I.T.C. Schedule and are covered by the Capital Goods Licensing Scheme. Details of import control policy for each of the protected items of the cotton textile machinery adopted during each of the licensing periods from July-December, 1954 to October, 1957—March, 1958, are given in Appendix IV. It will be seen that imports of spindles, fluted rollers and plain looms have been completely banned while those of ring frames, rings and automatic and other than plain types of looms are permitted on a restricted basis. From 1st July, 1957, import of one ring frame is allowed for every four ordered with the indigenous manufacturers and import of automatic looms on deferred payment basis is allowed *ad hoc* to actual users

licensed for producing cloth for export purposes. There is, however, a condition, that licences for import will be issued if only the licensee is prepared to buy indigenous looms in the following ratio :—

| No. of Licensed looms | No. of indigenous looms to be ordered |
|-------------------------|---------------------------------------|
| 48 | 24 |
| 96-240 | 48 |
| More than 240 | 96 |

10.2.2. Textile machinery manufacturers have expressed satisfaction with the operation of import control and have observed that the present policy has stimulated development of the industry. On the other hand, the indigenous cotton textile industry through its two Associations at Bombay and Ahmedabad has pleaded for liberalisation of the import licensing policy for cotton textile machinery. The chief reason advanced is that the mill industry has to compete in the foreign markets with formidable rivals established in countries like the United Kingdom, Japan, and Hong Kong where the mills are equipped with latest types of machinery the manufacture of which has not yet started in this country. It has also been urged that by banning imports of textile machinery, the country will be cut off from changes in design and the innovations which the foreign competitors are adopting and the incentive for the domestic manufacturer to improve the quality of his product will also be diminished. It has also pleaded that machinery like shot process spinning frames, direct staple fibre spinning frame tow, waste spinning frames etc. which either make a fundamental departure from the convertible machines, or which the indigenous manufacturers are not in a position to supply according to special specifications should be allowed to be imported freely. The Ahmedabad Mill-owners' Association has requested that imports of automatic looms should be permitted to the fullest extent till such time as Indian looms attained requisite standard. The question of relaxing import control policy has to be considered in relation to the availability of foreign exchange and deferred payment facilities. We, therefore, refrain from making any recommendation in regard to import control policy.

10.3. *Export control policy.*—We are informed that export of indigenous textile machinery and parts thereof is allowed freely without quota restrictions. None of the indigenous manufacturers has, however, exported any of the protected items of cotton textile machinery. Two of the manufacturers have undertaken extensive surveys of export markets in the Middle and Far Eastern countries. The main difficulty experienced by them seems to be competition from foreign countries. The industry is confident of making a headway in exporting indigenous machinery if Government assistance like special arrangements for supply of raw materials, drawback of customs duty on imported raw materials, credit facilities and credit guarantees are afforded to them. We recommend that the industry

should submit its case for export to the Export Promotion Department of the Ministry of Commerce and Industry, if it is convinced that it can find an export market with reasonable assistance from Government.

11. Protected items of cotton textile machinery are classified and assessed to duty under item Nos. 72(34) and 72(40) of the First Schedule to the Indian Tariff Act, 1934. Relevant extracts from that Schedule showing the current rates of duty are reproduced in the following table.

| Item No. | Name of article | Nature of duty | Standard rate of duty | Preferential rate of duty if the article is the produce or manufacture of | | | Duration of protective rates of duty |
|----------|---|----------------|-----------------------------|---|------------------|-------|--------------------------------------|
| | | | | The U.K. | A British Colony | Burma | |
| 72(34) | The following cotton textile machinery and apparatus and parts thereof (other than tin rollers and fluted rollers) by whatever power operated, namely, spinning ring frames, spinning ring spindles and spinning rings. | Protective | 10 per cent <i>ad val.</i> | | | Free | December 31st, 1957. |
| 72(40) | The following textile machinery and parts thereof, by whatever power operated, namely, | | | | | | |
| | (a) Fluted rollers of all kinds. | Protective | 10 per cent. <i>ad val.</i> | | | | December 31st, 1957. |
| | (b) Looms of all kinds. | Protective | 10 per cent. <i>ad val.</i> | | | | December 31st, 1957. |

12.1 Our Cost Accounts Officer has examined the costs of ring frames, spindles, rings and fluted rollers manufactured by TEXMACO, Calcutta, and the costs of plain and automatic looms manufactured by the Central India Machinery Manufacturing Co., Gwalior. The above two units being the largest manufacturers in India of ring frames and looms respectively, the production costs determined for them have been taken to be representative of the industry as a whole. The Cost Accounts Officer also examined the costs of fluted rollers manufactured by Star Textile Engineering Works, Bombay. Since the production of fluted rollers by this firm was very small, the cost data

Commission's estimate of the fair selling prices of indigenous cotton textile machinery, landed costs of imported machinery and the measure of protection required by the indigenous industry.

relating to this firm do not provide a satisfactory basis for estimating the fair selling price of the industry as a whole. We have therefore worked out the fair selling price of fluted rollers on the basis of the data relating to TEXMACO Calcutta only.

12.2. Spinning ring frames, spindles, spinning rings and fluted rollers.

12.2.1. TEXMACO, Calcutta, manufactures different types of ring frames. But from the data available, only the cost of a ring frame of 400 spindles, plain bearing 5/6" lift, 2-5/8" gauge, 4 roller, high draft, could be determined. We have, therefore, adopted for the purposes of costing a ring frame of the above specification, called the standard type. The production during the year 1956 was as follows :

(a) Components of ring frames other than those mentioned against (b), (c), (d) and (e) below, equivalent to 399 numbers of complete standard ring frames, excluding the parts mentioned against (b), (c), (d) and (e) respectively.

(b) spindles—2,78,680 Nos.

(c) fluted rollers—1,31,251 Nos.

(d) rings—4,34,896 Nos.

(e) tin rollers.—3,994 Nos.

The actual assembly of all types of ring frames was, however, 472, as in non-standard types less number of indigenously produced components are used.

12.2.2. As regards future production, our estimates are as under:—

(a) Components of ring frames other than those mentioned against (b), (c), (d) and (e) below equivalent to 600 numbers of complete standard ring frames [without the parts mentioned against (b), (c), (d) and (e)].

(b) spindles—2,75,000 Nos ;

(c) fluted rollers—1,35,000 Nos ;

(d) rings—4,50,000 Nos ;

(e) tin rollers—4,000 Nos ; and

(f) Assembly of standard type of ring frames mentioned above—600 Nos.

12.2.3. Our estimates of fair selling prices per unit of standard ring frames and other components costed by us are as follows:

| | Commis- sion's esti- mate for 1953 | Actuals for 1956 | Estimate for 1957 |
|--|---|------------------------|-------------------------|
| | Rs. | Rs. | Rs. |
| <i>(a) Standard ring frame (per unit):</i> | | | |
| (i) Raw materials and purchased parts | 3,836 | 5,317 | 5,772 |
| (ii) Manufacturing expenses including interest on working capital | 14,320 | 12,470 | 12,282 |
| (iii) Packing charges | 1,335 | 1,606 | 1,606 |
| (iv) Return on block | 4,661 | 2,582 | 2,577 |
| (v) Fair ex-works price | 24,152 | 21,975 | 22,237 |
| (vi) Selling expenses | 1,141 | 955 | 955 |
| (vii) Freight disadvantage | 604 | .. | .. |
| (viii) Insurance in transit | 242 | .. | .. |
| (ix) Fair selling price | 26,139 | 22,930 | 23,192 |
| <i>(b) Spindles 3/8", 12" long plain bearing (per unit):</i> | | | |
| (i) Raw materials and purchased parts | 1'000 | 1'05 | 1'31 |
| (ii) Manufacturing expense including interest on working capital | 4'223 | 3'69 | 3'99 |
| (iii) Packing charges | 0'384 | 0'32 | 0'32 |
| (iv) Return on block | 1'524 | 0'74 | 0'81 |
| (v) Fair ex-works price | 7'131 | 5'80 | 6'43 |
| (vi) Selling expenses | 0'337 | 0'20 | 0'20 |
| (vii) Freight disadvantage | 0'121 | .. | .. |
| (viii) Insurance in transit | 0'071 | .. | .. |
| (ix) Fair selling price | 7'660 | 6'00 | 6'63 |
| <i>(c) Rings reversible (double flanged) 1 5/8" diameter (per unit):</i> | | | |
| (i) Raw materials and purchased parts | 0'159 | 0'18 | 0'21 |
| (ii) Manufacturing expenses including interest on working capital | 1'015 | 0'59 | 0'61 |
| (iii) Packing charges | 0'086 | 0'06 | 0'06 |
| (iv) Return on block | 0'327 | 0'12 | 0'13 |
| (v) Fair ex-works price | 1'587 | 0'95 | 1'01 |
| (vi) Selling expenses | 0'075 | 0'03 | 0'03 |
| (vii) Freight disadvantage | 0'027 | .. | .. |
| (viii) Insurance in transit | 0'016 | .. | .. |
| (ix) Fair selling price | 1'705 | 0'98 | 1'04 |

| | Commis- sion's esti- mate for 1953 | Actuals for 1956 | Estimate for 1957 |
|--|---|------------------------|-------------------------|
| | Rs. | Rs. | Rs. |
| (d) <i>Fluted roller 7/8" dia. and 21" staff length (per unit) :</i> | | | |
| (i) Raw materials | 1.090 | 2.11 | 2.15 |
| (ii) Manufacturing expenses including interest on working capital | 7.800 | 5.07 | 5.18 |
| (iii) Packing charges | 0.222 | 0.71 | 0.71 |
| (iv) Return on block | 1.962 | 1.11 | 1.12 |
| (v) Fair ex-works price | 11.074 | 9.00 | 9.16 |
| (vi) Selling expenses | 0.543 | 0.32 | 0.32 |
| (vii) Freight disadvantage | 0.188 | .. | .. |
| (viii) Insurance in transit | 0.111 | .. | .. |
| (ix) Fair selling price | 11.916 | 9.32 | 9.48 |
| (e) <i>Fluted rollers 1" dia. and 21" staff length (per unit) :</i> | | | |
| (i) Raw materials | | 2.75 | 2.80 |
| (ii) Manufacturing expenses including interest on working capital | | 5.09 | 5.19 |
| (iii) Packing charges | | 0.71 | 0.71 |
| (iv) Return on block | | 1.21 | 1.21 |
| (v) Fair ex-works price | | 9.76 | 9.91 |
| (vi) Selling expenses | | 0.32 | 0.32 |
| (vii) Fair selling price | | 10.68 | 10.23 |

12.2.4. *Manufacturing expenses.*—A comparison of the estimated fair selling prices for the years 1956 and 1957 with the previous estimates shows that the firm has effected substantial saving in the manufacturing expenses but it has been largely offset by considerable increases in the cost of most of the raw materials.

12.2.5. *Interest on working capital* has been calculated at 5.5 per cent. per annum on $4\frac{1}{2}$ months costs of production excluding depreciation.

12.2.6. *Return on block* has been provided at 10 per cent. of the original cost of block.

12.2.7. *Selling expenses.*—At the last inquiry selling expenses had been allowed at 5 per cent. on the costs of production excluding packing charges. In the estimates for 1957 the actual selling expenses incurred in 1956 have been allowed.

12.2.8. *Freight disadvantage and insurance in transit.*—In 1949 the Tariff Board added freight disadvantage to the costs of production of spinning ring frames, spindles, spinning rings and fluted rollers, as the major producing unit was situated in Calcutta and it had to find market in different parts of the country. In 1954, the same practice was followed. Since then, National Machinery Manufacturers Ltd., Bombay, has come into full production and two units at the principal consuming centre of Coimbatore in the South have increased their capacity and are in full production. In view of the changed circumstances, we do not think that the freight disadvantage and insurance in transit should be allowed in the case of spinning ring frames, spindles, spinning rings and fluted rollers.

12.3. *Spinning ring frames.*

12.3.1. *C.I.F. prices and landed costs of ring frames.*—Imported ring frames are of many different types and specifications and it was difficult to get a quotation for the type of ring frame costed by us. The c.i.f. price of a ring frame of a specification very near to that for the standard ring frame was furnished by only one party, namely, Indian Textile Engineers Private Ltd., based on a machine at present on order. The order is placed in U.K. and the landed cost thereof is as follows :

| Source | U.K. |
|--|---|
| Specification | 400 spindles, 2 5/8" gauge, 5/8" lift 4 rollers, high draft. ● |
| | Per ring frame) |
| | Rs. |
| (i) C.I.F. price | 33,370 |
| (ii) Customs duty @10·5% | 3,504 |
| (iii) Clearing charges | 189 |
| (iv) Landed cost with duty | 37,063 |
| (v) Landed cost without duty | 33,559 |

It will be seen from the above statement that the landed cost ex-duty of the U.K. product is 44·7 per cent. more than the fair selling price of the indigenous product and that the latter does not suffer from a disadvantage in this regard.

12.3.2. The producers also agreed that they do not anticipate any competition from either European or American sources. The only source from which they apprehend competition is *Japan*. Recent imports from Japan are of types which are not strictly comparable with the standard type of ring frames for which the fair selling price has been estimated. Further, imported ring frames may include accessories and attachments according to the requirements of the customer. However, the lowest c.i.f. price of a ring frame of Japanese origin furnished by the Collector of Customs, Cochin is as follows:—

| | |
|--|------------------|
| Specification : R. F. type | 440 spindles |
| | (Per ring frame) |
| | Rs. |
| (i) C. I. F. price | 22,594 |
| (ii) Customs duty | 2,372 |
| (iii) Clearing charges | 50 |
| (iv) Landed cost with duty | 25,016 |
| (v) Landed cost without duty | 22,644 |

12.3.3. *Comparison of landed costs of imported ring frames with the fair selling prices of indigenous ring frames.*—A comparison of the landed costs without duty of British and Japanese ring frames with the selling prices of indigenous ring frames is given below:

| | (Per ring frame) | |
|---|------------------|--------|
| | U. K. | Japan |
| | Rs. | Rs. |
| (i) C. I. F. price | 33,370 | 22,594 |
| (ii) Landed cost ex-duty | 33,559 | 22,644 |
| (iii) Fair selling price | 23,192 | 23,192 |
| (iv) Difference between (iii) and (ii) | (-)10,367 | 548 |
| (v) Difference (iv) as a percentage of c.i.f. price | .. | 2.4 |

It will be seen from the above table, that as compared with Japanese ring frames, there is disadvantage for indigenous ring frames in spite of the fact that the Japanese quotation is for a ring frame of 440 spindles while the fair selling price estimated by us is for a ring frame of 400 spindles only. Obviously, the disadvantage would be more if the quotation was for a Japanese ring frame of only 400 spindles.

12.4. *Comparison of landed costs of spindles with the fair selling prices of indigenous plain spindles.*—We understand that plain spindles are no longer imported and that c.i.f. prices of this type of spindles are not available.

12.5. *Spinning rings.*

12.5.1. *C.I.F. prices and landed costs of spinning rings.*—The lowest c.i.f. prices of spinning rings are for those quoted from Germany. The following statement shows the c.i.f. prices of reversible spinning rings 1-5/8" dia. of German make as reported by Popular Import & Export) Trading Co., Bombay :

| | (Per ring) |
|--|------------|
| | Germany |
| | Rs. |
| (i) C. I. F. price | 1.19 |
| (ii) Customs duty @ 10.5% | 0.12 |
| (iii) Clearing charges @ 1½% | 0.02 |
| (iv) Landed cost with duty | 1.33 |
| (v) Landed cost without duty | 1.21 |

12.5.2. *Comparison of landed costs of spinning rings with the fair selling prices of the indigenous products.*—The comparison of the landed costs without duty of imported spinning rings of German origin with the fair selling prices of the corresponding indigenous products is given below:

| | (Per ring) |
|--|------------|
| | Rs. |
| (i) C. I. F. price | 1.19 |
| (ii) Landed cost without duty | 1.21 |
| (iii) Fair selling price | 1.04 |
| (iv) Difference between (iii) and (ii) | (-)0.17 |

It would appear from the above that indigenous spinning rings do not suffer from a disadvantage in price.

12.6. Fluted rollers.

12.6.1. *C.I.F. prices and landed costs of fluted rollers.*—C.I.F. prices and landed costs of fluted rollers of 1" diameter were not available. The following statement shows the c.i.f. prices and landed costs of fluted rollers of 7/8" diameter (calculated for eight spindles) from Germany as quoted by M/s. Popular (Import & Export) Trading Co., Bombay. (No Japanese quotation was available.)

| | Rs. |
|--|--------|
| (i) C. I. F. price | 14' 39 |
| (ii) Customs duty @ 10.5% | 1' 51 |
| (iii) Clearing charges | 0' 22 |
| (iv) Landed cost with duty | 16' 12 |
| (v) Landed cost without duty | 14' 61 |

12.6.2. *Comparison of landed costs of imported fluted rollers with the fair selling price of indigenous fluted rollers.*—In the following statement the landed costs without duty of imported fluted rollers of German origin are compared with the fair selling price of indigenous fluted rollers:

| | Rs. |
|--|-----------|
| (i) C. I. F. price | 14' 39 |
| (ii) Landed cost without duty | 14' 61 |
| (iii) Fair selling price | 9' 48 |
| (iv) Difference between (iii) and (ii) | (-) 5' 13 |

The above comparison indicates that indigenous fluted rollers can stand competition from somewhat similar German products, but, in the absence of the data relating to Japanese products, assessment of the extent of foreign competition is inconclusive.

12.7. Looms.

12.7.1. *Fair selling prices.*—We have examined the cost of production of automatic and plain looms of 52" reed-space manufactured by Central India Machinery Manufacturing Co. Ltd., Gwalior. During the year ended 31-3-1957 the actual production was:

| | Rs. |
|--|-------|
| (i) Plain looms assembled (including drop box looms) | 2,186 |
| (ii) Spares in terms of equivalent number of plain looms | 636 |
| (iii) Automatic looms | 38 |
| (iv) Drop boxes not assembled with looms | 275 |

Future estimates are based on the following production :

| | Rs. |
|--|-------|
| (i) Plain looms | 2,000 |
| (ii) Spares in terms of equivalent number of plain looms | 650 |
| (iii) Automatic looms | 500 |
| (iv) Drop boxes | 150 |
| (v) Dobbies | 200 |

In calculating the fair selling price, interest on working capital has been provided at 5.5 per cent. on $4\frac{1}{2}$ months cost of production and return on block at 10 per cent. per annum. The conversion charges have been allocated to the different products on the basis of estimated time for conversion required. As a somewhat different basis was adopted when estimates were framed in 1954 and 1956, comparison with those estimates has not been made. Freight disadvantage has been allowed at Rs. 76.21 for an automatic loom and Rs. 71.81 for a plain loom. Insurance in transit has been allowed at one per cent. of the ex-factory price.

12.7.2. The fair selling prices of indigenous automatic and plain looms of 52" reed-space, as determined by us, are given below :

| | Plain loose reed 52" R. S. | over pick loom R. S. | Cop-change reed loom 52" R. S. | loose automatic 52" R. S. |
|---|----------------------------|----------------------|--------------------------------|---------------------------|
| | 1956-57 | 1957-58 (estimates) | 1956-57 | 1957-58 (estimates) |
| | Rs. | Rs. | Rs. | Rs. |
| (i) Raw materials | 525.81 (at latest rate) | 525.81 | 928.41 (at latest rate) | 928.41 |
| (ii) Manufacturing expenses including interest on working capital | 1,104.51 | 1,031.62 | 3,070.28 | 2,789.66 |
| (iii) Packing materials | 99.94 | 99.94 | 107.69 | 107.69 |
| (iv) Return on block | 294.53 | 241.02 | 627.91 | 490.87 |
| (v) Fair ex-works price | 2,024.79 | 1,898.39 | 4,734.29 | 4,316.63 |
| (vi) Selling expenses | 93.13 | 93.13 | 217.14 | 217.14 |
| (vii) Freight disadvantage | 71.81 | 71.81 | 76.21 | 76.21 |
| (viii) Insurance in transit | 20.25 | 18.98 | 47.34 | 43.17 |
| (ix) Fair selling price | 2,209.98 | 2,082.31 | 5,074.98 | 4,653.15 |

12.7.3. *C.I.F. prices and landed costs of looms.*—The c.i.f. prices and landed costs for plain looms from the U.K. furnished by M/s. Greaves Cotton & Co., Ltd., Bombay, and those for automatic looms from Japan, furnished by the Association of Merchants and Manufacturers of Textile Stores and Machinery, Bombay, are shown below :—

| | U. K. | JAPAN |
|---|---|--|
| | Plain loose reed over-pick looms 52" R.S. | Cop-change automatic loom, loose reed, 52" R. S. |
| | Rs. | Rs. |
| (i) C. I. F. price | 2,083 | 3,674 |
| (ii) Customs duty @ 10.5% | 218 | 386 |
| (iii) Clearing charges @ 1% | 21 | 37 |
| (iv) Landed costs with duty | 2,322 | 4,097 |
| (v) Landed costs without duty | 2,104 | 3,711 |

12.7.4. *Comparison of landed costs of imported looms with the fair selling prices of indigenous looms.*—The landed costs ex-duty of imported looms compare as follows with the fair selling prices of indigenous looms :

| | Plain over- pick (U.K.) | Automatic cop- changing (JAPAN) |
|--|----------------------------------|--|
| | Rs. | Rs. |
| (i) C. I. F. price | 2,083 | 3,674 |
| (ii) Landed costs without duty | 2,104 | 3,711 |
| (iii) Fair selling price | 2,082 | 4,653 |
| (iv) Difference between (iii) and (ii) | (—) 22 | 942 |
| (v) Difference as a percentage of the c.i.f. price | .. | 25.6% |

It appears from the above that plain looms of indigenous manufacture can withstand competition from looms of U.K. origin, but as no comparison was possible with the landed costs of Japanese looms, assessment of the extent of foreign competition remains inconclusive. In the case of automatic looms, it will be seen that the duty required is 25.6 per cent.

13.1. In the case of complete ring frames a comparison of the fair selling prices of indigenous ring frames with the c.i.f. prices of (ex-duty) of ring frames of Japanese origin fitted with 440 spindles shows a disadvantage of 2.4% for the indigenous product. This comparison is strictly not correct as the indigenous product taken as a standard contains only 400 spindles. The disadvantage in the case of a ring frame of indigenous manufacture with 440 spindles would therefore be greater than 2.4% but a precise estimate is rendered extremely difficult on account of the dissimilarity of the Indian and Japanese products. We, therefore, recommend that the protection already granted to the industry in respect of a complete ring frame should be continued beyond 31st December, 1957, for a further period of 3 years ending with 31st December, 1960, and that the protective duty should be continued at the existing rate of 10 per cent. *ad valorem*.

13.2. In respect of spindles, spinning rings and fluted rollers, we have not been able to obtain c.i.f. prices and landed costs of comparable Japanese products. Comparison of fair selling prices of indigenous spinning rings and fluted rollers with the landed costs relating to German products does not indicate the need for protective duties on these articles. In the case of plain spindles, we have not been able to get any c.i.f. quotations, as they are not allowed to be imported at present. However, as these items form vital components of spinning ring frames, it will not be proper to

withdraw protection to these articles at this stage. After considering all the factors stated above, we recommend that the protection granted to spindles, spinning rings, and fluted rollers should be continued beyond 31st December, 1957, for a period of 3 years ending 31st December, 1960, and that the protective duty at 10 per cent. *ad valorem* may be continued.

13.3 In the case of plain looms it has not been possible to assess the precise extent of protection indicated by a comparison of landed costs with fair selling prices. As, however, the tendency all over the world is to change over to automatic looms, and there is no likelihood of imports taking place, the fear of competition to domestic plain looms is negligible. We, therefore, recommend that protection to plain looms may be discontinued with effect from 1st January, 1958.

13.4. In the case of automatic looms comparison of the domestic fair selling price with the landed cost ex-duty of a Japanese loom indicates a duty of 25.6 per cent. *ad valorem*, while the duty at present is only 10 per cent. *ad valorem*. We have considered carefully whether the rate of duty should be increased to the extent indicated above. The arguments against increase of duty are briefly (1) there is absence of general agreement that the quality of the domestic product is up to the required high standard; (2) the emphasis on quality is fully justified as the entire production of cloth through automatic looms has to be exported and the quality of the cloth produced will, therefore, have to be of a very high standard; (3) as the import of automatic looms is linked up with purchases of similar domestic looms at a ratio indicated in paragraph 10.2.1., the domestic industry has secured a sheltered market to the extent required. Considering all these factors we are of opinion that it is neither necessary nor justifiable that the cost of imported automatic looms should be increased by enhancement of duty on imported looms especially when textile mills are subjected to a measure of compulsion in having to buy a certain number of domestic looms at higher cost if they are interested in securing the balance of their requirements from foreign sources. We, therefore, recommend that protection to automatic looms should be continued beyond 31st December, 1957, for a period of three years ending with 31st December, 1960, and that the rate of duty should be continued at 10 per cent. *ad valorem*.

14. Our conclusions and recommendations are summarised as
Summary of conclusions and recommendations.

14.1. The Textile Commissioner should take early steps to assess the capacity of the various units licensed to manufacture different items of cotton textile machinery with the help of his technical staff.

[Paragraph 7.7]

14.2. The Textile Commissioner should make arrangements to assess the raw material requirements of individual units in the industry on the basis of the production planned on them and in consultation with the Iron and Steel Controller and the Coal Commissioner should take necessary steps to ensure regular supplies of iron, steel and coke to the industry.

[Paragraph 8.1]

14.3 The Forest Research Institute, Dehra Dun should undertake investigation into the types of wood suitable for looms, and advise the industry of its findings. The industry should get in touch with the Institute and provide it with the information which it may require in carrying out the investigation.

[Paragraph 8.2]

set up with adequate staff and arrangements made to bring the

14.4. The Inspectorate of the Textile Commissioner should be producers and consumers together at periodical conferences to develop better understanding of the problems confronting both the parties so as to enable the manufacturers of textile machinery to improve the quality of their products according to the requirements of the consuming industry.

[Paragraph 9.3]

14.5. All the manufacturers of cotton textile machinery should take steps to provide quick and adequate after-sale services at the centres where their machines are installed, and lapses on their part should be taken serious notice of by the Inspectorate of the Textile Commissioner.

[Paragraph 9.4]

14.6. The cotton textile machinery industry should submit its case for export of its product to the Export Promotion Department of the Ministry of Commerce and Industry, if it is convinced that it can find an export market with reasonable assistance from Government.

[Paragraph 10.3]

14.7. Protection to the cotton textile machinery industry in respect of complete ring frames, spindles, spinning rings, fluted rollers and automatic looms should be continued beyond 31st December, 1957, for a further period of three years ending with 31st December, 1960, and the protective duty should be continued at the existing rate of 10 per cent. *ad valorem*.

[Paragraphs 13.1, 13.2 and 13.4]

14.8. Protection to the cotton textile machinery industry in respect of plain looms should be discontinued with effect from 1st January, 1958.

[Paragraph 13.3]

15. We wish to express our thanks to the representatives of producers, importers and consumers for furnishing us with valuable **Acknowledgements.** information on various aspects of the industry and for giving evidence before us.

K. R. DAMLE,
Chairman.

C. RAMASUBBAN,
Member.

S. K. MURANJAN,
Member.

J. N. DUTTA,
Member.

R. S. BHATT,
Member.

RAMA VARMA,
Secretary.

BOMBAY,
Dated 10th October, 1957.



APPENDIX I

(Vide paragraph 3.1)

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

* Indicates those who replied.

† Indicates those who were not interested.

Consumer Mills marked @ stated that the respective Millowners' Associations would reply on their behalf.

A PRODUCERS:

- †1. Acme Manufacturing Company, Ltd., Antop Hill, Wadala, Bombay-19.
- *2. Cooper Engineering Ltd., Satara Road (Southern Rly.).
3. India Machinery Company Ltd., 29 Strand Road, Calcutta.
- *4. Indian Textile Supply Co., Bruce Street, Bombay.
- *5. Lakshmiratan Engineering Works Ltd., Empire House, Hornby Road, Fort, Bombay-1.
- †6. Machinery Manufacturers Corporation Ltd., Hall & Anderson Building, Park St., Calcutta-16.
- *7. Mysore Machinery Manufacturers Ltd., P. B. No. 691, Bangalore-2.
- *8. National Machinery Manufacturers Ltd., Kalwa, Thana.
- *9. Parmar Mechanic Works, Vadi Pura, Surendranagar (W. Rly.).
- *10. Ramakrishna Industrials Ltd., Peclamedu Post, Coimbatore.
- *11. Sewing Machine Parts Making Works, Surendranagar (Saurashtra).
- *12. Star Textile Engineering Works Ltd., Bank of Baroda Building, 12, Apollo Street, Fort Bombay-1.
- *13. Central India Machinery Manufacturers Ltd., P. B. Birlanagar, Gwalior.
- *14. Textile Machinery Corporation Ltd., Belgharia.
- *15. Textool Company Ltd., Post Box No. 221, Coimbatore.
16. Textile Equipment Co., 11-A, Sitalfalwadi, Mount Road, Mazagaon, Bombay-10.
- *17. Ravi Industries Ltd., Nawapada, Bombay-Agra Road, Thana.
- †18. Indo Engineering Works, Hornby Vellard, Opp. Gwalior Palace, Worli, Bombay-18.
19. Indo-Belga Engineering Co. Ltd., Ahmedabad.
- *20. Hindusthan Textile Engineers, Kamer Building, 38, Cawasji Patel Street, Bombay-1.
21. Calico Industrial Engineers, Sone Baug Chakala, Bombay-41.

B. PRODUCERS' ASSOCIATION:

- * The Secretary, The Engineering Association of India, India Exchange, Calcutta.

C. IMPORTERS:

- †1. Associated Textile Engineers, 43, Forbes Street, Fort, Bombay-1.
2. Begg, Sutherland & Co., Ltd. Post Box. No. 11, Kanpur.
- *3. W. H. Brady & Co., Churchgate Street, Bombay.
- *4. Consolidated Mill Supplies Ltd., Co-operative Insurance Building, Sir P. M. Road Fort, Bombay.

5. Duncan Stratton & Co. Ltd., 29, Bank Street, Fort, Bombay-1.
6. Eastern Electrical Co. Ltd., "Rose Bed" Avanashi Road, Coimbatore.
7. Elgin Mills Co. Ltd., Post Box No. 11, Kanpur.
- †8. Engineering & Agencies Ltd., Post Box No. 1291, Bombay.
- *9. Gannon Dunkerley & Co. Ltd., P. O. Box No. 1547, Bombay-1.
- *10. Greaves Cotton & Co. Ltd., 1, Forbes Street, Bombay-1.
- *11. Indian Textile Engineers (P) Ltd., P.B. No. 1589, Bombay-1.
12. Industrial Engineering Co., 45, Apollo Street, Fort, Bombay.
13. T. Mancklal Ltd., 35, Dalal Street, Fort, Bombay.
14. Marketing Corporation of India, Bombay Life Building, Connaught Circus, New Delhi
15. Modi & Modi, 11, Lingha Chetty Street, Madras.
- †16. Ormerods (India) Ltd., Bank of India Building, Apollo Street, Fort, Bombay-1.
17. H. M. Patel & Co., 105, Apollo Street, Fort, Bombay.
18. A. N. Sayal & Sons, 76, Ram Nagar, New Delhi.
19. Sizing Materials Co. Ltd., Jerro Building, 137, Mahatma Gandhi Road, Bombay-1.
20. Sorrajinal Nagarmall, 8, Dalhousie Square (East), Calcutta.
21. Swastic Textile Trading Co., Ltd., Motilal Hirabhai Market, Railwaypura Post, Ahmedabad-2.
22. Textile & General Supplies Ltd., Flora Fountain, Fort, Bombay.
- †23. Textile Supplies Syndicate (India) Ltd., Kermani Building, Sir P. M. Road, Fort, Bombay.
24. Textile Works Ltd., 49-55, Apollo Street, Fort, Bombay.
- *25. Voltas Ltd., P.B. No. 900, Bombay-1.
26. Texspin (P) Ltd., 110, Medows St., Bombay.
- *27. Popular (Imp & Exp.) Trading Co., 110, Medows Street, Bombay-1.

D. CONSUMERS:

- ① Messrs. Nowrosjee Wadia and Sons Limited, Nevile House, Graham Road, Ballard Estate, Bombay.
- 2 Messrs. Ramnarain Sons, Ltd., Imperial Bank Building, Bank Street, Fort, Bombay.
- ③ Century Spinning and Manufacturing Co. Ltd., Queen's Mansions, Proscott Road, Fort, Bombay.
- ④ Messrs. James Finlay and Co., Ltd., Chartered Bank Bldgs., Fort, Bombay.
- 5 Messrs. Hind Agents Ltd., Indu House, 15, Dougall Road, Ballard Estate, Fort, Bombay.
- 6 Messrs. Agarwal & Co., Indu House, Dougall Road, Ballard Estate, Fort, Bombay.
- ⑦ Messrs. Khatau Makanji & Co., Ltd., Laxmi Buildings, 6, Ballard Pier, Fort, Bombay.
- ⑧ Messrs. Killick Industries Ltd., Killick Building, Home Street, Fort, Bombay.
- 9 Messrs. Piramal Gangadhar, Suparibaug Road, Parel, Bombay.
- 10 Messrs. W. H. Brady & Co., Ltd., Royal Insurance Building, 12/14 Veer Nariman Road, Fort, Bombay.
- †11 Messrs. M. G. Investment Corporation Ltd., 127, Mahatma Gandhi Road, Fort, Bombay.

- †12. Messrs. Seksaria Sons, Ltd., 139, Medows Street, Fort, Bombay.
- @13. Messrs. Hall and Anderson Ltd., Janmabhoomi Chambers, Fort Street, Ballard Estate, Fort Bombay.
- 14. The Marwar Textiles (Agency) Ltd., Shreenivas House, Waudby Road, Fort, Bombay.
- 15. Messrs. More and Co., Ltd., 15 A. Elphinstone Circle, Fort, Bombay.
- @16. Messrs. Forbes, Forbes Campbell & Co., Ltd., Forbes Building, Home Street, Fort, Bombay.
- 17. Messrs. Mafatlal Gagalbhai & Sons, Rustom Building, 29, Veer Nariman Road, Fort, Bombay.
- 18. Messrs. Tata Industries Ltd., Bombay House, 24, Bruce Street, Fort, Bombay.
- 19. Messrs. Karamchand Premchand, Ltd., Post Box No. 12, Ahmedabad.
- 20. Messrs. Narottam Lalbhai & Co., Naroda Road, Ahmedabad.
- 21. Messrs. Sakarlal Balabhai & Co., Ltd., Outside Raipur Gate, Ahmedabad.
- 22. Messrs. Harivallabhdas Kalidas & Co., Post Box. No. 112, Ahmedabad.
- 23. The Bombay Co., Ltd., 9, Wallaco Street, Fort, Bombay.
- 24. Messrs. Maftlal Chandulal & Co., Ltd., Asarva Road, Railwaypura Post, Ahmedabad.
- 25. Messrs. Motilal Maneckchand & Co., Amalner, East Khandesh.
- 26. Sholapur Spinning & Weaving Co., Ltd., Station Road, Sholapur.
- *27. The Industrial Trust Fund, Government of Hyderabad, 159, Gunfoundry Road, Hyderabad (Deccan).
- 28. Sir Hukamchand & Mannalal Co., Indore.
- 29. Messrs. Govindram Seksaria (Indore) 139, Medows Street, Fort, Bombay.
- 30. Messrs. Birla Bros. (Gwalior), Ltd., Baijal Kothi, Morar, Birla Nagar, Gwalior.
- 31. Messrs. Kettlewell Bullen & Co., Ltd. 21, Strand Road, Calcutta.
- 32. Messrs. Birla Bros., Ltd., 8, Royal Exchange Place, Calcutta.
- 33. Delhi Cloth & General Mills Co., Ltd., Rohtak Road, Delhi.
- 34. The British India Corporation, Ltd., Post Box No. 3, Kanpur.
- 35. Messrs. Begg Sutherland & Co., Ltd., Sutherland House, Kanpur.
- 36. J. P. Srivastava & Sons Ltd., Post. Box. No. 46, Kanpur.
- 37. Messrs. Indian Textile Syndicate, Ltd., 55/155, Generalganj, Kanpur.
- 38. Messrs. Jaipuria Brothers, Ltd., Generalganj, Kanpur.
- *39. Messrs. Binny & Co. (Madras), Ltd., 7, Armenian Street, Madras.
- 40. Messrs. A. & F. Harvey, Ltd., Mathurai.
- 41. Messrs. Thiagaraja Chetty & Co., Ltd., Meenakshi Nilayam, Tiruppurankundram Road, Mathurai.
- @42. Messrs. N. Sirur & Co., Ltd., Temple Bar Building, 70, Forbes Street, Fort, Bombay.
- *43. Raveendra Mills Ltd., Coimbatore.
- *44. Sree Meenakshi Mills Ltd., Post Box No. 1 Madurai.
- *45. Rajkot Spinning & Weaving Mills Private Ltd., Post Box No. 2 Rajkot.
- *46. Jiyajeerao Cotton Mills Ltd., Birlanagar, M. P.
- *47. Shree Madhav Mills Ltd., Foras Road, Bombay-8.

- *48. The Azam Jahi Mills Limited, 159, Gunfoundry Road, Hyderabad-Deccan.
- *49. Madura Mills Co., Ltd., Madurai.
- *50. The Kasthuri Mills Ltd., Singanallur Post, Coimbatore District.
- *51. Bangalore Woollen, Cotton & Silk Mills Co. Ltd., Agraharam Road, Bangalore-2.
- *52. Mahalaxmi Mills Ltd., Post Box No. 22, Bhavnagar.
- *53. Arvind Mills Ltd., Railwaypura Post, Naroda Road, Post Box No. 56, Ahmedabad-2.
- *54. Shree Yamuna Mills Co. Ltd., Post Box No. 38, Baroda.
- *55. The Osmanshahi Mills Limited, 195, Gunfoundry Road, Hyderabad-Deccan.
- *56. Shree Akkamamba Textiles Limited, Venkatarayapuram, Tanuku (Southern Railway).
- *57. Tirpur Cotton Spinning & Weaving Mills, Ltd., Post Box No. 12, Tirpur, (S. India).
- *58. The Kalyanmal Mills Ltd., Indore.
- *59. The New Victoria Mills Co., P. B. No. 46, Kanpur.
- *60. Shree Sujan Mills Ltd., Ratlam.

E. CONSUMER'S ASSOCIATIONS:

- *1. The Secretary, Ahmedabad Millowners' Association, Lal Darwaja, Ahmedabad-1.
- *2. The Secretary, Bengal Millowners' Association, 2, Church Lane, Calcutta.
- 3. The Secretary, Madhaya Bharat Millowners' Association, 9, South Tukoganj, Indore.
- *4. The Secretary, Millowners' Association P. O. Box No. 95, Bombay-1.
- 5. The Secretary, Southern India Millowners' Association, Race Course, Coimbatore.
- *6. The Secretary, Silk & Art Silk Mill's Association, Ltd., Resham Bhavan, 78, Neer Narriman Road, Bombay-1.

F. GOVERNMENT DEPARTMENTS:

(i) Central Government—

- *1. Textile Commissioner, Ministry of Commerce and Industry, Wittet Road, Ballard Estate, Bombay-1.
- *2. Iron and Steel Controller, 33, Netaji Subhas Road, Calcutta.
- *3. Indian Standards Institution, 19, University Road, Civil Lines, Delhi-8.
- *4. The High Commissioner for India, India House, Aldwych, London W. C. 2.
- *5. The First Secretary (Commercial) to the Embassy of India in Japan, Empire House (Nigal Building), Marunouchi, Tokyo, Japan.
- *6. The First Secretary (Commercial) Embassy of India, 262, Koblenz Strasse, Bonn, West Germany.

(ii) State Governments—

- *1. Director of Industries, Government of Bombay, Old Custom House Yard, Fort, Bombay.
- *2. Director of Industries, Government of West Bengal, 7, Council House Street, Calcutta.
- *3. Director of Industries & Commerce, Government of Madras, Cathedral P. O., Madras
- 4. Secretary to the Government of Mysore, Development Department, Bangalore.

*5. Secretary to the Government of Madhya Pradesh, Department of Industries & Commerce, Bhopal.

6. Secretary to the Government of Saurashtra, Department of Industry and Supply, Rajkot.

(iii) *Collectors of Customs/Central Excise—*

*1. Collector of Customs, Bombay.

*2. Collector of Customs, Calcutta.

*3. Collector of Customs, Madras.

*4. Collector of Customs, Custom House, Willingdon Island, Cochin.

*5. Collector of Central Excise & Land Customs, Calcutta.

*6. Collector of Central Excise, Delhi.

*7. Collector of Central Excise, Baroda.

*8. Collector of Central Excise, 15, Chapel Road, Dinapore Cantt. Patna.

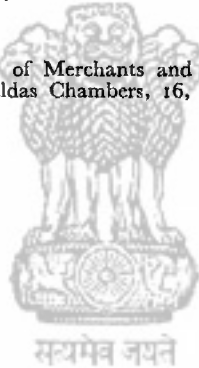
*9. Collector of Central Excise, Shillong.

*10. Assistant Collector of Central Excise, Puri.

*11. Collector of Customs, Bombay.

G. OTHERS:

*The Secretary, The Association of Merchants and Manufacturers of Textile Stores and Machinery, Sir Vithaldas Chambers, 16, Apollo Street, Bombay-1.



APPENDIX II

(Vide paragraph 3.4)

List of persons, who attended the Commission's public inquiry on 16th July, 1957

A. PRODUCERS:

| | | |
|---|--------------|--|
| 1. Shri R. L. Rajgarhia } 2. Mr. E. Williamson } | Representing | Textile Machinery Corporation Ltd., Belgharia. |
| 3. Mr. J. C. Morton } 4. Shri N. G. Morarji } | ,, | National Machinery Manufacturers Ltd., Kalwa, Thana. |
| 5. Shri Nagarajachar | ,, | Textool Co. Ltd., Post Box No. 221, Coimbatore. |
| 6. Shri R. B. Makharia } 7. Shri S. Somayaji } | ,, | Central India Machinery Manufacturing Co. Ltd., P. O. Birlanagar, Gwalior. |
| 8. Shri K. Umanatha Rao } 9. Shri N. Lakshminarayana } | ,, | Mysore Machinery Manufacturers Ltd., Post Box No. 691, Bangalore-2. |
| 10. Shri M. V. Mantri } 11. Shri R. D. Kanetkar } | ,, | Cooper Engineering Ltd., Satar Road, (Southern Rly.). |
| 12. Shri M. K. Kale } 13. Shri N. B. Mistry } | ,, | Lakshmiratan Engineering Works Ltd., Empire House, Hornby Road, Fort, Bombay. |
| 14. Shri H. G. Dalal | ,, | Star Textile Engineering Works Ltd., Bank of Baroda Building, 12 Apollo Street Bombay-1. |
| 15. Shri B. B. Shah } 16. Shri G. P. Shah } | ,, | Parmar Mechanic Works, Vadi Pura, Surendranagar, (Western Railway). |
| 17. Shri L. A. Raval } 18. Shri C. C. Parmar } | ,, | Sewing Machine Parts Making Works, Surendranagar, (Saurashtra). |
| 19. Shri R. U. Shah | ,, | Ravi Industries Ltd., Nawpada, Agra Road, Thana. |
| 20. Shri Prabhu V. Mehta | ,, | Calico Industrial Engineers, Sone Baug Chakala, Bombay-41. |

B. PRODUCERS' ASSOCIATION:

| | | |
|-------------------|----|---|
| 1. Shri M. D'Melo | ,, | Engineering Association of India, 23-B, Netaji Subhas Road, Calcutta. |
|-------------------|----|---|

C. IMPORTERS:

| | | |
|--|----|--|
| 1. Shri T. V. Ramaswamy } 2. Shri S. B. Mehta } | ,, | Voltas Ltd., P. B. No. 900, Bombay-1. |
| 3. Shri S. K. Mani | ,, | Gannon Dunkerly & Co., Ltd., Chartered Bank Building, Esplanade Road, Bombay. |
| 4. Shri J. G. Kulkarni | ,, | Consolidated Mill Supplies Ltd., Co-operative Insurance Building, Sir P.M. Rd., Fort Bombay. |

D. CONSUMERS:

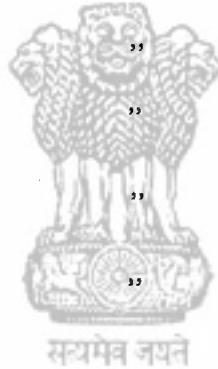
| | | | |
|---------------------------------|---|--------------|--|
| 1. Shri R. R. Ruia | } | Representing | Millowners' Association, P.O. Box No. 95, Bombay. |
| 2. Shri D. F. Kapadia | | | |
| 3. Shri R. K. Parikh | | | |
| 4. Shri B. G. Kakatkar. | | | |
| 5. Shri Arvindbhai Narottambhai | | ,, | Ahmedabad Millowners' Association, Ahmedabad. |

E. GOVERNMENT DEPARTMENTS:

| | | | |
|-------------------------|---|----|--|
| 1. Shri V. Nanjappa | } | ,, | Textile Commissioner, Government of India, Ballard Estate, Bombay-1. |
| 2. Shri N. Majumdar | | | |
| 3. Shri G. R. Joshi | | | |
| 4. Shri A. N. Das. | | | |
| 5. Shri S. Banerjee | | ,, | Iron & Steel Controller, 33, Netaji Subhas Rd., Calcutta. |
| 6. Shri H. J. Pavamani. | | ,, | Collector of Customs Bombay. |
| 7. Shri D. S. Godbole | } | ,, | Director of Industries, Bombay. |
| 8. Shri V. D. Gadkari | | | |
| 9. Shri J. S. Mital | | ,, | Director of Industries, Madhya Pradesh. |
| 10. Shri A. B. Rao | | ,, | Indian Standards Institution, 19, University Road, Civil Lines, Delhi-8. |
| 11. Shri K. M. Divekar | | ,, | Small Industries Service Institute, Bombay. |

F. OTHERS:

| | | | |
|-------------------------|---|----|---|
| 1. Shri J. R. Engineer | | ,, | Association of Merchants & Manufacturers of Textile Stores & Machinery, Bombay. |
| 2. Shri Dinshaw Dastoor | } | ,, | Texspin Private Ltd., 110, Medows Street, Bombay. |
| 3. Shri K. C. Sheth | | | |
| 4. Shri N. C. Sheth | | | |
| 5. Shri L. V. Dalal | | | |



APPENDIX III

(Vide paragraph 7.7)

Statement showing capacity and production of individual units in respect of the different items of cotton textile machinery

| Name of the manufacturer | Rated capacity in 1954 | Present annual capacity (Single shift) | Additional capacity licensed | Production | | | | Remarks |
|--|------------------------|--|------------------------------|------------|------|------|--------------------|-------------------------|
| | | | | 1954 | 1955 | 1956 | 1957 (January-May) | |
| | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| (i) Spinning Ring Frames (Nos.) | | | | | | | | |
| 1. Textile Machinery Corporation Ltd., Belgharia | 300 | 300 | .. | 146 | 384 | 472 | 260 | |
| 2. Textool Company Ltd., Coimbatore. | 48 | 156 | .. | 88 | 228 | 266 | 131 | |
| 3. National Machinery Manufacturers Ltd., Kalwa, Thana | 300 | 300 | 300 | 80 | 237 | 336 | 197 | |
| 4. Ramakrishna Industrials (P) Ltd., Coimbatore. | 24 | 48 | .. | 42 | 35 | 37 | 20 (January-June) | |
| 5. Lakshmiratan Engineering Works Ltd., (Kannur Factory) | .. | .. | 300 | .. | .. | .. | .. | Production not started. |
| TOTAL | 672 | 804 | 600 | 356 | 884 | 1111 | 608 | |

(ii) *Spinning Ring Spindles (Nos.)*

| | | | | | | | |
|--|---------|---------|---------|---------|---------|-----------|----------------------------------|
| 1. Textile Machinery Corporation Ltd., Bel- gharia. | 150,000 | 150,000 | .. | 125,917 | 207,583 | 278,680 | 135,925 |
| 2. Textool Company Ltd., Coimbatore. | 19,000 | 62,400 | .. | 30,350 | 27,723 | 34,444 | 14,686 |
| 3. National Machinery Manufacturers Ltd., Kal- wa, Thana. | 180,000 | 240,000 | .. | 195,206 | 263,573 | 347,989 | 175,388 |
| 4. Lakshmiratan Engineering Works Ltd., Bom- bay. | 90,000 | 180,000 | .. | 125,000 | 156,700 | 181,000 | 69,582 |
| 5. Parmar Mechanic Works Surendranagar (Sau- rashtra) | 72,000 | 72,000 | 180,000 | 59,224 | 76,084 | 128,326 | 62,062 |
| 6. Sewing Machine Parts Making Works Suren- dranagar (Saurashtra) | 60,000 | 80,000 | .. | 36,344 | 41,419 | 76,672 | 37,476 |
| 7. Textile Equipment Co. Ltd., Bombay. | 18,000 | .. | .. | .. | .. | .. | .. Information not available. |
| 8. Indian Textile Supply Co., Bombay. | 30,000 | .. | .. | .. | .. | .. | .. Not manufact- uring. |
| 9. Indo-Belga Engineering Co. Ltd., Ahmedabad | .. | .. | 60,000 | .. | .. | .. | .. Production not started. |
| Total | 619,000 | 784,400 | 240,000 | 572,041 | 773,082 | 1,047,111 | 495,119 |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|---------|---------|---------|---------|---------|-----------|---------|-------------------------|
| (iii) <i>Spinning Rings</i> (Nos.) | | | | | | | | |
| 1. Textile Machinery Corporation, Ltd., Belgharia | 150,000 | 150,000 | .. | 223,709 | 277,194 | 434,896 | 190,851 | |
| 2. National Machinery Manufacturers Ltd., Kallawa, Thana | 360,000 | 360,000 | .. | 480,933 | 618,733 | 758,296 | 225,574 | |
| 3. Textool Company Ltd., Coimbatore | 19,000 | 62,400 | .. | 24,424 | 36,609 | 69,733 | 34,988 | |
| 4. Parmar Mechanic Works, Surendranagar | .. | .. | 180,000 | .. | .. | .. | .. | Production not started. |
| 5. Indo-Belga Engineering Co., Ltd., Ahmedabad | .. | .. | 300,000 | .. | .. | .. | .. | Do. |
| TOTAL | 529,000 | 572,400 | 480,000 | 729,066 | 932,536 | 1,262,925 | 451,413 | |

(iv) Fluted Rollers (Lines *)

| | | | | | | | | |
|---|---------------|---------------|--------------|--------------|---------------|---------------|-------------------------|--|
| 1. Textile Machinery Corporation Ltd., Belgharia. | 2,400 | 2,400 | -- | 2,528 | 3,804 | 5,250 | 2,133 | |
| 2. Textool Company Ltd., Coimbatore | 380 | 936 | -- | 669 | 1,696 | 2,067 | 905 | |
| 3. Lakshmiratan Engineering Works Ltd., Bombay | 1,800 | 720 | -- | -- | 190 | 375 | 304 | |
| 4. National Machinery Manufacturers Ltd., Kalwa, Thana. | 3,600 | 4,800 | -- | 5,026 | 6,225 | 6,709 | 3,180 | |
| 5. Star Textile Engineering Works (P) Ltd., Bombay. | 1,920 | 1,080 | -- | 1,000 | 816 | 766 | 385 | |
| 6. Ramakrishna Industrials (P) Ltd., Coimbatore. | .. | 288 | .. | 208 | 178 | 196 | 123 (January-June) | |
| 7. Parmar Mechanic Works Surendranagar (W. Rly.) | .. | .. | 1,248 | -- | -- | .. | Production not started. | |
| 8. Indo-Belga Engineering Co., Ltd., Ahmedabad | .. | .. | 1,200 | -- | -- | -- | Do. | |
| TOTAL | 10,100 | 10,224 | 2,448 | 9,431 | 12,909 | 15,363 | 7,930 | |

* 25 numbers per line.

1 2 3 4 5 6 7 8 9

(V) Looms (Nos.)

1. Central India Machinery Mfg. Co. Ltd.,
Birlanagar (Gwalior).

4,000 3,660 .. Plain 1,045 1,938 1,816 900

Automatic
Dropbox and
others.276 70 161 13
189 128 254 ..

2. Cooper Engineering Ltd., Satara Road

1,200 1,200 .. Plain . . 75 159 231 47

3. Mysore Machinery Manufacturers Ltd.,
Bangalore

720 720 .. Plain . . 467 179 270 107

Silk/Art silk

.. 418 380 134

Dropbox and
others

18 11 17 9

4. India Machinery Co. Ltd., Calcutta*

720 720 .. Plain . . 62 105 79 93

* Information
supplied by
the Director
of Industries,
West Bengal.

TOTAL

Plain 1,649 2,381 2,396 1,174

Automatic

276 70 161 13

Silk/Art Silk

.. 418 380 134

Dropbox and
others.

207 139 271 9

TOTAL (all looms)

6,640 6,300 .. 2,132 3,008 3,208 1,330

APPENDIX IV

(Vide paragraph 10.2.1)

Summary of the Import Control Policy from July-December 1954 to October 1957-March 1958

| Sl. No. | Items | July-December 1954 | January, June, 1955 | July December, 1955 | January, June, 1956 | July-December, 1956 | January-June, 1957 | July-September, 1957 and October March 1958 |
|---------|----------------|--|---------------------|-------------------------------------|---------------------|-------------------------------------|---|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1 | Ring Frames | Super H. D. ring frames only, permitted to actual users | Not licensable | Ad hoc against indigenous purchases | Not licensable | Ad hoc against indigenous purchases | Ad hoc to actual users and on deferred payments basis | (i) On deferred payments basis (ii) licensable at the rate of 1 for every 4 ordered from indigenous manufactures. |
| 2 | Rings | Licensable at the rate of 2 for every 3 purchased from indigenous manufacturers. | Ad hoc | Ad hoc | Ad hoc | Ad hoc | Ad hoc | Ad hoc |
| 3 | Spindles | Not licensable | Not licensable | Not licensable | Not licensable | Not licensable | Not licensable | Not licensable |
| 4 | Fluted Rollers | Do. | Do. | Do. | Do. | Do. | Do. | Do. |



1 2 3 4 5 6 7 8 9

5 Looms—

Automatic looms . . . Not licensable

Ad hoc actual users with per- mission *Ad hoc* to actual users, with per- mission *Ad hoc* to actual users, against licence for ex- pansion only, on exports only, on deferred payments basis, and against orders to indige- nous manufacturers as follows :—

No. licen- Number
ced to be
ordered
96—240 24
more than 48
240 96

Plain calico looms, Drop box looms,
Blanket looms, H. S. Mul-
tiple head tape and
Ribbon looms, Pick
and Pick Looms, Velvet
looms.

Not licensable

Ad hoc to actual user

Not lice- Not lice-
nsable nsable
Ad hoc to *Ad hoc* to
actual users actual users

Not licensable *Ad hoc* to actual users for re- placement only

Ad hoc to actual users for replace- ment only