GOVERNMENT OF INDIA
TARIFF COMMISSION

REPORT
ON
THE CONTINUANCE OF PROTECTION TO THE DYE-INTERMEDIATES INDUSTRY

BOMBAY
1972

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PERSONNEL OF THE COMMISSION

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SECRETARY

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	1. Beta-aminoanthraquinone (2-aminoanthraquinone).	ICT ITEM 28 (35)
	2. Anthraquinone 3. Acetoacetanilide, 4. Acetoacet-ortho-toluidide, 5. Tobias acid (2-naphthylamine-1-sulphonic acid). 6. Acetoacet-ortho-chloroanilide, 7. C-Acid (2 Choloro-5-toluidine– 4-sulphonic acid or 6-chloro-meta-toluidine-4-sulphonic acid),	ICT ITEM 28(39)
	8. *Meta*-nitroaniline, 9. *Meta*-nitro-para-toluidine, 10. Phenyl-J-acid (2-phenylamino5-naphthol-7-sulphonic acid or 2-phenylamino-5-hydroxynaphthalene-7-sulphonic acid), 11. 1,5-diamino-anthraquinone, 12. Schaeffer acid (2-naphthol-6-sulphonic acid), 13. *Meta*-chloroaniline, 14. 2,5-Dichloroaniline, 15. 4-chloro-2-anisidine, 16. 4-chloro-2-nitro anisole, 17. Ortho-nitroaniline, 18. *Para*-toluidine-meta-sulphonic acid, 19. *Ortho*-aminoazotoluylene (2,3,-dimethyl-4-amino azobenzene or4-ortho-toluylazo-ortho-toluidine), 20. R-Salt (2-naphthol-3, 6-disulphonic acid, sodium salt), 21. Benzoyl-J-acid (2-Benzoyl amino 5-naphthol-7-sulphonic acid), 22. *Para*-nitrosophenol (1-hydroxy-4-nitro benzene), 23. Dinitrostilbene disulphonic acid (4,4'-dinitrostilbene-2.2'-disulphonic acid), 24. *Beta*-naphthalene thioglycolic acid (2-napthyl thioglycolic acid), 25. 4-chloro-ortho-toluidine 26. 1-amino-6-nitro-2-naphthol-4-sulphonic acid, 27. *Para*-nitrotoluene sulphonic acid or Para-nitro toluene-ortho-sulphohic acid (toluene-4-nitro-2-sulphonic acid or benzene-1-methyl-4-nitro-2-sulphonic acid).	28(40)

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(2)	The existing protective rates of duty of 100 per cent *ad valorem* (Standard) and 90 per cent *ad valorem* (Preferential) may be continued up to 31st December, 1974 on the following intermediates :—	Accepted. Necessary legislation will be undertaken in due course
	1. Phenyl-Peri Acid (Phenylamino naphthalene-8-sulphonic acid), 2. *Ortho*-Toluidine, 3. Diethyl-Meta-Aminophenol (Meta-diethylamino phenol), 4. Diaminostilbene Disulphonic acid (4,4'-diamino stilbenc2,2/-sulphonic acid).	ICT ITEM 28(38)
(b)	*Continuance of protection at enhanced rates of protective duty.*	
(3)	The protective rates of duty of 100 per cent *ad valorem* (Standard) and 90 per cent *ad valorem* (Preferential) may be levied on the following two intermediates upto 31st December, 1974 as against the existing protective duty of 60 per cent *ad valorem* (Standard) and 50 per cent *ad valorem* (Preferential) :—	Accepted. Recommended rates of duty are being brought into force with immediate effect by Notification under Section 4(1) of the Indian Tariff Act, 1934.
	1. Metanilic acid, 2 Quinizarine (1,4-dihydroxyanthraduinone).	ICT ITEM 28(40) Necessary legislation will be undertaken in due course.
	Continuance of protection at rates below the present level of protective duty.	
	Protective rates of duty of 60 per cent *ad valorem* (Standard) and 50 per cent *ad valorem* (Preferential) may be levied on the following intermediates upto 31st December, 1974 as against the existing protective duty of 100 per cent *ad valorem* (Standard) and 90 per cent *ad valorem* (Perferential) :—	Accepted. Recommended rates of duty are being brought into force with immediate effect

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		by Notification under Section 4(1) of the Indian Tariff Act, 1934. Necessary legislation will be undertaken in due course.
	1. J-Acid (2-naphthylamine-5-hydroxy-7-sulphonic acid), 2. 4-chloro-2-Nitroniline, 3. *Para*-anisidine, 4. *Para*-toluidine.	ICT ITEM 28(38)
	II. FRESH ITEMS OF DYE-INTERMEDIATES BROUGHT UNDER THE SCHEME OF PROTECTION	
(5)	The existing statutory revenue duty of 60 per cent *ad valorem* (Standard) and 50 per cent *ad valorem* (Preferential) on the following dye-intermediates may be converted into equivalent protective duty, which may be kept in force upto 31st December, 1974 :—	Accepted. Protective rates of duty are being brought into force with immediate effect by Notification under Section 3A of the Indian Tariff Act, 1934.
	1. Chicago acid, 2. G-Salt, 3. Gamma acid, 4. H-Acid, 5. J-Acid urea, 6. *Meta*-toluylene-diamine, 7. *Meta*-phenylene-diamine, 8. Nevile Winther acid, 9. *Para*-Nitroaniline, 10. Rhoduline acid, 11. Sulphonilic acid, 12. Sodium naphthionate/naphthionic acid,	Aceto acetic ester (methyl/ethyl), Trichloro benzene, Benzidine sulphate and Dimethylaniline have been withdrawn simultaneously from the list of

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	13. 2,5-dichloro nitro benzene, 14. Dimethyl sulphate, 15. *Beta*-naphthol, 16. Aceto acetic ester (Ethyl/methyl), 17. Trichloro benzene, 18. Benzidine dihydrochlorid & Benzidine Sulphate, 19. Dimethylaniline.	dyeintermediates whose import is being allowed at concessional rates of Customs duty Necessary legislation will be undertaken in due course.

III. ITEMS OF DYE-INTERMEDIATES IN RESPECT OF WHICH PROTECTION IS WITHDRAWN

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(6)	Protection granted to the following Dye-intermediates need not be continued beyond 31st December, 1972 and the protective rates of duty on these may be converted into revenue rates at 60 per cent *ad valorem* (Standard) and 50 per cent *ad valorem* (Preferential) :— 1. l-amino anthraquinone, 2. *Ortho*-chloroaniline, 3. *Para*-chloroaniline, 4. *Para*-nitroanisole, 5. 5-choloro-ortho-toluidine 6. 1,4-Diamino anthraquinone, 7. Peri Acid, 8. 2,5-Dimethyl-4-chlorophenyl thioglycolic acid, 9. Amino-Iso-G Acid, — ICT ITEM 28(40) 10. *Ortho*-anisidine — ICT ITEM 28(38)	Accepted. In the case of Dye-intermediate *viz*. Orthoanisidine classified under ICT Item 28(38), notification under Section 4(1) of the Indian Tariff Act, 1934, reducing the existing protective duty of 100% *ad valorem* (standard and 90% *ad valorem* (Preferential) to 60% *ad valorem* (Standard and 50% *ad valorem* (Preferential) has been published separately. Necessary legislation will be undertaken in due course.

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	Since in the foreseeable future quantitative control over their imports is likely to remain they should continue to be under the supervision of the Tariff Commission within the meaning of Section 11(a) of the Tariff Commission Act, 1951, so that a continuous watch be maintained on the progress and development of these intemediate until the 31st December, 1974.	
	11. Benzanthrona	ICT item 28(36)
	12. BON Acid	ICT Item 28(37)
	13. 2,6-diamino anthraquinone, 14. *Odtho*-nitroanisole, 15. l-Chloro-anthraquinone, 16. Anthraquinone-l-sulphonic acid sodium salt.	ICT ITEM 28(40)

IV. ITEMS OF DYE-INTERMEDIATES IN RESPECT OF WHICH DUTY IS TO BE REDUCED AS A MEASURE OF ASSISTANCE TO THE INDUSTRY

(*7*)	The following Dye-intermediates may continue to be shown some duty concession till 31st December, 1974. The concessional rates of duty may be fixed at 40 per cent *ad valorem* (Standard) and 30 per cent *ad valorem* (Preferential) :— 1. *Alpha*-Naphthylamine, 2. 2-Chloro-4-nitroaniline, 3. 3,3,/-Dichlorobenzidine, 4. N,N-Diathylaniline, 5. 3,3'-Dichlorobenzidine dihydrochloride, 6. *Meta*-dinitrobenzene, 7. *Meta*-nitro-chlorobenzene, 8. Mono-chloro-para-xylene (l-chloro-2, 5-dimethyl benzene or 2-chloro-1, 4-dimethyl benyene), 9. *Ortho*-nitrochlorobenzene, 10. *Ortho*-nitrotoluene, 11. *Ortho*-Tolidine, 12. *Para*-nitrotoluene, 13. *Para* toluidine (l-methyl 4-amino)-2 sulphonic acid), 14. *Para*-nitrochlorobenzene.	Accepted.

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(8)	With regard to "Penultimate dye-intermediates" noted in the Customs Notification No. 148/ F. No. 17/4/69-Cus. I. dated 15-11-69, attention is invited to the following recommendations : (i) specific as well as other intermediates whose predominent use (say, 85 to 90 per cent) is in the dyestuff industry, should be granted unqualified duty concession and thus free from the operation of bond restrictions ; (ii) *per contra* those intermediates whose predominent use (say 85 to 90 per cent) is in Industries, other than dyestuff, should be removed from the duty concession list ; and (iii) those intermediates which do not belong to either of the above two groups but whose incidance of cost on the cost of production of finished dyestuff is significant, may continue to enjoy the duty concession subject to the execution of bond by the importer. Effective steps may be taken for speedy implemention of these recommendations. (iv) with regard to the bond requirements by the Customs Authorities, where normal duty is paid, the question of bond does not arise. Where the Dye-intermediates are required for the manufacture of dye-stuffs.then the end-use certificate from the Directorate General of Technical Development (DGTD) for the large scale sector and the Director of Industries for the small scale units would have to be furnished. In the remaining cases instead of having individual bonds for each import it is felt that it would be advisable to have a continuous bond of a certain sum for a specific period. It is felt that the Standing Committee may also look into this matter.	Accepted. Since no list of the types of intermediates referred to in (i) and (iii) can be established, the present conditional nature of exemption may continue. Importers should file continuing bonds for specific sums and for specific periods. The Ministry of Petroleum and Chemicals will settle the procedure relating to import of the relevant intermedia
(9)	The partial exemption from excise duty granted to benzene, ethyl benzene, benzol toluene, toluol and light solvent naptha (mixture of benzene and toluene) may be extended to orthoxylene also.	The inclusi on of orthoxylene in the list of dye intermediates eligible for partial exemption.

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		of excise duty has been recommended on the ground that the concession will help in the export of dye-intermediates based on ortho-xylene. Since on export of such dye-intermediates adequate compensation of duty element is available through rebate/drawback, the recommendation is *not* accepted.
(10)	Various difficulties encountered by the producers in promoting research and development were ventilated during the public inquiry. It was stated that while there were adequate talent and facilities available for undertaking Research activities, sufficient incentives were not forthcoming to encourage rapid progress in this field. As an example it was cited that according to the existing legislation, amounts set apart for incurring expenditure on Research had to be spent in the very year, if Income-tax relief was to be obtained thereon. The Research process being a continuous one it contended that it was not practical to spend the entire amount in the very year so as to get tax relief. It was averred that some flexibility in this regard was necessary so that the manufacturers could claim tax relief for expenses incurred over a number of years. It was added that the individual units could create their own Research and Development Fund and in the years where substantial profits were made, certain amount could be set apart to be put in the fund which should be exempted from taxes. There appears to be some force in this contention and it is brought to the notice of Government.	Noted.

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V. OTHER ANCILLARY RECOMMENDATIONS

(11) If at a later stage manufacturers find that protective rates recommended for certain uncosted intermediates are inadequate to cover tne price dis-advantage they may apply to the Commission with requisite data for suitable revision of the quantum of protection.	Noted.
(12) Protection is not necessary in the case of (i) aceto acet meta xylidide and (ii) aceto acet ortho anisidide which should continue to bear the existing revenue rates of duty at 60 per cent *ad valorem* (Standard) and 50 per cent *ad valorem* (Preferential).	Accepted.
(13) The concessional duty on (i) aceto acetic ester, (ii) trichloro benzene, (iii) Dimethylaniline and (iv) Benzidine sulphate may be withdrawn.	Accepted. Duty concession has been witndrawn Aceto acetic ester, trichloro benzene, Dimethyl aniline. and Benzidine sulphate have been included in the list of new items of dye-intermediates to which protection has been extended.
(14) There is no justification for granting duty concession on (i) Amino-azo benzene hydrochloride, (ii) Laurant acid and (iii) *Para*-amino-acetanilide and the existing revenue rates of duty at 60 per cent *ad valorem* (Standard) and 50 per cent *ad valorem* (Preferential) may be continued on these intermediates.	Accepted.

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(15)	Concessional rate of duty to the following 29 intermediates asked for by certain producers is not favoured. Revenue duty at the existing levels may be continued on these items.	Accepted

1. 3-Amino anisic acid anilide (3-Amino-*para*-anisanilide),
2. 2,4-Dinitrochlorobenzene,
3. 2,5-Dichloronitrobenzene,
4. Ethylbenylaniline,
5. 4-Chloro-*ortho*-nitrotoluene (4-Chloro-2-nitrotoluene),
6. Michler ketone [4,4-bis (dimethylamino)-benzephenone],
7. *para*-Chlorophenol,
8. Phenyl-alphanaphthylamine,
9. Phenyl hydrazine,
10. Tetramethylthiourea,
11. 4,4,-Di(6-methylbenzthiazyl) azobenzene,
12. Phenylmethylpyrazolone (3-Mathyl-1-phenyl-5-pyrazolone),
13. Aniline,
14. *Ortho*-Dichlorobenzene,
15. *Para*-Cresidine (5-methyl-orthoanisidine),
16. 2-Acetylamine-3-chloroanthraquinone,
17. 2-Amino-3-hydroxyanthraquinone,
18. Anthraflavic acid/Caledon salt Af20% Paste,
19. 1,2-Dichloro-4-nitrobenzene,
20. 1,1-Dinaphtnyl-8-8,-dicarboxylic acid,
21. *meta*-Toluidine,
22. *meta*-Xylidine,
23. Molybdic acid,
24. *Ortho*-Sulphanilic acid,
25. 1,9-Pyrazolanthrone,
26. 2,4,5-Trichloroaniline,
27. Dehydrothio-*para*-toluidine-sulphonic acid,
28. 2,5-Xylidine,
29. 2-Amino-3 5-Xylena sulphonic acid

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(16)	Imports of aceto-acetic ester should be so regulated as to meet only the excess requirements over indigenous production. At the same time an all-out effort will have to be made by the producer to bring down his cost of production by effecting all possible economics in the operation of the plant.	Will be implemented to the extent possible under the Import Policy in force from time to time. Attention of the producer of aceto-acetic ester is invited to the latter part of the recommendation.
(17)	A watch may be kept on imports of meta-nitro-para toluidine, if any.	Accepted.
(18)	The existing Import Trade Control Policy of banning imports of seven intermediate as listed below needs to be continued during the period of protection *i.e.*, upto 31st December, 1974 so that full utilisation of domestic capacity is not hampered : 1. Acetoacetanilide, 2. Acetoacet-ortho-chloroanilide, 3. Acetoacet-ortho-toluidide, 4. 4,4,/-dinitro stilbene-2,2'-disulphonic acid, 5. *para*-nitrotoluene-orthosulphonic acid, 6. *para*-toluidine, 7. *para*-toluidine-metasulphonic acid.	Will be implemented to the extent possible under the Import Policy in force from time to time.
(19)	The existing Import Trade Control Policy of restricting imports of twelve intermediates listed below needs to be continued during the period of protection *i.e.* upto 31st December 1974 so that full utilisation of domestic capacity is not hampered : 1. l-amino-6-nitro-2-naphthol-4-sulphonic acid, 2. Benzoyl-J-acid, 3. 4-chloro-2-nitroaniline.	Will be implemented to the extent possible under the Import Policy in force from time to time.

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	4. 1-5-diaminoanthraquinone, 5. 2,5-dichloronitrobenzene, 6. 2-naphthyl-thioglycolic acid, 7. Pnenyl-peri-acid, 8. Para-anisidine, 9. Phenyl-J-acid, 10. R-Salt, 11. Schaeffer acid, 12. Tobias acid.	
(20)	Imports of (i) dimethyl sulphate, (ii) 4,4, diaminostilbene 2,2,-disulphonic acid and (iii) orthotoluidine should be so regulated that full utilisation of domestic capacity is not hampered.	Will be implemented to the extent possible under the Import Policy in force from time to time.
(21)	Imports of dye-intermediates mentioned below should continue to be effectively regulated : 1. *para*-nitrosophenol, 2. 4-chloro-ortho-toluidine.	Will be implemented to the extent possible under the Import Policy in force from time to time.
(22)	It would be desirable to permit imports of J-acid to effectively fill the gap between indigenous production and the total demand, particularly to ensure that the requirements of the small scale sector are adequately met at reasonable price.	Will be implemented to the extent possible under the Import Policy in force from time to time.
(23)	The problem of imports and other allied matters requires a balanced overall view to be taken. It needs to be ensured that all possible assistance is given to the industry not only to enable it to use the installed capacities of various items to the fullest extent possible, but also wherever necessary requisite expansion should also be permitted. If any restrictions have to be put on the import of items already in production, either by completely banning or allowing imports on restricted basis, the matter needs to be considered rationally from the view point of the Industry as a whole, having regard to the overall national interest.	Will be implemented to the extent possible.

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(24)	Import Control Policy for the chemicals imported by the Dyestuff Industry should be rationalised in the light of the suggestions made by the Federation of Associations of Small Industries of India (F.A.S.I.).	Noted.
(25)	In case of imports of intermediates, the production of which was to be indigenously started there seems at present some lack of proper co-ordination between the Industry and the Chief Controller of Imports & Exports (C.C.I. & E.). The industry should also regularly keep the C.C.I. & E. informed of the latest developments in its manufacturing programmes so as to enable the latter to take these developments into consideration when framing the import control policy.	Attention of the industry is drawn to the recommendation.
(26)	For keeping a watch on the healthy growth and development of the industry, it is necessary to know the flow of imports of each of the Intermediates whose annual requirements are likely to be significant, say in excess of 10 tonnes. Directorate General of Commercial Intelligence and Statistics, snould maintain separate statistics of imports of such intermediates.	Noted. Will be implemented to the extent possible.
(27)	It should be examined whether in the case of sensitive items, the validity period of licence could not be shortened so that a more frequent review of the position of imports vis-a-vis availability could be undertaken, say, at an interval of every six months.	Noted.
(28)	The Chief Controller of Imports and Exports after taking into account the foreign exchange resources position and other relevant factors should give sympathetic consideration to the suggestion of allowing at least 20% of the Rupee Currency Area licences to be converted into Hard Currency Area licences when a producer could prove that he was using a particular item which was not available in the Rupee Currency Area.	Noted.
(29)	What needs to be ensured is not merely sufficient production of a particular Intermediate but also its requisite quality, and reasonableness of its price. It is, therefore, imperative that before licensing, the details of the costs furnished by the prospective manufacturers are carefully scrutinised by the concerned authorities.	Noted.

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(30)	Chief Controller of Imports and Exports may look into the suggestions made by some of the units of the industry for (i) release of mild steel to such units who wish to fabricate their own plants and equipment and (ii) allowing imports of spare parts of foreign makes of machinery installed by the producers.	Noted. Will be implemented to the extent possible.
(31)	Development Commissioner for Small Scale Industries may be requested to take effective steps for eliminating toxic risks in the use of dangerous chemicals ensuring safe working conditions.	Noted.
(32)	In view of the large gap between the demand for and the available supply of acetic ester important intermediate, the existing capacity of the intermediate needs to be augmented so that ultimately the domestic production is capable of meeting fully the indigenous requirements.	Noted. The attention of the industry is drawn to the recommendation.
(33)	It is necessary to have up-to-date accurate data in regard to capacity, production, sales, consumption, and various other aspects of the Industry, both from large and small scale sectors, particularly the latter. The producers associations should arrange for collection and compilation of relevant data and for forwarding it periodically to the DC(SSI) and to D.G.T.D.	Attention of the industry is drawn to the recommendation
(34)	In its own interests, as a check on the quality of supplies the State Trading Corporation of India should consider introducing some sample testing on its own on receipt of goods even though it has large scale operations and receives necessary certificates of analysis from the foreign manufacturers.	Attention of State Trading Corporation is drawn to the recommendation.
(35)	The State Trading Corporation's suggestion that in the case of imports through it the customers should place firm orders and pay in advance 5 to 10 per cent of the value of the goods as deposit. The State Trading Corporation in turn would be willing to pay interest thereon. This proposal is commended for consideration of Government.	Noted.

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(36)	In the interest of this growing industry the Indian Standards Institution should finalise early standard specifications with due regard to the purity percentage for as many of the important dye-intermediates as possible.	Attention of Indian Standards Institution is drawn to the recommendation.
(36-A)	Where there is only a single manufacturer of a certain item or at best two, who control its entire production, they should not be allowed to create artificial short fall in supply of the relevant product with a view to jacking up prices to the detriment of the end users. What is needed is judicious planning so that, if necessary, expanded capacities could come up to cater to the needs both of the internal demands as well as for the external markets to earn valuable foreign exchange and thus increase the overall production.	Noted.
(37)	The various proposals put forth by the Export Promotion Committee (EPC) and Dyestuff Manufacturers Association of India (DMAI) for promotion of export of Dyes and Dye-intermediates are brought to the notice of Government for such action as deemed fit.	Noted. Will be implemented to the extent possible.
(38)	The following suggestions made by the producers regarding the working of the Industry are brought to the notice of Government for such action as it may consider necessary : (i) restrictions placed on the manufacture of allied products like pharmaceuticals and plastics, when the plants are idle, should be removed ; (ii) permission to import spare parts should be based on a fixed percentage of the capital cost rather than on the basis of a fixed amount irrespective of the size of the units or its expansion ; (iii) if any patents are involved, the owners of the patents must be forced to give manufacturing rights by payment of nominal royalty;	Will be implemented to the extent possible.

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	(iv) excise, sales-tax, octroi and such other imposts need to be scaled down or removed to safeguard the interests of the consumers; and	
	(v) credit facilities at present given to consumers of dyes by the large scale units who produced both dyes and dye-intermediates, should also be extended to the manufacturers of dye-intermediates in the small scale sector.	
(39)	In order to help the industry in promoting its Research and Development activities, the Development Council for Organic Chemical Industries (Dyes Panel) should be entrusted with the work of coordinating the research efforts of various units. The National Chemical Laboratory, Poona, should also be associated in this work. Government may also consider the feasibility of buying technology for some of the new items and making it available to those who wish to use it.	Noted.
(40)	For furthering Research and Development activities in the Industry and fuller utilisation of the facilities provided at the National Chemical Laboratory (N.C.L.), the N.C.L. should besides undertaking sponsored research projects as at present, agree to allow the chemists and qualified technologists belonging to the small scale and medium size companies to utilise upon payment of reasonable charges, the facilities available in it (N.C.L., Poona) to carry out investigations and tests.	Attention of National Chemical Laboratory as also the industry is drawn to the recommendation.
(41)	While it may not be feasible to make any watertight distinction as between Dye-Intermediates to be manufactured by the large and small scale units it would be worthwhile to explore ways and means for achieving a programme of rationalised manufacture, keeping in view efficiency and viability criteria amongst others so that healthy and rapid progress of the industry could be smoothly achieved. The recently formed Standing Committee for Dyestuff Industry, which has on it representatives not only from the Government but also from both the sectors of the Industry, could play an effective role in this direction.	Noted.

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(42)	In order to avoid unhealthy competition and overlapping of production between the large scale and small scale units of the industry some rational division between the large scale and small scale sector is necessary. For a proper growth of the industry as a whole they have to be complementary to each other rather than competitive. While items of manufacture which require large scale production, and also those involving complex processing could be more economically and efficiently produced by the units in the large scale sector, who possess the necessary facilities, including those for research and development, the manufacture of sophisticated items required in small quantities for specialised uses as well as those involving simple process could be preferably left to the small-scale sector who have the advantage of being labour-intensive.	Attention of the industry is drawn to the recommendation.
(43)	The usage of raw materials and other inputs in a number of dye-intermediates even when they are produced with foreign technical collaboration is found to be at a comparatively higher level than would be warranted by the Internationally recognised standards. This higher consumption of raw materials lowers the efficiency of production thereby raising the cost of finished products. This is a serious matter and should be looked into by competent technical experts.	Noted. Attention of Indian Standards Institution is drawn to the recommendation.
(44)	The producers of phthalic anhydride should explore all possible ways and means to effect economies in the process of its manufacture so as to bring down its price as far as possible to the level of the landed cost of the imported product.	Attention of producers of Phthalic anhydride is drawn to the recommendation.
(45)	It is high time that the industry seriously considers some sort of voluntary discipline to ensure that the selling prices of its products to the consumers are fair and reasonable. The recognised Associations of the manufacturers can, and should, also play a more effective part in ensuring such price	Noted. Attention of the industry and the recognised Associations of manufacturers is also drawn to the

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	(15) The import licensing authorities should take note of the comments of the Dye-stuff industry regarding cases of import of banned items and while formulating their future policy take effective steps to plug loopholes if any, that may come to light in the actual working.	
	The recommendation is, therefore, again brought to the notice of Government.	
(50)	The Commission has reiterated the following recommendations made in its 1970 Review Report (on which Government's Resolution No. 14(5)-Tar/69, dated 25-2-1971 was issued) for implementation to the extent possible :	Government will continue to pay attention to these recommendations with a view to implementing them to the extent possible.
	1(i) There should be greater co-ordination and co-operation among the small and large scale sectors of the industry. They would be able to exchange the products among themselves on the basis of their mutual needs and availability.	
	1(iv) Some further checks should be imposed on the imports, particularly against omni bus Export Promotion Licences, of certain intermediates, which are already in production or for which adequate capacities exist in the country.	
	1(v) Where intermediates have still to be imported, preference should be given to the small scale sector, who have no capacity for the manufacture of these intermediates directly from raw materials.	
	1(vi) There is need for selective intensification and rationalisation of control over imports as well as establishment	

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	discipline. In this context, while inviting reference to Commission's recommendation No. 4 in Government Resolution No. 14(5)-Tar/69, dated 25-2-1971 on the 1970 Review Report, it is proposed to select a few dye-intermediates and examine in depth the pricing policy of the manufacturers, their capacity utilisation, supplies and quality in terms of section 11(d) of the Tariff Commission Act, 1951.	recommendation.
(46)	There is great need for improving the quality of Zinc dust and other raw materials as well as bring down their prices. It is hoped that their producers would make earnest efforts to bring down the cost of their manufacture and improve their quality so that they conform to Indian Standards Institution (ISI) standards.	Attention of producers of zinc dust and other raw materials is drawn to the recommendation.
(47)	In order to improve quality of raw materials as also to bring down the cost of manufacture of dye-intermediates for indigenous consumption and to make them more competitive in the foreign market, it is suggested that the producers of raw materials should ensure that their products conform to I.S.I. specifications. They should also make concerted efforts to economise in their cost of manufacture.	Attention of producers of raw materials is drawn to the recommendation.
(48)	Producers in both the large and small scale sectors should pay more attention to the quality of their products and remove the complaints voiced by the consumers. As dye-intermediates manufactured in India are now progressively entering the export markets it is imperative that the manufacturers become more quality-conscious to withstand international competition	Attention of producers in both the large and small scale sectors of dye-intermediates is drawn to the recommendation.
(49)	No information is available as to how far the following recommendation made in 1968 Report on the continuance of protection to the Dye-stuffs Industry and covered *vide* Recommendation No. (15) of the Government Resolution No. 14(1)-Tar/68, dated the 7th December, 1968, has been implemented :	Government will continue to pay attention to the recommendation with a view to implementing it to the extent possible.

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	of regulatory control over distribution to ensure equitable sub-division of available supplies to all sectors of the industry. To this end, and to take advantage of the possible economies through bulk purchasing, it may be necessary to canalise imports of raw materials and/or intermediates through a centralised body like State Trading Corporation. On occasions, it may be necessary to use the same, or some other machinery, to compulsorily purchase and distribute a specific part of the domestic production of intermediates in short supply in an orderly manner against the genuine requirements of all those who do not possess the facility of manufacturing such intermediates themselves.	
	2(v) The installed capacity of orthotoluidine being more than sufficient to meet the internal demand, steps should be taken to improve the production to avoid imports which are slightly more costly than the indigenous product.	
	2(vii) The reduction in the import quota of Tobias acid from 20 per cent to 10 per cent is expected to help the utilization of capacity which is more than adequate to meet the demand and reduce dependence on imports.	
	2(ix) It is inadvisable to allow import of acetoacetanilide to such an extent as to render a substantial part of the indigenous capacity idle. Reduction in import would help to increase the the utilization of indigenous capacity and reduce dependence on imports.	

1	2	3
	3. A proper and realistic assessment of existing production (both actual and potential) and demand should be made so that the gap between demand and supply with a small margin–say 10% of the estimated demand for unforeseen contingencies should be filled by imports in a planned manner.	
	5. The intermediates should be classified according to their purity per cent and should bear the I.S.I. mark.	
	8. Government should encourage pilot studies by Institutions like the National Chemical Laboratory, Poona, on production and other aspects of the economy of intermediates which could provide guidance and expertise for the development of the Dyestuff industry and particularly the small scale producers. The industry should also in its turn develop closer contacts with Institutions engaged in such pilot studies.	
	The Commission has also observed that there is considerable need to augment the output of (i) acetoacetanilide, (ii) aceto-acetortho-chloroanilide and (iii) Tobias acid by maximum utilisation of the existing capacity for these items to avoid imports.	

ORDER

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

(S. K. BAGCHI)

Joint Secretary to the Government of India.

GOVERNMENT OF INDIA

BHARAT SARKAR

MINISTRY OF FOREIGN TRADE

VIDESH VYAPAR MANTRALAYA

New Delhi, the 4th December, 1972.

NOTIFICATION

Tariffs

No. 12(2)-Tar/72-I.—Whereas the Central Government is satisfied after due inquiry, that the duties chargeable under the First Schedule to the Indian Tariff Act, 1934 (32 of 1934), in respect of (i) Metanilic acid and (ii) Quinizarine (1,4-dihydroxy-anthraquinone) both falling under Item No. 28(40) of the said Schedule, and characterised as protective in the third column thereof have become ineffective for the purpose of securing the protection intended to be afforded by them to similar articles manufactured in India;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 4 of the said Act, the Central Government hereby increases, with immediate effect, the duties of customs on the said articles so that the duties chargeable shall be as specified in column (3) of the Table annexed hereto.

THE TABLE

Item No. of Tariff	Name of Article	Rate of duty
(1)	(2)	(3)
28(40)	Metanilic acid,	
	Quinizarine (1, 4-dihydroxy-anthraquinon)	
	(a) of British manufacture	90 per cent *ad valorem.*
	(b) not of British manufacture	100 per cent *ad valorem.*

(S. K. BAGCHI)

Joint Secretary to the Government of India.

GOVERNMENT OF INDIA

BHARAT SARKAR

MINISTRY OF FOREIGN TRADE

VIDESH VYAPAR MANTRALAYA

New Delhi, the 4th December, 1972.

NOTIFICATION

Tariffs

No. 12(2)-Tar/72-II.—Whereas the Central Government is satisfied, after due inquiry, that the duties chargeable under the First Schedule to the Indian Tariff Act, 1934 (32 of 1934), in respect of (i) J-Acid (2-naphthylamine-5-hydroxy-7-sulphonic acid), (ii) 4-chloro-2-Nitro Aniline, (iii) Para anisidine, (iv) Para toluidine and (v) Ortho anisidine falling under Item No. 28(38) of the said Schedule, and characterised as protective in the third column thereof have become excessive for the purpose of securing the protection intended to be afforded by them to similar articles manufactured in India;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 4 of the said Act, the Central Government hereby decreases, with immediate effect, the duties of customs on the said articles so that the duties chargeable shall be as specified in column (3) of the Table annexed hereto.

THE TABLE

Item No. of Tariff	Name of Article	Rate of duty
1	2	3
28(38)	J-Acid (2-naphthylamine-5-hydroxy-7-sulphonic acid), 4-chloro-2-Nitro Aniline, Para anisidine, Para toluidine.	

1	2	3
	(a) of British manufacture	50 per cent *ad valorem*.
	(b) not of British manua	per cent *ad valorem*.
28(38)	Ortho anisidine	
	(a) of British manufacture	50 per cent *ad valorem*.
	(b) not of British manufacture	60 per cent *ad valorem*.

(S. K. BAGCHI)

Joint Secretary to the Government of India.

GOVERNMENT OF INDIA

BHARAT SARKAR

MINISTRY OF FOREIGN TRADE

VIDESH VYAPAR MANTRALAYA

New Delhi, the 4th December, 1972.

NOTIFICATION

Tariffs

No. 12(2)-Tar/72-III.—In exercise of the powers conferred by sub-section (1) of section 3A of the Indian Tariff Act, 1934 (32 of 1934), the Central Government hereby directs that, with immediate effect, there shall be levied on the articles specified in column (1) of the Table hereto annexed, when imported into India, a duty of customs of such amount as is specified in the corresponding entry in column (2) thereof.

Name of Articles	Amount of duty of Customs [in place of the duty specified in the First Schedule to the Indian Tariff Act, 1934 (32 of 1934)]
(1)	(2)
The following dye-intermediates, namely,	
Chicago acid,	
G-Salt,	
Gamma acid,	
H-Acid,	
J-Acid urea,	
Meta-toluylene diamine,	
Meta-phenylene diamine,	
Nevile Winter acid,	

1	2
Para Nitroaniline,	
Rhoduline acid,	
Sulphanilic acid,	
Sodium naphthionate/ naphthionic acid,	
2:5-dichloro nitro benzene,	
Dimethyl sulphate,	
Beta Naphthol,	
Aceto acetic ester (ethyl/methyl),	
Trichloro benzene,	
Benzidine sulphate/Benzidine dihydro chloride,	
Dimethylaniline	
(a) of British manufacture	50 per cent *ad valorem*.
(b) not of British manufacture	60 per cent *ad valorem*.

(S. K. BAGCHI)

Joint Secretary to the Government of India.

TARIFF COMMISSION

GOVERNMENT OF INDIA

C.G.O. Building,
101, Maharishi Karve Marg,
Bombay-20.

No. TC/ID/E-87/G/72.

Dated 23rd October, 1972.

To

Shri V. A. Padmanabhan,
Special Officer (GATT),
Government of India,
Ministry of Foreign Trade, *New Delhi.*

SUBJECT:—*Report* (1972) *of the Tariff Commission on the continuance of protection to the Dye-intermediate industry.*

Sir,

I am directed to refer to your (i) telex No. C:5848 dated 5th October, 1972, (iii) letter No. 12(2)-Tar/72, dated 6th October, 1972 and (iii) telex No. C:5898 dated 7th October, 1972 on the above subject.

2. The Commission's comments on the views of the Directorate General of Technical Development are given below:—

(a) The Commission agreed that Benzidine dihydrochloride and Benzidine sulphate should receive identical tariff treatment but recommends that Benzidine sulphate may be subjected to the same rate of protective duty as Benzidine dihydrochloride i.e. 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential.

(b) The Commission also recommends that Dimethylaniline may be removed from the duty concession list and granted protection at the same rate of duty as the general rate, viz. 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential.

*   *   *   *

3. A corrigendum in regard to these changes is not considered necessary. The Ministry may give effect to these amendments in their Resolution stating therein that Government have consulted the Commission and obtained its concurrence.

4. *   *   *   *

Yours faithfully,

Sd/- U. V. SHENOY.

for *Secretary*.

CONTENTS

TABLES

ANNEXURES

GLOSSARY

1. A.U. . . .	Actual Users
B.C.P.S.E.P.C.	Basic Chemicals, Pharmaceuticals and Soaps Export Promotion Council
3. BIOS . . .	British Intelligence Objectives Sub-Committee
4. C.C.I. & E. . .	Chief Controller of Imports & Exports
5. C.S.I. & R. . .	Council of Scientific and Industrial Research
6. D.C.O.C.I. . .	Development Council for Organic Chemical Industries (Dyes Panel)

7. D.C.S.S.I. . .	Development Commissioner for Small Scale Industries.
8. D.G.T.D. . .	Directorate General of Technical Development.
9. D.M.A.I. . .	Dyestuffs Manufacturers' Association of India
10. E.I. . . .	Established Importers
11. E.P.S. . . .	Export Promotion Scheme
12. F.A.S.I. . . .	Federation of Associations of Small Industries of India
13. F.C.I. . . .	Fertilizer Corporation of India
14. GATT . . .	General Agreement on Tariffs and Trade
15. G.R. . . .	Government Resolution
16. H.O.C.L. . .	Hindustan Organic Chemicals Ltd.
17. H.S.L. . . .	Hindustan Steel Ltd.
18. I.C.I.C.I. . .	Industrial Credit & Investment Corporation of India
19. I.C.M.A. . .	Indian Chemical Manufacturers' Association.
20. IISCO . . .	Indian Iron & Steel Co.
21. I.S.I. . . .	Indian Standards Institution
22. J.C.C.I. & E. . .	Joint Chief Controller of Imports and Exports.
23. Ministry of I.T. & I.	Ministry of Internal Trade and Industry
24. Ministry of P & C.	Ministry of Petroleum and Chemicals.
25. N.C.L. . . .	National Chemical Laboratory
26. NOCIL . . .	National Organic Chemical Industries Ltd.
27. S.T.C. . . .	State Trading Corporation of India
28. I P C . . .	Indian Petrochemicals Corporation
29. TISCO . . .	Tata Iron and Steel Company

REPORT ON THE CONTINUANCE OF PROTECTION TO THE DYE-INTERMEDIATES INDUSTRY

1. Interim Report

1.1. Pending finalisation of our Report on the continuance of protection to Dye-Intermediates Industry beyond 31st December 1971 and in order to facilitate timely legislative action, an Interim Report covering the question of the need of continuing in principle the regime of protection/import duty concession, without finalising our views on the precise quanta, necessary modifications in the two lists (Appendices I and II of the Interim Report given as Annexure I) and other details and ancillary matters thereof, was submitted to Government on 30th September 1971.

1.2. We have given in paragraphs 1 to 5 of the Interim Report details of the history of grant of protection and duty concessions, scope and method of Inquiry, structure of the Industry (indicating capacity, production and utilisation) and consumption and future demand. The views of the Industry on the question of protection, financial analysis of the costed units and our views and recommendations on the continuance of protection have been dealt with in paragraph 8 of the Interim Report. To avoid repetition we shall deal, in this Report with only those matters not specifically covered in the Interim Report.

1.3. The recommendations made in the Interim Report were:—

(i) *The* 53 *Intermediates listed in Appendix I which are enjoying protection, should continue to do so at the same rates of duty as at present for at least three years more till* 31*st December* 1974.

(Paragraphs 8.4 of the Interim Report)

(ii) *Pending further examination and modifications, if any, which would be indicated in our Final Report, the* 18

Intermediates listed in Appendix II should also continue to enjoy duty concession as obtaining at present.

(Paragraph 8.4 of the Interim Report)

1.4. Government have since issued their Resolution (*vide* Annexure VIA) on the Interim Report on 10th December, 1971.

1.4.1. Government decided, pending receipt of our final Report, to continue protection to 53 Dye-Intermediates as well as the existing duty concession to 18 other Dye-Intermediates for a further period of one year ending 31st December, 1972 as against 3 years ending 31st December, 1974 recommended by us. The decision to continue protection has been given effect to by the Indian Tariff (Amendment Act, 1971).

1.4.2. Our recommendation that the Dye-Intermediates Industry has to discipline itself in regard to progressive economies ultimately leading to price reduction has been accepted by Government who have drawn the attention of the Industry to take suitable measures to bring down costs.

2. Scope of the Inquiry

2. As mentioned in paragraph 2 of the Interim Report the present Inquiry covers—(i) Continuance/discontinuance of protection to the 53 Intermediates listed in Appendix I of the Interim Report; (ii) Continuance/discontinuance of the import duty concession to the 18 Intermediates listed in Appendix II of the Interim Report; and (iii) Requests received from the Industry for modifications in these two lists and those considered necessary by us in respect thereof.

3. Method of Inquiry

3.1. Details of (i) the persons to whom questionnaires and letters were issued and relevant information sought, (ii) the seven units selected for cost investigation; and (iii) the Public Inquiry, cost and other discussions held are given in paragraphs 3.1 to 3.3 of the Interim Report.

3.2. A list of those from whom replies or memoranda were received is given in Annexure II. A list of those who attended the Public Inquiry held on 30th July 1971 is given in Annexure III.

3.3. The Commission and its Officers visited some of the costed and other units in the Industry. Details of the factories visited are given in Annexure IV.

4. Implementation of Recommendations made by the Commission in its Reports of 1968 and 1970 (Review).

4.1. 1968 *Report.*—In its 1968 Report on the continuance of protection to the Dyestuff Industry the Commission made 26 recommendations for the development of the Dyes and Dye-Intermediates Industry. The G.R. dated 7th December 1968 on these recommendations is given in Annexure V. As mentioned therein Government noted recommendation (10) for implementation to the extent possible and drew the attention of the manufacturers to it. Government also noted recommendations (11) to (22) and stated that steps would be taken to implement them as far as possible. They also drew the attention of the concerned parties to the relevant recommendations. The extent of implementation of only those recommendations relating to Dye-Intermediates is indicated below:—

4.1.1. *Recommendation No.* 10.7 (*No.* 10 *of G.R.*).—"In order to attain self-sufficiency in the manufacture of important Intermediates, it is necessary that immediate steps are taken to establish capacity for production of the following Intermediates:

1. Dimethylaniline
2. *alpha*-Naphthylamine
3. *ortho*-Tolidine
4. Benzidine and benzidine dihydrochloride
5. 3,3′-Dichlorobenzidine
6. Diphenylamine
7. *meta*-Chloronitrobenzene".

4.1.1.1. We understand from the D.G.T.D. that schemes for the manufacture of dimethylaniline and *ortho*-tolidine are under implementation but that there are no manufacturing programmes in the large-scale sector for *alpha*-naphthylamine and 3,3′-dichlorobenzidine, probably as these products are hazardous. We are informed by M/s. Gopi Industries, a small scale unit, that it has commenced production in 1970 of benzidine and benzidine dihydrochloride with an installed capacity of 100 tonnes per annum. We also understand from the D.G.T.D. that there is substantial production of diphenylamine by M/s. Alkali & Chemical Corporation of India Ltd., mostly for captive consumption for the manufacture of rubber chemicals. Requirements of this Intermediate by the Dyestuff Industry are said to be comparatively very small. We have no information about *meta*-chloronitrobenzene from the D.G.T.D.

4.1.2. *Recommendation Nos.* 10.4 *and* 10.5 (*No.* 11 *and* 12 *of GR*).—"The concerned administrative organisations such as the D.G.T.D. may take note of the complaints of short supply and high prices of ancillary chemicals required by the Dye-stuff Industry and evolve suitable remedies."

"It is necessary to provide all possible assistance to the Dyestuff Industry in the form of adequate supply of raw materials and ancillary chemicals of standard quality at reasonable prices so as to enable the Industry to attain self-sufficiency in the normal course."

4.1.2.1. The D.G.T.D. has intimated that there are hardly any complaints regarding inadequate availability of raw materials as the allocation of foreign exchange is stated to have been made liberally.

4.1.3. *Recommendation No.* 10.6 (*No.* 13 *of G.R*).—"The D.G.T.D. may keep a continuous watch over the progress of schemes of different units for the manufacture of Intermediates and if any of them are not implemented in time, the industrial licences issued therefor may be given over to other more promising units."

4.1.3.1. The D.G.T.D. has informed us that industrial licensing policy was liberalised in February 1970 and capacity is no longer a limiting factor in considering manufacturing schemes.

4.1.4. *Recommendation No.* 10.12 (*No.* 14 *of G.R.*).—"When foreign collaboration agreements come up for review or new agreements are approved, care should be taken to see that a continuous inflow of latest scientific and technological know-how into the country is assured."

4.1.4.1. The Ministry of P & C has informed us that while agreeing for extending foreign collaboration agreement of M/s Sandoz Ltd., provision has been made that information on research and other facilities would be made available by the foreign Company on a continuous basis.

4.1.5. *Recommendation No.* 10.14 (*No.* 15 *of G.R.*).—"The import licensing authorities should take note of the comments of the Dyestuff Industry regarding cases of import of banned items and while formulating their future policy take effective steps to plug loopholes if any, that may come to light in the actual working."

4.1.5.1. No information is made available as to how far this has been implemented. Details of the comments regarding anomaly in the import control policy, banning and restriction of imports received from the producers and our views in this matter are given in paragraphs 11.3 to 11.22.

4.1.6. *Recommendation No.* 10.20 (*No.* 16 *of G.R.*).—"So long as import restriction continues on balance of payments consideration, the imports of all GATT Intermediates may be so regulated as to limit their quantum to meet just the excess of domestic consumption requirements over indigenous production."

4.1.6.1. The D.G.T.D. has stated that in its Report of 1968, the Commission had listed 14 Intermediates of which six were under the GATT. (These have since been released from GATT commitments along with 11 others, as noted in paragraph 15.2.9.1). Of these, two Intermediates namely,

(a) *para*-aminoacetanilide and (b) dinitrochlorobenzene are not yet produced indigenously. The import of the remaining 12 items was being decided after taking into account the indigenous production and domestic demand.

4.1.7. *Recommendation No.* 10.10 (*No.* 17 *of G.R.*).—"It is not possible to advocate merely on account of lower prices or better quality the import of Intermediates irrespective of indigenous availability."

4.1.7.1. Government have drawn attention of the users of Intermediates to this recommmendation.

4.1.8. *Recommendation No.* 10.3 (*No.* 19 *of G.R.*).—"The D.G.T.D. in consultation with other concerned organisations of the Government of India and of the C.S.I. & R. like the N.C.L., Poona, should make study of the requirements of basic coal tar primaries for different industries and rationally allocate the output of these primaries to different consuming industries including the Dyestuff Industry. The manufacturers of coal tar primaries should try and sell their products directly to the consumers instead of resorting to a complex net-work of intermediate agencies."

4.1.8.1. Government drew attention of the manufacturers of coal tar primaries in this regard. The D.G.T.D. has, however, informed us that there are hardly any complaints regarding the inadequate availability of raw materials.

4.1.9. *Recommendation No.* 10.15 (*No.* 20 *of G.R.*).—"Larger units will be appreciated if they show greater interest in the direction of exports. Government should also give all possible assistance and encouragement to increase exports of Dyes and streamline procedural formalities especially those relating to import entitlements and cash assistance."

4.1.9.1. The Ministry of P & C has informed us that many of the larger units are already exporting Dyestuffs and Dye-Intermediates and Government is also giving all assistance to achieve the object in view.

4.1.9.2. From the replies received from the large scale units it is seen that they are exporting Dyes and Dye-Intermediates and also making efforts to increase their exports. The comments of the B.C.P.S.E.P.C. and the producers with regard to export assistance are dealt with in paragraphs 12.2.5 and 12.2.6.

4.1.10. *Recommendation No.* 10.18 (*No.* 21 *of G.R.*).—"In an Industry which is producing a large number of different Dyes, the optimum price level can be ensured most easily by increased competition. While giving licences for the manufacture of new items of Dyes and Intermediates the twin objective of fostering healthy competition without at the same time losing sight of the criterion of economic size of production may be kept in view."

4.1.10.1. The Ministry of P & C has informed us that M/s Indian Dyestuff Industries Ltd. have been licensed to manufacture 1,000 tonnes and M/s. Atic Industries Ltd. 720 tonnes of anthraquinone in 1968-69. The D.G.T.D. has stated that capacity is no longer a limiting factor as the industrial policy was liberalised in February 1970.

4.1.11. *Recommendation No.* 10.13 (*No.* 22 *of G.R.*).—"The attention given to elimination of toxic risks in the use of dangerous chemicals does not appear to have been adequate in Dyestuff factories. It is necessary that both large and small units devote increasing attention to further research aimed at protecting the workers."

4.1.11.1. From the replies received from the large scale producers, it is observed that most of them are taking precautions in handling toxic chemicals with a view to ensure safe working conditions. A few units have also made arrangements for undertaking frequent medical check-ups of their workers. We have, however, not received any information in this regard from the small scale sector. *We would like to draw the attention of Government to this and suggest that DCSSI may be requested to take effective steps for eliminating toxic risks in the use of dangerous chemicals ensuring safe working conditions.*

4.2. 1970 *Review Report*.—The Commission made 26 recommendations in its Review Report (January-December, 1969) of the Dye-Intermediates Industry which was submitted to Government in June 1970. The Government issued their Resolution on this Report on 25th February 1971.

4.2.1. The Resolution is included herein as Annexure VI. The various recommendations made in the above Report have been brought to the notice of the manufacturers of Dyestuff and other concerned Departments for implementation by the Ministry of P & C. Further developments regarding some of these recommendations are indicated below:

4.2.2. *Recommendation No.* 11.7 (*No.* 7 *of G.R.*).—"As detailed assessment of capacity, production, quality, prices, supply and demand in respect of the Industry is involved, and as the situation is liable to change from time to time, sometimes at relatively short intervals, a Standing Committee consisting of a representative each of Directorate General of Technical Development (DGTD), Textile Commissioner, Chief Controller of Imports and Exports, Development Commissioner for Small Scale Industries as well as two representatives each of the Dye and Chemical Manufacturers' Associations should be set up. This should be headed preferably by a technically qualified person of standing who is not directly interested in the production, import or distribution of these products. The Committee could keep a fairly continuous watch on the developing situation and offer advice to the executive authorities concerned for appropriate and timely action."

4.2.2.1. With regard to the above recommendation, Government appointed a Standing Committee in July 1971 with Dr. B. D. Tilak, Director, N.C.L., Poona, as Chairman and seven members as under:

- (i) Shri Joginder Singh, Industrial Adviser, D.G.T.D., New Delhi.
- (ii) Shri M. K. Chitre, Director, Office of the D.C.S.S.I., New Delhi.
- (iii) Dr. K. I. Narasimhan, Director, Office of the Textile Commissioner, Bombay.

(iv) Shri S. R. Minocha, J.C.C.I. & E., New Delhi.

(v) Shri J. H. Doshi, of M/s. Amar Dye-Chem Ltd., Bombay.

(vi) Shri H. C. Khatiwala, President D.M.A.I., Bombay.

(vii) Shri G. S. Apte, Project Officer, Ministry of P & C, New Delhi — Member Secretary.

4.2.2.2. According to the Government Order, the Standing Committee will examine and report on the following from time to time:—

(a) Make a detailed assessment of capacity, production, quality, prices, supply and demand in respect of Dyestuffs as well as its Intermediates;

(b) Export of Dyes and its Intermediates including BON acid;

(c) Import policy in respect of Dyes and its Intermediates;

(d) Prices of Dyestuffs and its Intermediates and whether there is need for control on prices and distribution; and

(e) Any other matter pertaining to Dyestuff Industry which may be referred to them by Government for advice from time to time.

4.2.2.3. As noted in paragraph 7 of the Interim Report (*Vide* Annexure I) we requested the Standing Committee to examine the various aspects of the working of the Dye-Intermediates Industry and to recommend to us the classification of Intermediates. In pursuance of this the Standing Committee has classified 59 Intermediates (53 protected and six out of 17 released from GATT obligation) into five broad categories namely (i) Raw materials (ii) Primary (iii) Secondary (iv) Tertiary and (v) Dyestuffs. We have also had the benefit of further discussions on this matter and other aspects of the Industry with Dr. B. D. Tilak, its Chairman. This is further dealt with in detail in paragraph 8.

4.2.3. *Recommendation No.* 11.12 (*No.* 2(*ii*) *of G.R.*).— "Steps should be taken to see that the installed capacity of diethyl *meta*-aminophenol is raised at least to the level of 100 tonnes which is the estimated demand. The landed cost of the imported product compared to the price of the indigenous product is very high. The import of this product at the present exorbitant price does not seem to be justified."

4.2.3.1. From the available data we find that the installed capacity of this Dye-Intermediate in 1971 was 195 tonnes per annum which is in excess of minimum level suggested by us as well as of its estimated demand reported by DCOCI at 82 tonnes by 1973-74. This would show that steps have been taken to augment the capacity as recommended by us. Comparison of indigenous selling price of this Intermediate with landed cost of imported product reveals the former to be higher by about 16 per cent.

4.2.4. *Recommendation Nos.* 11.14 *and* 11.18 (*No.* 2(*iv*) *and* 2(*viii*) *of G.R.*).—"It should be possible to step up the domestic production of *ortho*-anisidine particularly since there is a great deal of unutilised capacity for the product. It is not prudent to resort to imports."

"Since there is considerable unutilised capacity, the manufacture of *para*-anisidine can be stepped up with a view to reducing dependence on imports."

4.2.4.1. We are glad to note that the installed capacity of *ortho*-anisidine has since been utilised to a very large extent. There is, however still need to augment the output by maximum utilisation of the existing capacity in respect of *para*-anisidine to avoid imports.

4.2.5. *Recommendation No.* 11.16 (*No.* 2(*vi*) *of G.R.*).—"There appears to be a case for the creation of additional capacity in respect of *para*-toluidine and for improving its production. Dependence on imports could easily be curtailed."

4.2.5.1. We find from the figures of installed capacity furnished by the D.G.T.D. and the producers (*vide* Annexure VII) that while there is no case for creation of further additional capacity, concerned efforts are required to maximise the production by increased utilisation of the newly installed capacity.

4.2.6. *Recommendation No.* 11.24 (*No. 6 of G.R.*).—"Accurate data in regard to capacity, production, consumption, sale, etc. is not available in respect of even large scale sector of the Industry. With a view to compiling adequate data the units should be asked to report to the Director General Technical Development (DGTD) their progress at periodical intervals. Producers' Associations can also organise collection, maintenance and supply of up-to-date and reliable data about the various aspects of the Industry".

4.2.6.1. We have not been able to get any satisfactory information as to how far the above recommendation has been implemented both from the Industry as well as the concerned Government Departments. We would like to draw the attention of Government to the poor response received from D.C.S.S.I. in this regard, even though the small scale sector accounts for about 25 per cent of the total production of Dyes and Intermediates. *We feel that it is necessary to have up-to-date accurate data in regard to capacity, production, sales, consumption and various other aspects of the Industry, both from large and small scale sectors, particularly the latter.*

5. Capacity, Production and Utilisation.

5.1. In paragraph 4.3 of the Interim Report, we have dealt with the details of capacity, production and utilisation of Dye-Intermediates. Regarding the difference in production and capacity as supplied by the units and the D.G.T.D., one of the producers informed us during the Public Inquiry that while the figures of captive consumption plus what is sold in the market were supplied to us, the figures of market sales only were given to the D.G.T.D. As we could not get satisfactory explanation with regard to this disparity from the Industry and other interests, we have decided to take the D.G.T.D. figures for capacity and production wherever available and the producers' figures for the rest of the items.

5.2. While compiling the data on capacity and production of Intermediates (protected, non-protected and those enjoying duty concession) it was observed that some items known by the internationally recognised commercial names, could have different names under a particular nomenclature resulting in repetition of the same items. In order to avoid this duplication, we have decided, in consultation with Dr. B. D. Tilak, to adopt chemical nomenclature and internationally known commercial names given in "Chemistry of Synthetic Dyes" by Dr. K. Venkataraman for all these Dye-Intermediates wherever possible (*vide* Annexure VII).

5.3. In paragraph 4.4 of the Interim Report we have dealt with the unitwise plans for the manufacture of new Intermediates and expansion of capacity for some of the existing items. In this context one of the large scale producers has suggested that Government should take a liberal view in granting expansion. It has been contended that expansion that could be achieved by installing indigenous balancing equipments should be permitted in anticipation of official approval in order to save time and to gain advantage of additional production to the national economy. In addition, the producer has suggested that the quantities exported should be allowed as additional production over and above the licensed/installed capacities. The increase in the capacity thus achieved in his opinion should be allowed to continue and registered as additional capacity.

6. Raw materials and other Inputs.

6.1. The essential raw materials required by the Dye-Intermediates Industry are (a) Basic and other Coal Tar Primaries; (b) Ancillary Chemicals; and (c) some Primary and Secondary Intermediates. The basic Coal Tar Primaries required for the manufacture of Dye-Intermediates are benzene, toluene and naphthalene. Other Coal Tar Primaries include xylene, solvent naphtha, anthracene, phenol/sodium phenate, cresol and xylenel, carbazole and pyridine. These are the distillation products of Coal Tar produced in Coke ovens and Gas works by the process of carbonization of coal. *There is adequate capacity for the production of most of the coal Tar Primaries in the country.* A few of the primary raw materials like benzene, toluene and xylenes would also be produced from Petro-Chemical sources when the Aromatic and Olefin Complexes at Koyali under the I.P.C. come into operation.

6.1.1. Ancillary Chemicals include various organic and inorganic chemicals such as absolute alcohol, acetic acid, aluminium chloride (anhydrous), cyranuric chloride, caustic soda, caustic potash, glycerine, manganese dioxide, soda ash, sulphuric acid, nitric acid, hydrochloric acid, phosphorus trichloride, sodium nitrite, sodium sulphide, sodium hydrosulphite, liquid ammonia, iron powder, zinc dust, etc. *All the essential organic and inorganic chemicals except sodium nitrate are indigenously available.*

6.1.2. Some of the main Primary and Secondary Dye-Intermediates which are required for the manufacture of Tertiary Intermediates and also for various types of Dyestuffs include acetoacetic ester, anthraquinone, anthraquinone-1-Sulphonic acid-sodium salt, *alpha*-naphthylamine, 2-amino-anthraquinone, benzanthrone, benzidine and benzidine dihydrochloride, *beta*-naphthol, chlorobenzenes (*ortho-meta,* and *para-*), trichlorobenzene, 3,3′-dichlorobenzidine, dimethyl sulphate, 2-hydroxy-3-naphthoic acid (BON acid), J-acid, 3-methyl-1-phenyl-5-pyrazolone, naphthalene sulphonic acid (*alpha*-and *beta-*), nitrobenzene, monochloro-*para*-xylene, and *ortho*-and *para*-nitrotoluenes. With the exception of *alpha*-naphthylamine, 3,3′-dichlorobenzidine and *ortho*-and *para*-nitrotoluenes, requirements of which are met by imports, all others are stated to be indigenously available.

6.2. *Coal Tar Primaries.*—The H.S.L. Plants at Bhilai, Rourkela and Durgapur are the main producers of basic Coal Tar Primaries. Other important producers are the TISCO, the IISCO and F.C.I. NOCIL is at present the only supplier of benzene from petro chemical source. Xylene to be produced by the unit of I.P.C. is expected to be available from mid 1972. We however, understand from the said Corporation that though they have plans to produce 23,600 tonnes per year of benzene from 1974 onwards, this entire quantity would be required for the production of detergent Alkylate and Caprolactum. Hence there would be no surplus benzene available for sale to any industry which is Directly or indirectly involved in the production of Dyestuffs in the country. Details regarding capacity and production of basic

Coal Tar Primaries as furnished by the D.G.T.D. and producers are given below:—

TABLE NO. 6.1

Capacity and production of basic Coal Tar Primaries

(Tonnes)

Sl. No. Name of the item	Installed capacity	Production			
		1968	1969	1970	1971 (Estimated)
1. Benzene . . .	80,000	28,055	34,599	30,942	45,057
2. Toluene . . .	12,036	2,600	3,100	3,900	6,902
3. Naphthalene . .	12,600	6,500	6,900	7,100	6,552

Unitwise details of capacity and production of basic Coal Tar Primaries as furnished by producers are given in Annexure VIII.

6.2.1. The D.G.T.D. has not mentioned (*vide* paragraph 4.1.8.1) of having received any complaints regarding the inadequate availability of Coal Tar Primaries. One of the major producers of Dyes and Dye-Intermediates, has however complained that the price of naphthalene supplied by H.S.L. is very high compared to the international price which does not appear to be so as shown below:—

TABLE NO. 6.2.

Indigenous prices and corresponding minimum and maximum landed costs of some of the Coal Tar Primary/Basic raw materials during 1969, 1970 *and* 1971

Rs./Kg.

Sl. No.	Name of the Chemicals	Indigenous						Landed costs					
		1969		1970		1971		1969		1970		1971	
		Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
1	Naphthalene . .	1.20	1.82	1.68	2.24	1.70	1.70	1.46	2.85	1.46	2.85	1.59	1.59
2	Phthalic anhydride .	5.15	5.72	5.20	6.27	4.72	5.85	3.40	7.29	2.63	3.77	1.99	2.19
3	Toluene . .	1.00	2.98	1.20	2.43	1.20	1.20	N.A.	N.A.	N.A.	N.A.	7.97	7.97

6.2.2. The above Table however reveals that the domestic price of phthalic anhydride is very high compared to the landed cost. Since phthalic anhydride forms one of the basic raw materials for the Industry we feel that its adequate supply at a reasonable price is important for the progressive development of the Dye-Intermediates Industry. *We would suggest that the producers of phthalic anhydride should explore all possible ways and means to effect economies in the process of its manufacture so as to bring down its price as far as possible to the level of the landed cost of the imported product.*

6.3. *Ancillary Chemicals:*

6.3.1. The Table below gives the details of the supply position of various ancillary Chemicals as furnished by the D.G.T.D.

TABLE No. 6.3

Capacity and Production of Ancillary Chemicals

(In tonnes)

Sl. No.	Name of the item and that of the producer manufacturing it	Annual Capacity		Production			
		Licensed	Installed	1968	1969	1970	1971
1	2	3	4	5	6	7	8
1	****Aluminium chloride, anhydrous :***						
	Indian Dyestuff Industries Ltd.	10,000	8,000	1,823	4,424	7,236	7,685
2	***Bromine :***						
	Tata Chemicals Ltd., Okhamandal	1,820	380	235	283	256	N.F.
3	***Zinc Dust :***						
	(i) Waldies Ltd., Calcutta	—	203	54	253	277	N.F.
	(ii) Associated Pigments Ltd., Calcutta	—	720				
	(iii) Khosla Metal Powders (P.) Ltd., Poona	—	2,400				
		—	3,323	54	253	277	N.F.

1	2	3	4	5	6	7	8
4	*Potassium Nitrate*	Production in small scale sector					
5	*Sodium Nitrite*						
	(i) Deepak Nitrite, Bombay	2,700	—	Under implementation			N.F.
	(ii) F.C.I., Trombay	1,000	—				
	TOTAL	3,700					
6	*Potassium Carbonate :*						
	Standard Mills Co. Ltd., Thana	1,500	1,500	—	911	1,919	N.F.
7	*Potassium Hydroxide :*						
	(i) Standard Mills Co. Ltd., Thana	9,900	9,900	4,234	3,909	5,418	N.F.
	(ii) Atul Products Ltd., Bulsar	2,475	2,475	898	943	527	N.F.
	TOTAL	12,375	12,375	5,132	4,852	5,945	

*As furnished by the producer.

6.3.2. The small volume of production of zinc dust as compared to the large installed capacity has been attributed by the Industry to inadequate availability of the basic raw materials.

6.3.3. During the course of the Public Inquiry almost all the units in both the large and small scale sectors, expressed difficulties with regard to the availability, price and quality of the ancillary chemicals/raw materials both indigenous and imported. This has been particularly felt, according to the Industry, in the case of pyridine, sodium nitrite, aluminium ingots, glycerine, soda ash, mercury, manganese dioxide, sodium sulphide (flakes), sodium hydrosulphite, sulphuryl chloride etc. The F.A.S.I. contended that its members do not get adequate quantity of caustic soda, soda ash and sodium bicarbonate. M/s. Azofen Ltd., one of the small scale producers, complained that M/s. Saurashtra Chemicals, who used to supply soda ash regularly to them had refused to do so as soon as the material was in short supply and wanted higher price for it. Another producer contended that the price of liquid bromine supplied by Tatas, the sole producer of this chemical, was exorbitant and has suggested remedial measures by way of restricted imports. One of the producers suggested that import of raw materials like pyridine and bromine should be allowed to A.U. freely without any restrictions of currency area or value.

6.3.4. Movement of the selling prices of some of the organic and inorganic chemicals, both indigenous and imported, as furnished by the producers is given in Annexure IX. It would be observed therefrom that barring methanol, pyridine, aluminium chloride (anhydrous), caustic soda, nitric acid, sodium nitrite and zinc dust, the domestic prices of which have shown an increasing trend there has been a decline in the selling prices of indigenously produced acetic acid and chloro-sulphonic acid and *status quo* maintained generally in the price level of cyanuric chloride, and sulphuric acid. Comparison of the domestic selling prices of acetic anhydride and pyridine, *vis-a-vis* the corresponding landed costs reveals that the former are substantially higher than the latter. We would emphasise the need for effecting all possible economies in the process of indigenous manufacture, 6.4. *Primary and Secondary Dye-Intermediates.*—Details of the installed capacity, production, available supply and the estimated requirements by the end of 1973-74 of some of the main Primary and Secondary Dye-Intermediates mentioned in paragraph 6.1.2. are given in Annexures VII and XI. The selling prices of some of these Intermediates both indigenous and imported, as furnished by the producers for which we have received adverse comments are given in Annexure X.

6.4.1 We understand from the representatives of the Industry that considerable difficulty is being experienced by both the large scale and small scale units in procuring some of these Intermediates in adequate quantities from indigenous sources at reasonable prices and also by imports from foreign countries. The question of availability and remedial measures suggested to reduce dependence on imports are discussed in paragraphs 7.2, 7.3 and 11.16 to 11.22.

6.4.1.1. M/s. Gopi Industries have complained that while they have the requisite machinery and technical know-how, their production is hampered due to non-availability of zinc dust of good quality. They have added that their benzidine plant is lying idle since March 1971. This unit has also contended that zinc dust manufactured by M/s. Hidustan Zinc Limited, Udaipur, is unsuitable for reduction purposes and its usage during trial runs resulted in heavy loss. It is stated to have tried subsequently every grade available in the open market and found them unworkable as the metallic zinc content of the raw material is only 70 per cent which is much lower than that claimed by the suppliers. This has consequently increased its consumption of zinc dust from 2.5 tonnes to 3.5 tonnes per unit of benzidine di-hydrochloride produced, besides increase in cost resulting in over loading the Reactor and difficulties in subsequent operations like those of separation and recovery of solvent. Its subsequent efforts to get licence for import of 100 tonnes of zinc dust, which is claimed to be the minimum quantity required for its annual production, did not meet with success as this Intermediate comes under the list of non-priority Industries. As against the essentiality certificate for Rs. 75,000 the unit is stated to have been given a meagre release order for Rs. 2,250 only which, in its opinion, would be sufficient only for a week's production. It has also informed us, that due to the limited producion it could only supply its product to a few parties, chief among them being— (1) M/s. Bird Dyes and Chemicals, Amritsar and (2) M/s. Chemoacet Industries, Surat.

6.4.1.2. It would be observed from Table No. 6.3 that there is considerable indigenous capacity for production of zinc dust. Since this is an important chemical required in the manufacture of Dye-Intermediates employing the reduction process, large scale imports of this item may, in our view, hamper its development. *We would like to emphasise here that there is great need for improving quality of zinc dust produced in the country as well as bringing down its price. We hope that producers of this chemical would make earnest efforts to bring down the cost of its manufacture and also to improve its quality so that it conforms to ISI standards.*

6.4.1.3. While complaints have been voiced about the non-availability of trichlorobenzene in sufficient quantities, we were informed during our visit to some of the small scale units that there was enough production of chlorobenzenes including that of trichlorobenzene. M/s. Nascent Chemical Industries Pvt. Ltd., one of the small scale producers stated that they manufacture various types of chlorobenzenes such as mono-chlorobenzene, *para*-dichlorobenzene, *ortho*-dichlorobenzene and trichlorobenzene in their two factories at Thana and Wapi with an installed capacity of one and 1½ tonnes per day respectively. Besides half a dozen units in the States of Maharashtra and Gujarat are stated to be producing chlorobenzene. At present the two Public Sector Undertakings, Hindustan Insecticides and Durgapur Chemical Works Limited are also producing chlorobenzene which is mostly used as an Intermediate for their final products, namely, D.D.T. and Phenol. We understand from the representatives of these units that in spite of sufficient quantities of this product being available in the counry, imports were being permitted for A.U. on restricted basis, particularly in respect of trichlorobenzene. These Undertakings' production of trichlorobenzene was stated to be of the order of

25 tonnes per annum and they claim to be capable of manufacturing as much as 200 tonnes without any addition to the installed capacity. They have therefore, pleaded for enhancement of duty on chlorobenzene from 40 to 100 per cent before imposing complete ban on imports. This aspect is further discussed in paragraphs 11.16 & 11.17.

6.4.1.4 The producers in the small scale sector have complained that the prices of indigenous Dye-Intermediates are generally very much more as compared to their corresponding c.i.f. prices. Examination of the selling prices of 22 Dye-Intermediates and their corresponding landed costs given in Annexure X reveals that with the exception of *meta*-nitroaniline, *ortho*-toluidine and Schaeffer acid of which the latter is higher than the former almost all other indigenous Dye-Intermediates listed therein are substantially costlier than their imported counterparts. Barring a few Dye-Intermediates, namely, anthraquinone, *beta*-naphthol, 2,5-dichloronitrobenzene, Tobias acid and Schaeffer acid, a significant upward trend in the domestic selling prices of almost all others is observed. To deal with this uphappy emerging situation, we have suggested some corrective measures in paragraphs 13.2.7 and 13.2.8.

6.5. It has been represented both by the D.M.A.I. as well as the producers of both the sectors that the Industry was experiencing difficulties in obtaining raw materials as it did not get adequate import licences for them besides the long delays between procurement of licence and the availability of materials at site. Considerable delays are also stated to take place on account of various formalities required to be carried out against A.U. licences, necessitating their revalidation in most cases. It was further contended that the Dye-stuff Industry being a Non-Priority one, the foreign exchange allocation to it was inadequate to cover the required import of raw materials so as to utilise fully the installed capacity. The situation is stated to have been further aggravated as there is considerable delay in getting import entitlement on exports made by the units. All this is said to have resulted in uneven flow of raw materials which grossly dislocated their production programmes. In our 1970 Review Report, we had recommended [*vide* Recommendation No. 11.2-1

(iii) of G.R.] that "in the matter of issue of import licences for raw materials, preference should be given to Actual Users of those raw materials *i.e.*, those who are predominantly engaged in the conversion of these Intermediates to be further converted either by themselves or by others into finished Dyestuffs". In their Resolution on our Review Report Government have stated with regard to this recommendation that manufacturers of Dye-Intermediates are already being given import licences on replenishment basis and from preferential sources.

6.6. Majority of the producers have expressed concern about the mounting prices and the poor quality of the indigenous raw materials. The failure of the indigenous producers to supply basic raw materials of acceptable quality results in higher consumption of these materials per unit of output with consequent increase in the cost of production of Dye-Intermediates. *In order to improve quality of raw materials as also to bring down the cost of manufacture of Dye-Intermediates for indigenous consumption and to make them more competitive in the foreign market, we would suggest that the producers of raw materials should ensure that their products conform to ISI specifications. They should also make concerted efforts to economise in their cost of manufacture*

6.7. From the cost investigations we have found that the usage of raw materials and other inputs in a number of Dye-Intermediates is considerably in excess of the norms published in 1945 in the BIOS reports which have taken the data from the working of a number of German manufacturing firms as far back as late 1930s. *The higher usage of raw materials and other inputs lowers the efficiency of production and raises the costs of finished products.* It is difficult to explain why the efficiency of the Indian Industry should be lower than that in Germany 40 years ago, particularly as some of the Dye-Intermediates are being produced with foreign collaboration. *This is a serious matter and needs to be looked into by competent technical experts. We therefore bring this to the notice of Government.*

6.8. During the Public Inquiry as well as in the course of joint discussions held subsequently, most of the producers both large and small scale, criticised the role of the S.T.C. in the handling and distribution of imported raw materials. The criticism related to the nature of packing, quality and testing in addition to delays and charging of high prices.

6.8.1. With regard to the specific complaint of the Industry in respect of the supply of sodium nitrite of substandard quality, packed in polythene bags, the representative of the S.T.C. submitted that it was only a solitary instance in which 4 tonnes of sodium nitrite got mixed up during unloading operations at the port with sodium nitrate, and that his Department had taken steps to rectify this mistake. The S.T.C. was reported to have paid compensation to the affected parties after which the matter was closed. The representative also claimed that the practice of importing materials of such type in polythene bags had been discontinued and all purchases are now made only in drums. Even in the case of drums, the possibility of materials getting deteriorated sooner or later cannot be ruled out unless they are promptly lifted. In this connection it was brought to our notice that there are some customers with speculative tendencies who do not lift the materials in time with the result that these get deteriorated over a period. To ensure that the customers lift the imported materials promptly, *the Chairman of the S.T.C. suggested that in the case of imports through the S.T.C. the customers should place firm orders and pay in advance 5 to 10 per cent of the value of the goods as deposit. The S.T.C. in turn would be willing to pay interest thereon. We commend this proposal for consideration by Government.*

6.8.2. In regard to delays the representative of the S.T.C. submitted that sometimes these were unavoidable. First, the international market did not always supply the requisite materials immediately which the S.T.C. was under an obligation to make available, as these are canalised, by getting them from somewhere, eventhough belated. Secondly, some delays occur in placing orders by the S.T.C. especially when a newly canalised item was involved ,as market study had to be made and procurement system built up. Despite such delays, the representative contended that these should not ordinarily act to the detriment of the Industry, as there are always some supplies floating in the pipe-line.

6.8.3. With regard to quality and testing, the representative of S.T.C. informed us that his Department did not carry out testing of materials imported by them for distribution. He did not consider it necessary either as each and every consignment of import was accompanied by the certificate of analysis from the manufacturers of the exporting countries. In order to get over the difficulty of testing on importation into India, the Chairman of the S.T.C. suggested that where goods are supplied in bulk, the customer could draw a sample and get it tested before taking delivery. In addition, *we feel that in its own interest, as a check on the quality .... of supplies, the S.T.C. should consider introducing some sample testing on its own on receipt of goods even though it has large scale operations and receives necessary certificates of analysis from the foreign manufacturers.*

6.8.4. As for the criticism that S.T.C. was charging high prices, their Chairman explained that the prices for a wide range of goods were fixed by the various Ministries and Departments of Government and that the S.T.C. had no say in the matter. On its part, Corporation was consistently endeavouring to bring down its administrative cost.

7. Demand, Availability and Rationalisation

7.1. *Demand.*—In paragraph 5.2 of the Interim Report, we have indicated the demand for 160 out of 239 Dye-Intermediates. The list has since been revised and the estimates of demand projected by us on the basis of a linear growth rate of 10 per cent per annum covering 140 Intermediates and the estimates as framed by the DCOCI relating to 131 Intermediates are given in Annexures VII and XI. The aggregate requirement for 140 Intermediates on the basis of 10% linear growth comes to 37, 683 tonnes by the end of 1973. According to the DCOCI the total demand covering ~~131 Intermediates is~~ likely to be 26,354 tonnes by 1973-74.

7.2. *Availability:*

7.2.1. We have dealt with the apparent consumption (production plus imports minus exports) of the 53 protected Dye-Intermediates in paragraph 5.1 of the Interim Report. It would be observed from Appendix VI thereof that self-sufficiency had been more or less reached by 1970 in respect of 40 of them as against 37 in 1968, and this trend is expected to progressively continue in most of the remaining items. The production fell short of demand marginally in 1970 (*Vide* Annexure XI) with regard to 1-aminoanthraquinone and anthraquinone and substantially in respect of other eight namely (i) acetoacetanilide (ii) acetoacet-*ortho*-chloroanilide (iii) *meta*-diethylaminophenol (iv) *ortho*-anisidine, (v) *ortho*-toluidine, (vi) phenyl-peri-acid, (vii) *para*-anisidine and (viii) *para*-toluidine. The balance of the domestic requirements was met by imports.

7.2.2. In our 1970 Review Report we had recommended (*vide* recommendations Nos. 11.4 and 11.10 and 1(ii) of the G.R.) that "there is scope for expansion of capacity or setting up of new capacity in respect of some of the Intermediates where demand outstrips supply. New manufacturers should be encouraged to come into the field, especially where at present there is one producer of an Intermediate. Producers with captive consumption should be encouraged to maximise their capacity utilisation and with this end in view should, as a first priority, get their import licences for raw materials without much difficulty and without having to depend on export promotion licences." We would reiterate the above recommendation and suggest that effective steps be taken for its early implementation to the extent possible.

7.2.3. In the case of J-Acid, from which important Intermediates like phenyl-J-acid, J-Acid urea and Rhoduline acid are manufactured, it would be seen from Appendix VI of our Interim Report that the indigenous capacity of this Intermediate falls............................short of the present demand by about 20 per cent. We understand that there is only one unit which manufactures J-Acid. *It would be desirable to permit imports of J-Acid to effectively fill the gap* *between indigenous production and the total demand, particularly to ensure that the requirements of the small scale sector are adequately met at a reasonable price.*

7.2.4. We understand that the high percentage of under-utilisation of capacity in respect of acetoacetanilide was due to the large imports of this item permitted against A.U. and EPS licences. In the case of acetoacet-*ortho*-chloroanilide and *ortho*-and *para*-toluidines we find that substantial imports had to be resorted to as the additional capacity for these products, which came to be installed during 1970, did not contribute much towards the production of that year.

7.2.5. We would like to refer to our recommendation made in the 1970 Review Report (*vide* recommendation No. 11.15-No. 2(v) of G.R.) that "the installed capacity of *ortho*-toluidine being more than sufficient to meet the internal demand, steps should be taken to improve the production to avoid imports which are slightly more costly than the indigenous product." We had also recommended in the said Report (*vide* recommendation No. 11.19-2(ix) of G.R.) that "it is inadvisable to allow import of acetoacetanilide to such an extent as to render a substantial part of the indigenous capacity idle. Reduction in import would help to increase the utilisation of indigenous capacity and reduce dependence on imports." In another recommendation (*vide* recommendation No. 11.17-2(vii) of G.R.) we have mentioned that "the reduction in the import quota of Tobias acid from 20 per cent to 10 per cent is expected to help the utilisation of capacity which is more than adequate to meet the demand and reduce dependence on imports." *We would like to reiterate the above recommendations and draw the attention of Government for their implementation to the extent possible. Further, it would seem that there is considerable need to augment the output of acetoacetanilide and acetoacet-ortho-chloroanilide and Tobias acid by maximum utilisation of the existing capacity in respect of these three items to avoid imports.*

7.2.6. In paragraph 5.1.2. of our Review Report (1970) we had mentioned that the 18 Dye-Intermediates listed in Appendix 7 were required by the small scale sector. It would be observed therefrom, that self-sufficiency had been reached by 1969 in respect of ten of these items namely, (i) acetoacet-*ortho*-toluidide, (ii) 1-amino-6-nitro-2-naphthol-4-sulphonic acid, (iii) BON Acid, (iv) 1-chloroanthraquinone, (v) 4-chloro-2-nitroaniline, (vi) diethyl-*meta*-amnophenol, (vii) 2,6-diamino-anthraquinone, (viii) J-Acid, (ix) phynyl-J-Acid and (x)Tobias acid. This trend is expected to progressively continue in most of these items during the next three years. The additional capacity in the case of *para*-toluidine which came to be installed only in 1970 is, however, expected to reach its optimum utilisation by 1973 and would thus be able to meet the domestic demand thereafter. Of the remaining seven Dye-Intermediates, marginal imports had taken place in respect of 1-aminoanthraquinone and substantial imports in the case of six others as mentioned in paragraph 7.2.1 above (items (i), (ii) and (iv) to (vii)). Since the producers of Dye-Intermediates claim to have combined capacity, import of these Intermediates will, therefore, have to be carefully regulated so that they do not prove a dis-incentive to secure maximum utilisation of capacity.

7.2.7. Most of the large scale units have stated that they make no specific reservations of supply for the small scale sector as the latter makes no firm contracts well in advance for their requirements. The latter on the other hand has complained about the non-availability of certain items from the former. M/s. Amar Dye-Chem Ltd., have stated that only when demand for a particular item shoots up, or a product is not available in the foreign market, that the small scale units come up for delivery on tap which makes it difficult to fulfil as production has necessarily to be preplanned. The I.C.M.A. has stated that it is having continuous dialogue with the manufacturers in the small scale sector so as to make available to them all such Dye-Intermediates that are required from time to time. As a result of its efforts, it is contended, there is a joint Committee reviewing periodically the availability of various Dye-Intermediates required by the unorganised small scale units and every effort is made to meet their demand.

7.2.8. We would recall recommendation No. 11.22 (No. 1.1 of (I.R.) made in our Review Report 1970 wherein it was mentioned that "there should be greater coordination and cooperation among the small and large scale sectors of the Industry. They should be able to exchange their products among themselves on the basis of their mutual needs and availability." In another recommendation No. 11.23 (No. 3 of G.R.) we had stated that "a proper and realistic assessment of existing production (both actual and potential) and demand should be made so that the gap between demand and supply with a small margin—say 10 per cent of the estimated demand—for unforeseen contingencies should be filled by imports in a planned manner." *We would reiterate the above recommendations and suggest that earnest efforts be made for their speedy implementation.*

7.2.9. A few indigenously produced Intermediates like metanilic acid and 3-methyl-1-phenyl-5-pyrazolone as also some items canalised through S.T.C. are reported to be in short supply with consequent increase in their open market prices. As a remedial measure M/s Hickson & Dadajee have suggested the following (i) S.T.C. should have a phased programme of import to ensure regular and adequate supply and its releases should be expeditious and to the full extent of the requirements; (ii) till S.T.C. regulates its working, Actual Users to be permitted to import canalised items against their replenishment and entitlement licences; (iii) while bulk purchaser generally does secure a lower import price, a monopoly purchaser is made to pay a price higher than even the normal price for small quantity purchases. S.T.C. which had this experience in the case of aniline oil should try to take advantage of the possible economies through bulk purchasing.

7.3. *Rationalisation:*

7.3.1. In the field of Dyestuffs it is noticed that there is a certain amount of overlapping in the matter of production of some items as there does not appear to be any effective demarcation in regard to their manufacture by the large scale units on the one hand and the small scale sector on the other. It was complained to us that although a policy announcement by Government had been made to confine further expansion in the field of manufacture of Azo and Reactive Dyes to the Small Scale Sector, licences for expansion are still being given to the large-scale units for these items. DCSSI has pleaded that those Intermediates for which the demand is less than 100 tonnes should be reserved for the small scale sector.

7.3.2. In the above context it needs consideration whether some positive steps should be taken at this stage when the small scale units have begun to enter the field of manufacture of Dye-Intermediates in larger numbers, with a view to avoid unhealthy competition and overlapping of production. While we appreciate that from the point of view of consumer-interest, competition by itself is no doubt welcome, inasmuch as it puts the different units on their mettle to be more cost and quality conscious, this could be only effective and justifiable if it is between two equals or near equals. This cannot obviously be the case as between the organised and the unorganised sectors of the Dyestuffs Industry. Large-scale units have always an advantage of economies of scale apart from finance and other facilities. It has been complained that whenever small scale units venture to produce an item which is also being manufactured, or capable of being manufactured by the large-scale units by unequal competition, the latter are always able to out do the former from achieving utilisation of their full capacity.

7.3.3. *We therefore feel that some rational division between the two sectors is necessary for a proper growth of the Industry as a whole they have to be complementary to each other rather than competitive. While items of manufacture which require large scale production, and also those involving complex processing could be more economically and efficiently produced by the units in the large-scale sector, who possess the necessary facilities, including those for research and development, the manufacure of sophisticated items required in small quantities for specialised uses as well as those involving simple process could be preferably left to the small scale sector who have the advantage of being labour-intensive.*

7.3.4. In this context it was pointed out by one of the large scale units that in Japan, the Ministry of Internal Trade and Industry had got all the small manufacturers together and indicated the items which each one should make. They were thus directed to concentrate on manufacturing only those products with the result that not only the concerned units mastered the technology of manufacture of the items earmarked for their production, but were also able to produce them more economically and efficiently.

7.3.5. On this question the representative of the Ministry of P and C pointed out that while it was true that there were certain areas where the small scale sector had a decided advantage and could play an effective role, since a great future in the export field was visualised for the Dye-Intermediates, it was of cardinal importance to ensure the viability of the Industry as a whole. Hence, new units could not be allowed to come in with any built in disadvantages merely on the plea of encouraging the small scale sector.

7.3.6. *As we see it, while it may not be feasible to make any water-tight distinction as between Dye-Intermediates to be manufactured by the large and small scale units. It would be worthwhile to explore ways and means for achieving a programme of rationalised manufacture, keeping in view efficiency and viability criteria amongst others so that healthy and rapid progress of the Industry could be smoothly achieved. The recently formed Standing Committee for the Dyestuff Industry referred to earlier, which has on it representatives not only from the Government but from both the sectors of the Industry, could play an effective role in this direction.*

8. Classification of Dye-Intermediates.

8.1. As mentioned in paragraph 7 of the Interim Report, the Standing Committee has classified 59 Dye-Intermediates (53 protected and six out of 17 released from GATT obligation) into the following five broad categories:

(i) Raw materials used for manufacture of Dye-Intermediates;

(ii) Primary Intermediates;

(iii) Secondary Intermediates;

(iv) Tertiary Intermediates;

(v) Items which could be classified for duty purposes as dye-stuffs.

The minutes of its first meeting are enclosed as Annexure XII-A. This matter was further discussed in greater details by the Commission with Dr. B. D. Tilak, Chairman of the Standing Committee. Shri J. H. Doshi, President of M/s. Amar Dye-Chem. Ltd. who is also a member of the Standing Committee and was a party to the consensus decision taken at the first meeting of the Standing Committee has by letter dated 30th August, 1971 stated that the Members of the I.C.M.A. whom he consulted regarding classification of the Dye-Intermediates as decided by the Standing Committee, at its first meeting have unanimously expressed the opinion that such a classification in an Organic Chemical Industry was not practical and desirable. In support of this view it has been averred that what may be a Primary Intermediate to one manufacturer, may be a Penultimate (Tertiary) Intermediate to another and what may be a finished dye to one may be an Intermediate for the other producer. For instance, it has been cited that *beta*-naphthol has been classified as a Primary Intermediate but for making certain Azo dyes it is a penultimate Intermediate; similarly, naphthol is a finished dye but for pigment manufacturers, it is an Intermediate. The D.M.A.I. by letter dated 14th October, 1971 has however agreed to the principle of classification of Dye-Intermediates but has suggested alterations in respect of four items from those fixed by the Standing Committee. This subject was further discussed by the Standing Committee at its second meeting held on 12th November, 1971 in which they have re-affirmed their consensus of opinion of such a classification being necessary and justifiable after noting the views of the different sections of the Industry subsequent to its first meeting. This Committee also classified 23 more Intermediates at our request (15 new items for inclusion in the concessional list plus eight other released from GATT obligation). The minutes of the second meeting of the Standing Committee are also given in Annexure XII-B.

8.2. The list of the protected Dye-Intermediates as classified into Raw Materials, Primary, Secondary, Tertiary and Dyes by the Standing Committee and the D.M.A.I. is given in Annexure XIII.

8.3. We find that there is no unanimity on the issue of classification and that different sectors of the Industry have different views in the matter. The organised sector feels that if there were to be a rigid classification of Intermediates with progressively increasing rates of duty it might adversely affect indigenous production of some Intermediates. If, for example, an Intermediate were to be classified as primary or secondary and admitted into India at lower rates of duty there would be a tendency to import such an Intermediate rather than depend on indigenous production thereby affecting adversely the growth of the indigenous Industry. The small scale sector, on the other hand, is by and large in favour of a rigid classification as it would make it possible for them to get imported Intermediates cheaper whenever indigenous production fell short of the demand and in the prevailing scarcity the manufacturers pushed up prices thus affecting the small scale sector's competitive position in marketing finished goods.

8.3.1. We have carefully examined the different views placed before us. We feel that while the underlying principle involved in the classification of Intermediates into five categories has much to commend it technically, it would not be feasible for protective duty purposes to have any rigid categorisation with a distinctive rate of duty for each category. We feel that the rate of duty on any particular Intermediate will have to be decided on a pragmatic basis after taking into consideration all relevant factors concerning protection.

9.1. *Standards:*

9. Standards and Quality

9.1.1. We understand from the I.S.I. that it has so far published 29 Standards on Dye-Intermediates. The list of these is given in Annexure XIV. Standards for six more Dye-Intermediates are stated to have been finalised and are under print. Further more, draft Standards in respect of another four Dye-Intermediates have been approved for circulation, while drafts for four more are under compilation. The details of the Standards which are at various stages of preparation according to the I.S.I., are as under :—

A. Draft Standard Specifications finalised and under print:

1. J-Acid

2. Quinizarine, Technical
3. 1, 4-Diaminoanthraquinone, Technical
4. Anthraquinone, Technical
5. *para*-Nitroanisole
6. *ortho*-Nitroanisole

B. Draft Standards approved for circulation:

1. *para*-Aminophenol
2. 1,5-Diaminoanthraquinone, Technical
3. 3-Bromobenzanthrone, Technical
4. 3,9-Dibremobenzanthrone, Technical

C. Drafts under compilation

1. Tobias acid
2. *Meta*-Nitro-*para*-toluidine
3. 1-Chloroanthraquinone
4. 1,5-Dichloroanthraquinone

9.1.2. The I.S.I. has stated that there is one approved licensee for certification marking according to I.S.: 3242-1965 for *beta*-Oxynaphthoic acid (BON-acid). It has further added that most of the manufacturers not holding licences claim that their products conform to the requisite Indian Standards. This is supported by the evidence gathered from the producers' replies to the effect that the Dye-Intermediates manufactured by most of them generally conform in quality either to the Indian Standards or to the International Standards, those prescribed by their foreign collaborators or other renowned world manufacturers. We would like to refer here to our recommendation in the 1970 Review Report (*vide* recommendation No. 11.21-No. 5 of G.R.) that "Intermediates should be classified according to the purity per cent and should bear the I.S.I. mark." *We would, reiterate the above recommendation and commend to Government to take necessary steps for its speedy implementation.*

We would also suggest that in the interest of this growing Industry the I.S.I. should finalise early the Standard Specifications with due regard to their purity percentage for as many of the important Dye-Intermediates as possible.

9.2. *Quality:*

9.2.1. Almost all the producers in the large scale sector and a few in the small scale one have stated that they have well equipped laboratories and their finished products, both Dyes and Intermediates are subjected to vigorous testing at various stages of processing and no sub-standard product is allowed to be sold. A few producers have claimed that they are also getting their products tested occasionally from their overseas collaborators. One unit has averred that any divergence in the standard of its products from that of the imported ones is mainly attributable to the ever changing sources of supplies (particularly those of East European Countries) of raw materials which fail to conform to the International Standards and Specifications in their purity and strength.

9.2.2. The D.M.A.I. has stated that sodium naphthionate produced in the country is generally of sub-standard quality containing more than tolerable limits of unconverted *alpha*-naphthylamine. Similarly, phenyl-J-acid contains some impurities and the finished Dyestuffs produced from it do not give the correct shade. In this connection one of the small scale manufacturers has suggested that the suppliers should indicate the specifications of the strength of their products.

9.2.3. Most of the producers have stated that no major complaints had been received regarding the quality of their products and there was no consumers resistance on this account. Consumers have, however, given divided opinion on the quality of indigenous Dye-Intermediates. Whilst some have expressed satisfaction others have averred otherwise. In addition to Dye-Intermediates mentioned in paragraph 9.2.2., it has been complained from the consumers' side that, 1,4-Sulphophenyl-3carboxy-5-pyrazolone produced indigenously is found to be of sub-standard quality containing lot of impurities.

9.2.4. The consensus of opinion was that while the Dye-Intermediates produced in the country were generally of acceptable quality conforming either to the I.S.I. standards, where available, or to the International standards of the collaborators or of other overseas producers, there was still scope for further improvement on this score. *We would recommend that the producers in both the large and small scale sectors should pay more attention to the quality of their products and remove the complaints voiced by the consumers. As our Dye-Intermediates are now progressively entering the export markets, it is imperative that the manufacturers become more quality conscious to withstand the international competition.*

10. Research and Development.

10.1 This is one of the industries where the country could feel generally satisfied with the work being done for. Most of the units in the large scale sector and some also in the small scale one are stated to have a fairly efficient Research and Development Organisation. Majority of the units in the organised sector have informed us that their Research and Development Departments were manned by qualified technical personnel where work relating to process improvements, development of new products and import substitution was undertaken. Since purity and strength form an important part of any standard Dye-Intermediate, research work is mainly carried out in that direction They have added that efforts are also made to develop indigenous technical know-how. During the course of our visits to some of the producing units, we have been shown the Research and Development activities carried out in their laboratories and have had discussions with the technical personnel manning them. *On the whole, we have been satisfied with the Research and Development work generally done in this Industry, specially in the organised sector.*

10.1.2. Some of the major achievements of Research and Development work reported by a few large scale manufacturers are briefly set out below.

10.1.2.1. M/s. Amar Dye-Chem Ltd. have stated that they have effected improvements in the following directions :—

(i) Process of making 2,5-diethoxyaniline, a complex Intermediate for producing Fast Blue BB Base starting from the indigenously available hydroquinone;

(ii) increase in the yield of Fast Scarlet G Base, Red B, anisoles and in all other reduction items;

(iii) substitution of nitric acid of 55 per cent strength where 70 and 95 per cent was previously used;

(iv) use of acetic acid for producing acetic anhydride; and

(v) development and marketing of an important Intermediate for the Pharmaceutical Industry namely, 2,5-diaminoanisole sulphate.

10.1.2.2. M/s. Atul Products Ltd. have stated that besides developing processes for several Disperse Dyes on a large scale as well as of suitable dispersing agents and a special process for dispersion, they have developed processes for several Dye-Intermediates. Out of these the following items are produced on a large scale by this unit:—

(i) 1-Amino-2-naphthol-4-sulphonic acid;

(ii) 1,2,4-Diazo acid;

(iii) 4-Nitro-2-aminophenol-6-sulphonic acid;

(iv) 6-Nitro-1,2,4-acid diazo.

This producer has added that the process of some more Dye-Intermediates on Pilot Plant scale and others on Laboratory scale have been standardised. By intensifying process development work this Company claims to have made effective improvement in the time cycle of important products like BON Acid, H-acid, Tobias acid etc. resulting in higher production using the same equipments.

10.1.2.3. M/s. Hickson and Dedajee have stated that they have developed additional qualities of Optical Whitening Agents, namely, SP 2 New, SPC and SP 5 as also of new

Dye-Intermediates such as nitro-*meta*-cresol and *para*-nitrophenol and by-products from their Sulphur Black effluent like Sodium Thio-sulphate—a photographic quality (Hypo).

10.1.2.4. M/s. Atic Industries Limited have claimed that their continuous Research efforts have resulted in improvements in the following directions :—

(i) Raw material efficiencies and productive capacities;

(ii) elimination of plant problems arising out of non-availability of good quality indigenous raw materials;

(iii) replacement in some process of metalic salts that are expensive or difficult to obtain by cheaper salts; and

(iv) development of special quality products for indigenous and export markets.

10.2. M/s. Colour-Chem Ltd., which claim to have effected substantial improvements in the range of pigment dispersions particularly used for the mass coloration of Viscose and also in the manufacture of pigment Green B and Phthalocyanine Blue, have expressed the view that although the N.C.L., Poona has fully justified its existence and the expenditure incurred on it, there is however, scope for fuller utilisation and more wide-spread distribution of the advantages of the research facilities set up in that Institution. In the opinion of this unit the main constraint on independent Research and Development by small and medium-size Companies is the locking-up of relatively large amount of finance needed to set up adequately large Research Laboratories with up-to-date machines, instruments and other facilities required for advanced scientific research. This producer has, therefore, suggested that, *if the N.C.L. could, besides undertaking sponsored research projects as at present, agree to allow the chemists and qualified technologists belonging to the small scale and medium size Companies to utilise, upon payment of reasonable charges, the facilities available in it to carry out investigations and tests, it would (a) give a great fillip to Research. (b) extend to the small and medium size sectors benefits now enjoyed mainly* *by the large scale sector; and (c) optimise the use of resources and facilities available in that Institution. We fully endorse this useful suggestion for furthering Research and Development activities in the Industry and fuller utilisation of the facilities provided at the N. C. L., Poona.*

10.3. During the Public Inquiry, from the side of the producers, various difficulties encountered by them in promoting Research and Development were ventilated. It was stated that while there were adequate talent and facilities available for undertaking Research activities, sufficient incentives were not forthcoming to encourage rapid progress in this field. As an example it was cited that according to the existing legislation, amounts set apart for incurring expenditure on Research had to be spent in the very year, if Income-tax relief was to be obtained thereon. It was contended that Research process being a continuous one, it was not practical to spend the entire amount in the very year so as to get tax relief. It was averred that some flexibility in this regard, was therefore necessary so that the manufacturers could claim tax relief for expenses incurred over a number of years. It was added that the individual units could create their own Research and Development fund and in the years where substantial profits were made, certain amount could be set apart to be put in the fund which should be exempted from taxes. *There appears to be some force in this contention and we bring it to the notice of Government.*

10.3.1. It was also asserted that once a product, which was the outcome of indigenous Research, could be made available, the manufacturer should be able to get a licence for it without any formality. It was also pointed out that when a new product was developed by an indigenous firm, after spending considerable time and money, some of the larger Companies with foreign collaboration sensing competition to them would immediately come forth to claim that they had the technical know-how for that particular product and that they should be licensed with a view that no other competitor would get into the field. One of the manufacturers averred that money should not be frittered away by individual units on Research and Development and that this should be undertaken by some Centralised Agency and the results of such researches made available to the Dyestuff Industry as a whole.

10.3.2. In so far as financing of some of the Research schemes requiring foreign exchange was concerned, a view was expressed that when a licence for import was asked for the purpose, the party was invariably directed by the concerned authorities to approach bodies like the I. C. I. C. I. for foreign exchange assistance. In this process very often there was delay in obtaining the necessary foreign exchange, which dampened the enthusiasm of the parties wanting to undertake Research at the appropriate time.

10.3.3. *We have carefully considered the various suggestions made in regard to Research and Development and feel that it would be desirable to coordinate the various activities in this field. We therefore recommend that in order to help the Industry in promoting its Research and Development activities, the D. C. O. C. I. (Dyes Panel), which consists of representatives of the Ministry of P. & C., the D. G. T. D. and other Government agencies as well as those of the Industry, should be entrusted with the work of co-ordinating the Research efforts of various units. The N. C. L., Poona should also be associated in this work, so that the research facilities available in that Institution could be harnessed to a greater extent. We would also suggest for consideraion whether Government themselves could not buy the technology for some of the new items and make it available to those who wish to use it.* This would create a healthy competition between the different manufacturers who would have the benefit of the same technology in marketing their products at competitive prices, resulting in ultimate benefit to the consumer.

10.3.4. We had recommended in our 1970 Review Report (*vide* recommendation No. 11.25, No. 8 of G. R.) that "Government should encourage pilot studies by Institutions like the NCL, Poona, on production and other aspects of the economy of Intermediates which could provide guidance and expertise for the development of the Dyestuff Industry and particularly the small scale producers. The Industry should also in its turn develop closer contacts with Institutions engaged in such pilot studies." *We would reiterate the above recommendation for consideration of the Government.*

11.1. *Import Control Policy:*

11. Import Control Policy and Imports.

11.1.1. The Import Control Policy for Dye-Intermediates for the period April 1965 to March 1969 has been dealt with in paragraph 5.3 of our 1968 Report. A brief summary of the development since then is given below.

11.1.2. *Import Control Policy during the licensing period* 1969-70.—The quota for E. I. during this licensing period was Nil. The A. U. applications were considered by the Regional Licensing Authorities subject to the following conditions:

11.1.2.1. No licences for imports were to be granted for Dye-Intermediates mentioned in List I (Annexure to Appendix 24 of the Red Book). The list containing the banned items is reproduced in Annexure XV.

11.1.2.2. Licences for import of Dye-Intermediates mentioned in List II (Annexure to Appendix 24 of the Red Book) were to be granted for export production only. This list is reproduced in Annexure XV.

11.1.2.3. Imports of Dye-Intermediates mentioned in List III (Annexure to Appendix 24 of the Red Book) were to be allowed on restricted basis. This list is reproduced in Annexure XV.

11.1.3. *Import Control Policy during the licensing period* 1970-71*:*

11.1.3.1. During the licensing period 1970-71 'Nil' Policy for E. I. was continued. The A. U. Policy also remained to be governed by Lists I, II, and III of Appendix 24 of the Red Book given above. However, during this period BON Acid appearing in List I in the previous year's policy was removed and a new item namely, benzidine (a free base) was introduced. As regards List II the following three items were removed from the List during this licensing period :–

(1) 3-Carboxy-1-(*para*-sulphophenyl) 5-pyrazolone.

(2) Diethyl-*meta*-aminophenol (*meta*-diethylaminophenol).

(3) Phenylmethylpyrazolone (3-methyl-1-phenyl-5-pyrazolone).

In List III all the items shown previously appeared in the 1970-71 Policy also except one item *viz*. acetoacet-*para*-chloroanilide. Besides, this period covered the following additional items :-

(1) Acid anthranilic.
(2) BON Acid.
(3) 3-Carboxy-1-(*para*-sulphophenyl)-5-pyrazolone
(4) 4-Chloro-2-nitroaniline.
(5) 5-Chloro-*ortho*-toluidine.
(6) 2, 5-Dichloroaniline.
(7) Diethyl-*meta*-aminophenol (*meta*-diethylaminophenol).
(8) *meta*-Chloroaniline.
(9) Naphthol ASG.
(10) *Ortho*-Chloroaniline.
(11) *para*-aminobenzoic acid.
(12) *para*-Nitrobenzoic acid.
(13) Phenylmethylpyrazolone (3-methyl-1-phenyl-5-Pyrazolone).
(14) R-salt.

11.1.3.2. Besides the above changes introduced during the 1970-71 Licensing Period, it was further provided that requirements of A. U. for aniline oil would be met by imports through the Public Sector Agency only. With regard to A. U. applications for import of the following Dyes used as Dye-Intermediates it was laid down that they would be considered only from the manufacturers of Dyestuffs.

Name of Dyestuff	*Colour Index No.*
1. Blue B. Base, Dianisidine	—
2. Fast Violet B Base	37165
3. Indigo Pure	73000
4. Naphthol AS. IRG	37613
5. Naphthol AS. L C	37555
6. Rhodamine 6 GDN	45160
7. Thioflavine	49005
8. Victoria Blue BO	42595
9. Vat Yellow BY	60530
10. Vat Orange RF	73355
11. Vat Pink R	73360
12. Vat Violet RR	73600
13. Vat Blue 4 G	73045
14. Vat Grey BL (Vat Black I)	73670
15. Vat Golden Yellow RK	59105

11.1.4. Import Control Policy for the licensing period viz. 1971-72:

11.1.4.1. Generally speaking the Import Control Policy in force during the previous licensing period continued during the licensing period (1971-72) with a few changes in some items. In List I a new item namely, phenylmethylpyrazolone (3-methyl-1-phenyl-5-pyrazolone) was added. In List II there was no change. In List III three items namely naphthionic acid/sodium naphthionate, *para*-nitrosophenol (1-hydroxy-4-nitro-benzene) and phenylmethylpyrazolone (3-methyl-1-phenyl-5-pyrazolone) had been deleted and five new items namely acetoacet-*ortho*-anisidide, acetoacet-*meta*-xylidide, *beta*-naphthol, *para*-chloroaniline, and *para*-toluidine-*meta*-sulphonic acid were added. It was further provided that the requirements of A. U. in respect of aniline oil, benzidine dihydrochloride and naphthionic acid/sodium naphthionate would be met by imports through the Public Sector Agency only.

11.1.4.2. Subsequent to the announcement of the Import Control Policy for the licensing period (1971-72) on 30th April 1971, Government amended the Policy in respect of Dye-Intermediates three times by the Ministry of Foreign Trade Public Notices No. 45-ITC (PN)/71, dated 30th April, 1971, No. 92-ITC(PN)/71 dated 27th July, 1971 and No. 155-ITC(PN)/71 dated 12th November 1971. As a result of these amendments, two Intermediates namely acetoacet-*ortho*-chloroanilide and acetoacetanilide were shifted from List III (restricted basis) of Appendix 24 to List I (banned items) and four more items of List III (Appendix 24) of which three items, namely acetoacet-*ortho*-toluidide, C-Acid (2-chloro-5-toluidine-4-sulphonic acid or 6-chloro-*meta*-toluidine-4-sulphonic acid) and *para*-nitrobenzoic acid were deleted from this List and the fourth Intermediate *viz*., *beta*-naphthol was added to the List in respect of which A. U. requirements were to be met by imports on restricted basis through Public Sector Agency.

11.1.5. *Import Control Policy for the current licensing period viz*. 1972-73:

11.1.5.1. The Import Control Policy for the current licensing period *viz*. 1972-73 continues to be 'NIL' for E. I. The A. U. applications are being considered in accordance with Lists I, II and III of Appendix 24 of the Red Book. The changes made in the current policy compared to that in the previous licensing period are indicated below.

11.1.5.2. In List I of Dye-Intermediates banned for Import the following six new items have been added:—

(i) Acetoacet toluidide (acetoacet-*ortho*-toluidide).

(ii) Bromobenzanthrone.

(iii) C-Acid (2-Chloro-5-toluidine-4-sulphonic acid).

(iv) O-Toluidine.

(v) *para*-Toluidine-*meta*-sulphonic acid (PTMS).

(vi) *para*-Toluidine.

11.1.5.3. In List II, showing those items the import of which is permitted for Export Production only, one item *viz*., 3-Carboxy-1- (P-Sulphophenyl)-5-pyrazolone which was deleted earlier was added again.

11.1.5.4. From List III, which shows Dye-Intermediates permitted on Restricted basis to actual users, the following 11 Dye-Intermediates have been deleted and nine new items added :—

11 *Items deleted from List III*	9 *Items added to List III*
(i) *beta*-Naphthol	(i) 2-Anthraquinone sulphonic acid-sodium salt.
(ii) 3-Carboxy-1-(P-sulphophenyl) 5-pyrazolone	(ii) Bromamine acid
(iii) 2, 5-Dichloroaniline	(iii) 2,5-Dichloronitrobenzene
(iv) M-Chloroaniline	(iv) Dimethylaniline
(v) Naphthol ASG	(v) 1,5-Dihydroxy anthraquinone
(vi) O-Chloroaniline	(vi) 1,8-Dihydroxy anthraquinone
(vii) *Para*-aminobenzoic acid	(vii) O-Chloro-1-(4-sulphophenyl 3-methyl-5-pyrazolone
(viii) *Para*-Toluidine-*meta*-sulphonic acid	
(ix) O-Toluidine	(viii) Phenylhydrazine
(x) P-Toluidine and	(ix) Sodium Salt oxal acetic ester/oxal acetic ester/ oxal acetic easter sodium salt.
(xi) P-Toluidine-5-sulphonic acid/sodium salt	

In List III, licences which would be issued for acids would be valid for their salts also.

11.1.5.5. In so far as list of dyes used as Dye-Intermediates is concerned, the A. U. applications for import of which is considered on restricted basis, only Fast Violet B Base out of 15 items appearing in the list of the previous licensing policy, has been deleted. There is no change in respect of other items.

11.1.5.6. The requirements of actual users in regard to four Dye-Intermediates namely aniline oil, benzidine dihydrochloride, naphthionic acid/sodium naphthionate and *beta*-naphthol (on restricted basis) continue to be met by imports through the Public Sector Agency.

11.1.6 *The F. A. S. I. has submitted that the Import Control Policy for the chemicals imported by the Dyestuff Industry needs to be rationalised.* In this context, it has stated that the following Chemicals, besides finding application in other Industries are also consumed by the Dyestuff Industry. Since, there is a separate policy for Dyestuff Industry which appears in Appendix 24, it has apprehended that the Chemicals mentioned below which have not been listed in that Appendix but which at present come under List II of Appendix 28 of the Import Trade Control Policy, Red Book Volume I for which A. U. applications would be considered on restricted basis, are freely licensable to Dyestuff Industry, thus nullifying the existing restirction of imports on them. In order to obviate this lacuna, it has suggested that the under mentioned Chemicals should also appear in List III of Appendix 24.

(i) Aceticanhydride.

(ii) Benzotrichloride.

(iii) Bromine.

(iv) Dichlorobenzene.

(v) Ethyl acetoacetate or acetoacetic ester.

(vi) Monochlorobenzene.

(vii) Naphthalene.

(viii) *ortho*-Dichlorobenzene.

(ix) *para*-aminophenol.

11.1.7. In the case of *para*-dichlorobenzene which appears in List III of Appendix 28, of the Red Book (as banned for imports), the F. A. S. I. has suggested that this item should also be added in List I of Appendix 24 containing the Dye-Intermediates banned for imports as without this it is presumed to be freely licensable to the Dyestuff Industry.

11.1.8. We understand from technical experts that four of the 10 Chemicals mentioned in the preceding two paragraphs namely, benzotrichloride, ethyl acetoacetate or aceto-acetic ester and *ortho*-dichlorobenzene are mainly treated as Dye-Intermediates for use in the manufacture of Dystuffs and another namely *para*-dichlorobenzene finds use as insecticide. The remaining items are used both in the Dystuff and Chemical Industries. Furthermore a majority of these Chemicals are understood to be indigenously available. In view of these facts stated in the foregoing paragraphs it would be desirable, in the interest of this Industry to remove the difficulties pointed out by the producers. *We suggest that Government may look into the matter and take such remedial measures as deemed fit.*

11.2. *Imports.*—The imports of Dye-Intermediates (a) 31 out of 53 protected, (b) 13 out of 18 enjoying duty concession and (c) 35 out of 89, non-protected as recorded in the Monthly Statistics of the Foreign Trade of India, for the years 1968, 1969, 1970 and 1971 (Jan-Aug.) are given in Annexure XVI. The overall figures of imports of these in quantity and value, are briefly summarised in Table 11.1 on the next page.

TABLE NO. 11.1

Imports of 79 Dye-Intermediates in Quantity and Value for the years 1968 to 1971 (Jan-Aug.)

(Quantity in Tonnes)
(Value in Rs. lakhs)

Year	Dye-Intermediates						Total	
	Protected		Enjoying Duty concession		Non-protected			
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
1968 . . .	1727.9	108.8	2120.9	81.4	9743.2	352.0	13592.0	542.2
1969 . . .	758.3	56.8	2628.3	106.8	8066.9	268.0	11453.5	431.6
1970 . . .	1067.2	96.9	4730.8	193.9	8742.2	294.9	14540.2	585.7
1971 (Jan.-Aug.) . . .	466.1	53.9	3250.0	141.9	15549.4	340.2	19265.5	536.0

11.2.1 The Monthly Statistics of the Foreign Trade of India do not record separately the data of all the imported Intermediates. Code numbers are given to 79 Dye-Intermediates (31 protected plus 13 enjoying duty concession plus 35 non-protected) for the purpose of recording imports. It would be observed from the above Table that while there have been marked fluctuations in the imports of both the protected and non-protected Dye-Intermediates during the three years, 1968 to 1970, nearly a two fold increase has taken place in the case of those enjoying duty concession during the same period. We further find from Annexure XVI that significant increase in the imports of the following eight Dye-Intermediates has taken place during the three years 1968 to 1970 as shown below :

TABLE NO. 11.2

Imports of 8 Dye-Intermediates during 1968 to 1970

(Tonnes)

Dye-Intermediates	1968	1969	1970
A. *Protected*			
1. Acetoacetanilide . .	70.5	152.1	254.2
2. Acetoacet-*ortho*-chloroanilide	35.7	69.5	134.1
3. Tobias acid	5.2	21.8	45.4
B. *Non-Protected*			
4. 2,5-Dichloronitrobenzene .	162.4	173.3	234.7
5. Sodium naphthionate . .	60·9	40·1	110·6
6. Sulphanilic acid . . .	11·2	26·6	80·5
7. *beta*-Naphthol . . .	1359·6	1754·3	2421·1
8. Benzoylchloride . . .	87·6	230·7	202·2

11.3. In the course of this Inquiry we received several critical comments from various interests with regard to the prevailing Import Control Policy. The I. C. M. A. has contended that while on the one hand Dye-Intermediates were being exported to various countries, the same products were allowed to be imported since the Import Control Policy did not ban their imports. It has cited, for instance, that while anthraquinone and its derivatives are exported, the users of the same are allowed to import these on their licences. This in its opinion discourages the Indian manufacturers and causes avoidable drain on our foreign exchange resources which can be minimised if the present policy for import restrictions is properly implemented. It has averred that the resulting effect of all these short-comings has been the growing under-utilisation of the installed capacity with consequent adverse effect on the employment position as well as the costs of the finished products. Similar is stated to be the case with regard to BON Acid. Nonetheless the Association has added that small imports were however necessary so that indigenous producers would know of the latest developments abroad.

11.3.1. We would recall here the recommendation made in our 1970 Review Report, paragraph No. 9.2.2. (*vide* No. 1(iv) of G. R.) wherein we had stated that "some further checks should be imposed on the imports, particularly against omnibus Export Promotion Licences, of certain Intermediates, which are already in production or for which adequate capacities exist in the country". *We would reiterate this recommendation and suggest to Government to take effective steps for its implementation to the extent feasible.*

11.4. It was explained by the Export Commissioner, in the office of the C. C. I. & E. that there was some misconception regarding items on the banned list. Although in the Red Book certain products were listed as banned items, imports were being allowed of certain sensitive items like raw materials (*vide* columns 2 and 4 of the Red Book) so as to place our exports on par with goods of other countries. It was added that most of the banned items which were imported, were permitted under the Export Entitlement Licences.

11.4.1. As stated in paragraph 4.1.5.1 no information was available as to how far the recommendation reproduced in paragraph 4.1.5 has been implemented. *We would again like to bring the said recommendation to the notice of Government.*

11.5. One of the units in the large scale sector has stated that the malady of inadequacy of the licences issued to replenish raw materials used in the previous period is continuing. It has added that the manufacturer in turn is compelled to buy entitlement licences so that more raw materials could be imported and better performance established qualifying for a higher replenishment in future. This has consequently pushed up the premium on entitlement licences to over 75 per cent. Even after acquiring these, it is averred that a manufacturer has to possess A. U. Licences covering the particular raw material and such licences have to be valid at the time of shipment. The only remedy, in its opinion lies in issuing licences in the first instance of a sufficient value to reach the licensed capacity. It has also pleaded for removal of some of the impracticable conditions laid down for the use of the entitlement licences.

11.6.1. Another unit has stated that its Intermediate plant remained idle because of increasing imports of the items such as acetoacetanilide, acetoacet-*ortho*-chloroanilide and acetoacet-*ortho*-toluidide manufactured by it. It has suggested that the import of Intermediates already manufactured in the country should be totally banned and the Import Control Policy should be so geared as not to stifle the indigenous production but help to maximise competition within the Industry itself. Where there is short fall in production, it was suggested that indigenous manufacturers should be encouraged to augment their production to bridge the gap between demand and supply. Further if the manufacturers are not in a position to supply Intermediates in reasonable quantities and time, customers may be allowed to import them. Progressive ban be imposed on imports when the manufacture of new range/item is started.

11.6.2. One of the producers averred that the growing tendency today is not to go in for the production of Dye-Intermediates. This is essentially because those who produce for captive consumption are debarred from importing the Intermediates produced by them with the result that those who could import, obtain their inputs at a cheaper price. Such a discrimination was prejudicial to the interests of the captive producer as he would be placed at a disadvantage *vis-a-vis* those who depended on imports. He therefore contended that all actual users, without discrimination, should be allowed to import a particular Intermediate subject to the same ceiling, the prime consideration being the ability of the manufacturer to produce the Intermediate within a given quantum of protection.

11.7. The D.C.S.S.I. has stated that the present Import Control Policy was quite liberal. He has added that in the case of those Dye-Intermediates which were banned for import on the ground that sufficient capacity for them had been created in the country, the large scale producers were charging exorbitant prices which had adversely affected the production and profitability of the small scale sector. He has suggested that partial import of 20 per cent of the value of such Intermediates should be allowed so as to keep in check the price level.

11.8. The F. A. S. I. has contended that so far as the import of the items which are allowed on restricted basis is concerned, it adversely affects the units in the small scale sector only. It has stated that whilst the large scale units which are registered with the D. G. T. D. get the supplies of such items as per the assessment of their requirements, the small units are allowed imports based only on certain fixed percentage of the total value of their raw material licences. It has added that sometimes there are upper ceilings placed beyond which a unit in the small scale sector cannot import such restricted items even though it may be genuinely needing the same. The Association has also voiced concern about the enormous delays in the issue of import licences to the small scale units.

11.9.1. The D. M. A. I. also holds identical views in this regard. Some of the small scale manufacturers have therefore pleaded that no Dye-Intermediate should be banned or restricted unless and until indigenous manufacturers ensure its adequate supplies and at reasonable price. One of the importers has suggested that for those Intermediates which are not being manufactured in the country A. U. licences should be granted liberally, to obviate the necessity of buying expensive EPS nomination.

11.9.2. We had recommended in our 1970 Review Report (*vide* Recommendation No. 11.3, No. 1(v) of G. R.) that "where Intermediates have still to be imported, preference should be given to the small scale sector, who have no capacity for the manufacture of these Intermediates directly from raw materials". *We would reiterate the above recommendation and commend to Government for its speedy implementation.*

11.10. We were informed by one of the producers that nearly 80 per cent of the value of the import licences is for the Rupee Currency Area and most of the items are not available from this source. This has consequently put the Industry into considerable hardship. The Chairman of B. C. P. S. E. P. C. in this context suggested that *if a producer could prove that he was using a particular item which was not available in the Rupee Currency Area, at least 20 per cent of his licence may be allowed to be converted for import from Hard Currency Areas. This suggestion should be given sympathetic consideration by the C. C. I. & E. after taking into account the foreign exchange resources position and other relevant factors.*

11.11. We understand from the C.C.I. & E. that as far as the small scale manufacturers are concerned, all the licences within the value limit of Rs. 60,000 are for free exchange or U. K. credit and the balance, if they export 10 per cent or more, in Rupee Currency. Furthermore, if they export goods of the value of more than Rs. 10 lakhs per annum they also get free exchange entitlement against it. In the case of large scale producers the total availability is allocated according to the foreign exchange resources position. They also get concession against their exports and one-third of the licence is for free foreign exchange.

11.12. As regards the banning of imports of Intermediates production of which was to be indigenously started a decision is stated to have been taken by the C. C. I. & E. to the effect that when an item comes up for production it should be put on a 'restricted' basis first and after six months when production picks up, the same be put on the banned list. *While we are generally in agreement with this policy, we feel that there seems to be at present some lack of proper co-ordination between the Industry and the C. C. I. & E. The Industry should also regularly keep the C. C. I. & E. informed of the latest developments in its manufacturing programmes so as to enable the latter to take these developments into consideration when framing the Import Control Policy.*

11.13. As mentioned in paragraph 6.8 some complaints with regard to the import of items like aniline oil and sodium nitrate channalised through the S. T. C. were received and suggestions made to remedy the bottlenecks. A small scale producer has suggested that no cuts should be made in the value of the licences for items channalised through the S.T.C.

11.14. A few large scale producers have submitted that the import of the following 15 Dye-Intermediates which are indigenously manufactured, should be totally banned and the customs duty in respect of items at Sl. Nos. 1 to 4 and 15 be raised to 100 per cent *ad valorem* Standard and 90 per cent *ad valorem* Preferential.

1. Acetoacet-*ortho*-toluidide.
2. Acetoacet-*ortho*-anisidide.
3. Acetoacet-*meta*-xylidide.
4. Acetoacetic ester.
5. 2, 5-Dichloroaniline.
6. *meta*-Chloroaniline.
7. *ortho*-Chloroaniline.
8. *ortho*-Anisidine.
9. *ortho*-Toluidine.
10. *ortho*-Nitroanisole.
11. *para*-Anisidine.
12. *para*-Toluidine.
13. *para*-Chloroaniline.
14. *para-Nitroanisole.*
15. Resorcinol.

11.15. Some of the small scale producers have requested for reduction of duty on the 17th Dye-Intermediates released from GATT obligation (listed in Annexure XVII) on which the duty leviable had gone up from 10 per cent to 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential. One of the producers has stated that resorcinol, the indigenous production of which is not sufficient to meet the demand, should not be put in the banned list. Another producer in the small scale sector has contended that *mono*-chloro-*para*-xylene and trichloro-benzene at present enjoying duty concession are restricted for import. He has suggested that similar restrictions on imports of other duty concessional items should be put. On examination of the List I (banned for import) and List III (restricted for import) of Appendix 24 of the Red Book, we find that the Intermediates referred to above do not occur at all in the list as contended by the producer. Question of putting restrictions on import of particular Intermediate arises only when its indigenous capacity is established. Except aceto-acetic ester, *meta*-nitrochloro-benzene, 2-chloro-4-nitroaniline, *ortho*-nitrochlorobenzene, *para*-nitrochlorobenzene and trichlorobenzene for which indigenous capacity is reported to have been established (*vide* Annexure VII-B) there is no production in sight in respect of 12 other Dye-Intermediates. We, therefore, do not see any substance in this complaint.

11.16. From the foregoing paragraphs it would be seen that various requests have been made to us regarding modification of the Import Control Policy relating to Dye-Intermediates. It would also be noticed that in some cases the demands from the different sectors of the Industry are conflicting in nature. While the large scale producers have pleaded for banning of imports of certain items and also enhancing the duty on some of the existing protected Intermediates to 100 per cent *ad valorem* Standard and 90 per cent *ad valorem* Preferential, the small scale manufacturers have pleaded for reduction of duty on some of the items (especially those which were till recently covered by GATT) and also allowing for more liberal imports.

11.17. We cannot subscribe to the extreme views expressed by the different interested sections of the Industry. *As we* *see it, the problem of imports and other allied matters requires a balanced overall view to be taken.* Regarding the desirability of indigenous self-sufficiency in respect of as many Dye-Intermediates as possible, there can be no two opinions. To achieve this end, it needs to be ensured that all possible assistance is given to the Industry, not only to enable it to use the installed capacities of various items to the fullest extent possible, but also wherever necessary requisite expansion has also to be permitted. In this context, if any restrictions have to be put on the imports of items already in production, either by completely banning or allowing imports on restricted basis, the matter needs to be considered rationally from the view point of the Industry as a whole, having regard to the overall National interest.

11.17.1. *What, however, needs to be ensured is not merely sufficient production of a particular Intermediate but also its requisite quality and reasonableness of its price. In this* connection we have been informed that when parties apply for licence to manufacture certain items, the information they furnish regarding the cost of production envisaged by them, taking into account both the indigenous as well as imported raw materials to be used, the picture painted is invariably a rosy one. Later on when these items are produced it is seen that they are priced nowhere near the costs which were originally envisaged. If this be the correct position, it is curious how a prospective manufacturer could present one set of figures making an attractive case before the licensing authorities and quite an another one justifying the high price of his products on the plea of high cost of raw materials amongst others. *It is, therefore, imperative that before licensing, the details of costs furnished by the prospective manufacturer are carefully scrutinized by the concerned authorities. It needs to be emphasised that encouragement of domestic production to attain self-sufficiency cannot be advocated at any price and without regard to the interest of the ultimate consumer.*

11.18. In regard to the complaint relating to simultaneous exports and imports of the same items as permissible under the existing Policy, as we have had occasion to mention in paragraph 11.3, Dye-Intermediates have a very bright future for export in the years to come, as visualised both by the Industry as well as the Government Agencies. It is possible that in certain cases such as that of BON Acid, which is in demand in large quantities, both for export and internal consumption, a two-way traffic may become inevitable. Since the demand for Dyestuffs is closely related to the colours and shades in fashion in the Textile Industry, demand for different dyes is constantly fluctuating. These in their turn, also affect the demand for different Intermediates. Hence, as was in the case of BON Acid, when there was a temporary lull in the domestic market, export commitments were made by the producers on a long term basis and to honour them, exports had to be undertaken even by temporarily denying the indigenous manufacturers of their requirements.

11.19. *We do not wholly subscribe to the view, as entertained in certain quarters, that priority in the matter of supply should be given to the domestic industries and only surpluses should be exported.* What is needed is judicious planning so that, if necessary, expanded capacities could come up to cater to the needs, both of internal demands as well as for external markets to earn valuable foreign exchange and thus increase the overall production. What however has to be guarded against is that where there is only a single manufacturer of a certain item or at best two, who control its entire production, they should not be allowed to create artificial shortfall in supply of the relevant product with a view to jack up prices to the detriment of the end users.

11.20. We would like to refer here to our recommendation made in the 1970 Review Report (*vide* Recommendation Nos. 11·5 and 11·6; No. 1 (vi) of G. R.) wherein we had stated that "there is need for selective intensification and rationalisation of control over imports as well as establishment of regulatory control over distribution to ensure equitable sub-division of available supplies to all sectors of the Industry. To this end, and to take advantage of the possible economies through bulk purchasing, it may be necessary to canalise imports of raw materials and/or Intermediates through a centralised body like the State Trading Corporation. On occasions, it may be necessary to use the same, or some other machinery, to compulsorily purchase and distribute a specific part of the domestic production of Intermediates in short supply in an orderly manner against the genuine requirements of all those who do not possess the facility of manufacturing such Intermediates themselves. *We would reiterate this recommendation for consideration of Government.*

11.21. Another suggestion which we had occasion to discuss with the representatives of the Industry as well as the concerned Governmental Agencies, relates to restricting the validity period of licences. At present, once a licence is granted for importing an item, the licence holder could import the prescribed quantity at any time during the year. This also to some extent tends to upset the market conditions in regard to supply and demand. *We therefore feel that it should be examined whether, in the case of sensitive items, the validity period of licence could not be shortened, so that a more frequent review of the position of imports vis-a-vis availability could be undertaken say at an interval of every six months.*

11.22. We understand that already there is a Committee set up by the C. C. I. & E. composed of representatives, both from the Dye-stuff as well as the Textile Industries, which frequently meets to review the demand and supply position of various Dyes and its Intermediates and recommends to the Governmental authorities, as to how to regulate their imports. Besides the Standing Committee appointed by the Government referred to earlier in paragraph 4.2.2.1 has wide terms of reference which not only cover matters relating to capacity, production, quality, prices, supply and demand, but also exports and imports of Dyes and its Intermediates. *With the assistance of these two Committees, we feel, that it should be possible for Government to better regulate the imports.*

12 Export Control Policy and Exports.

12.1. *Export Control Policy.*—Under this Policy no licence is required for exports of Dye-Intermediates as these are decontrolled.

The prior sanction from the Ministry of Foreign Trade is stated to be however required for exports of Dye-Intermediates to Poland, Rumania, Czechoslovakia, Hungary and Democratic Peoples Republic of Korea as they are not included in the Trade Plans with these countries. Moreover, according to the directive issued by the Ministry of Foreign Trades, exports of Dye-Intermediates not included in the Trade Plan with any country are not permitted without Governments prior approval.

12.2. *Exports.*—The Monthly Statistics of the Foreign Trade of India record exports of three Dye-Intermediates in 1969 and five in 1970 out of the 53 protected items.* The quantity and value of these exports are as on the next page.

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*There is no further addition to this during 1971 Jan-.Sept.

TABLE NO. 12. 1

Exports of Dye-Intermediates, 1968 *to* 1971 *(Jan, Sept.)*

Dye--Intermediates	1968		1969		1970		1971 (Jan.-Sept.)	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	Kgs.	Rs.	Kgs.	Rs.	Kgs.	Rs.	Kgs.	Rs.
1. Anthraquinone .	Nil	Nil	31,250	1,78,700	421,506	23,73,721	898,104	52,51,933
2. Benzanthrone .	Nil	Nil	40,000	4,41,808	60,000	7,67,000	1,72,000	22,58,000
3. *beta*-Amino-anthra-quinone	Nil	Nil	Nil	Nil	30,590	5,42,696	Nil	Nil
4. BON Acid . .	Nil	Nil	38,100	2,46,635	1,53,000	10,27,307	2,80,600	25,19,045
5. *ortho*-Toluidine .	Nil	Nil	Nil	Nil	400	5.600	Nil	Nil
TOTAL .	Nil	Nil	109,350	8,67,143	6,65,496	47,15,874	1,350,704	1,00,28,978

12.2.1 As referred to earlier in paragraph 11.3 there have been complaints regarding exports of the above items which are also being imported. In this context it has been stated by one of the large units that it was willing to supply its products to the importers at international prices, although no foreign country was selling internally at the same price which it was offering to the international market. Another producer has however averred that instead of exporting Raw Materials and Intermediates these should be made available to the local producers who could export the finished products as the value added would fetch a higher amount of foreign exchange to our country.

12.2.2. Regarding exports of certain Intermediates like BON Acid it has been complained, as referred to in paragraph 11.3 that it is being exported at the cost of local consumers who are facing a shortage. M/s Amar Dye-Chem. Ltd., a major producer of BON Acid on the other hand have informed us that while expanding the capacity of BON Acid they were compelled by Government to make a commitment to the extent of 20 per cent by way of exports of the increased production. The solution to such problems as emphasised in paragraph 11.19, lies in judicious planning.

12.2.3. The B.C.P.S.E.P.C. in its study on export possibilities of Dyes and Dye-Intermediates, has observed that with the substantial progress achieved by the Indian Dyestuff Industry *vis-a-vis* that in other surrounding developing countries like U.A.R. and South East Asia, the export possibilities in respect of Dyestuffs and Dye-Intermediates from India are immense. The export potential aspect, according to this study, has also to be considered in conjunction with the current trend of the European manufacturers who because of the rising labour cost are interested in manufacturing only those items which give them substantial returns, and prefer to import those which are labour intensive.

12.2.4. Whilst there is substantial export potentially for Dyes and Dye-Intermediates from India, one of the main problems which the B.C.P.S.E.P.C. study reveals relates to the providing of technical after-sales service. Whilst most of the foreign manufacturers of Dyestuffs have got their technical representatives in the markets where they are promoting their exports, who give the necessary technical advice regarding the usage of Dyes, this is a major lacuna in respect of the Indian manufacturers/exporters. In view of this, it has observed that if the existing potential export of Dyes and Dye-Intermediates is to be fully tapped, similar steps would have to be undertaken by the Indian manufacturers as well.

12.2.5. For a long term basis for exports of Dyes and Dye-Intermediates the Export Promotion Council has put forth certain suggestions which are reproduced below:—

(i) "With the increased possibilities of exports major production of at least some of the manufacturers would be oriented towards export purposes. As the export prices are always much lower in comparison with the local prices, it is felt that the current method of computation by Government of the cost of manufacture without taking into account their overheads, depreciation etc., should not apply to such manufacturers whose production is export-oriented. As these manufacturers would not be in a position to make up for losses suffered by them in exports by charging them to the local sales in view of their local sales being limited, it is suggested that Government should take into consideration the cost of manufacture after considering the depreciation, overheads etc. and grant them the necessary assistance to make up for the losses by the grant of fiscal assistance."

(ii) "Government should also accord some financial help to such manufacturers whose production is mainly export-oriented, by granting them the necessary financial assistance for the expansion of their capacity to cater to their increasing export demands. The financial assistance for the expansion of capacity which will include the costs for the necessary machinery may come in the form of loans at very low rates of interest. The rate of financial assistance may be so worked out that higher the export-orientation of industry, lower the rate of interest charged for the expansion of their production capacity to cater to the export demands."

(iii) "One of the major problems connected with the exports of Dyes and Dye-Intermediates which are voluminous is the current computation by Shipping Companies to charge the rate on weight/volume basis, whichever is higher. It is suggested in this context that the freight should be charged on the basis of weight and not volume in the case of Dyes and Dye-Intermediates. In case this would not be possible, necessary fiscal assistance may be granted to make up for the freight difference so that the products could be competitive in the foreign markets."

(iv) "Frequent changes in the export promotion policy are a detriment to the increase of exports. Needless to mention, that the continuance of the current rate of assistance against the export of Dyes and Dye-Intermediates is a must if the exports are to be kept up. Because of the current shortage of the essential raw materials like caustic soda and phenol, it is suggested that these items may be included under Column IV of the Export Promotion Policy so that they could be imported along with the other requisite raw materials against export of Dyes and Dye-Intermediates."

12.2.6. To promote exports, the D.M.A.I. has made the following suggestions:—

"(i) Certain important raw materials should be made available to the manufacturers at International prices;

(ii) The present incentive of 60 per cent of export entitlement and 20 per cent cash incentive should be continued;

(iii) Government should help Associations like ours financially to run a cell specially set up for this purpose;

(iv) The procedure of Drawback of duty in respect of exports should be made easier and the refund of Drawback should be made available to the exporta immediately;

(v) There is considerable delay now in the offices of licensing authorities in respect of applications for Import Licences against import entitlements and other matters connected with it. Their delay should be reduced to the minimum."

12.2.7. *We bring the above suggestions to the notice of Government for such action as deemed fit.*

13. Selling system and Selling prices.

13.1. *Selling system.*—The units producing Dye-Intermediates generally sell their products either directly to make them available at cheaper rates to consumers or distribute them through their Agents who contact the clients, assess their requirements and forward the same to the respective units. We are informed by these units that their production is mostly geared to meet adequately with firm requirements. Majority of the units have not indicated the rates of commission they are giving to their clients. Details of the rates of commission and/or discount given to various clients by three large scale producers namely, M/s. Atul Products Limited, Amar Dye-Chem Limited and Colour-Chem Limited are briefly indicated below:—

13.1.1. We understand from M/s. Atul Products Ltd. that they give three and half per cent selling commission to their Agents and that they do not sell directly any Intermediate to bulk consumers.

13.1.2. M/s. Amar Dye-Chem Limited have informed that they give five per cent discount to their distributing Agents as well as to those who get their supplies directly from them.

13.1.3. M/s. Colour-Chem Limited are stated to be giving five per cent discount to large customers on all bulk orders with a delivery schedule of not less than five tonnes at a time and six per cent discount to small scale units with a delivery schedule of one tonne or more at a time subject to payment against delivery. So far they are understood to have given this discount for supplies of acetoacetic ester only.

13.2. *Selling Prices:*

13.2.1. A statement showing the movement of selling prices of 46 out of the 53 Dye-Intermediates under the protected category produced by various manufacturers is given in Annexure XVIII. It would be observed therefrom that while prices of nine Dye-Intermediates have remained more or less stable at the 1968 level, upward revision has taken place in respect of 17 as shown in Table 13.1 by five to 44 per cent. The selling prices in respect of eight items viz. acetoacet-*Ortho*-chloroanilide, acetoacet-*Ortho*-toluidide, 5-chloro-*ortho*-toluidine, metanilic acid, *ortho*-anisidine, *ortho*-nitroaniline, *ortho*-toluidine and *para*-toluidine have however gone down by 11.1, 26.1, 16.7, 7.7, 7.1, 7.5, 15.4 and 14.3 per cent respectively in 1972 (as on 1-1-1972) as compared to those of 1968. In respect of the remaining 12 items no such comparison is possible as the prices for 1971/72 only are available. However, one of the producers is seen to have effected reduction in the selling price of acetoacetanilide in 1971 by 22.3 per cent.

TABLE NO. 13.1

Prices of 17 *Dye-Intermediates during* 1968 *and as on* 1-1-1972

(Price in Rs./Kg.)

Sl. No.	Dye-Intermediates	1968	As on 1-1-1972	Percentage increase over 1968
1.	1-Aminoanthraquinone . .	58·75	80·00	36·2
2.	Anthraquinone . . .	16·00	17·50	9·4
3.	Benzanthrone	48·50	60·00	23·7
4.	BON Acid	13·00	14·00	7·7
5.	1-Chloroanthraquinone . .	38·20	55·00	44·0
6.	*meta*-Diethylaminophenol . .	45·00	55·00	22·2
7.	Dinitrostilebene disulphonic acid	22·50	26·25	16·7
8.	1,4-Diaminoanthraquinone .	89·25	95·00	6·4
9.	1,5-Diaminoanthraquinone .	114·00	120·00	5·3
10.	J. Acid	40·00	50·00	25·0
11.	*meta*-Nitro-*para*-toluidine. .	25·00	30·00	20·0
12.	*ortho*-Nitroanisole . . .	7·50	8·00	6.7
13.	Phenyl-J-acid	55·00	60·00	9·7
14.	*para*-Chloroaniline . . .	12.50	14·00	12·0
15.	Phenyl-peri-acid . . .	40·00	42·00	5.0
16.	Quinizarin	38.85	50·00	28·7
17.	Tobias Acid	16·00	19·00	18·8

13.2.2. Annexure XX gives the fair ex-works prices estimated by the Commission on the basis of cost investigation and ex-works selling prices in July 1971 of the costed Dye-Intermediates. It would be seen therefrom that the selling prices are generally higher than the fair ex-works prices. In as many as 23 cases out of the 40 products studied by us the selling prices are as much as 21 to 99 per cent higher than the fair ex-work prices. It is however, seen that there are a few cases (eight) where the Industry had fixed selling prices at a lower level than their fair ex-works prices.

13.2.3. The D.M.A.I., the F.A.S.I. and almost all the consumers have complained of the high prices charged by the producers and that they are much higher than the prices of similar imported products. Most of the small scale units, who are the main consumers, have attributed the high prices to shortage of the products since some of the large scale producers of Intermediates themselves are also its consumers and keep a wide margin of profit for their captive production to compete in the sale of the end products. They have further contended that in times of shortages it is well-nigh impossible to secure the requisite products and if obtained they are at exorbitant prices. The large scale producers are alleged to be deliberately under producing and cornering such items to sell them at high prices at times of scarcity.

13.2.4. There is no doubt that the Industry has, by and large, progressed under the scheme of protection and has also taken significant steps in entering foreign market as reflected by the steady increase in the exports of its products. There has also been considerable advancement in indigenous technical know-how and the Industry's activities in the field of research and development. There has also been considerable diversification and expansion by the Industry in the range of production and progress towards the goal of self-sufficiency.

13.2.5. As would be seen from Annexure XX in the case of as many as 23 out of the 40 costed items the selling price ranged from as high as 21 to 99 per cent of the fair ex-works prices. In spite of the fact that the Industry had to sell a few items at a price below cost, the overall profitability of the Industry is quite high. Indeed according to one analysis "the profit ratio of this (Dyestuff Industries including Dye-intermediates) during 1970-71 were substantially higher than the general level of profitability of the industrial sector as a whole".

13.2.6. Our own analysis of the finances and trading of the selected units manufacturing Dye-intermediates as referred to in paragraph 8.2 of the Interim Report also reveals a highly comfortable position for the Industry as indicated by the fairly liberal dividends paid, large issues of bonus shares and considerable quanta of profit set apart by way of reserves. It is therefore evident that in spite of various difficulties in the nature of high cost of raw materials and inputs voiced by the Industry the manufacturers have been able to make very substantial profits.

13.2.7. In spite of the fact that the Industry has prospered so well the question may well be asked as to what benefit the consumer has enjoyed. The Industry does not appear to have paid sufficient attention to its pricing policy. *In this context reference may be made to the recommendation made by the Commission in its* 1970 *Review Report (recommendation No.* 11.20, *No.* 4 *of G.R.)* "Indigenous prices of some of the Intermediates have shown abnormal increases after the grant of protection and have no relationship either to those of the imported products or to the ex-factory prices fixed at the last inquiry. It is, therefore, desirable to explore the possibility of introducing some sort of control, formal or informal, whereby producers will not be able to manipulate the prices to their advantage unilaterally without the prior approval of the concerned authorities." *It is therefore high time the Industry seriously considers some sort of voluntary discipline to ensure that the selling prices of its products to the consumer are fair and reasonable. The recognised Associations of the manufacturers can, and should, also play a more effective part in ensuring such price discipline.*

13.2.8. In the context of the price trends discussed in the foregoing paragraphs, the complaints made by the consumers and the financial position of the Dye-Intermediates

Industry, a detailed probe into the pricing policy of the manufacturers and other connected issues seems called for. We have not however been able to undertake this exercise during the current enquiry which has been limited to the question of protection to the Industry. *We, therefore, propose to select a few Dye-Intermediates and examine in depth the pricing policy of the manufacturers, their capacity utilisation, supplies and quality in terms of Section* 11(*d*) *of the Tariff Commission Act.*

14.1. *Estimates of Fair Ex-works Prices:*

14.1.1. The units and the period selected for cost exa-
14. Cost of production and C. I. F. prices
mination are mentioned in paragraph 6.1 of the Interim Report.

14.1.2. The actual costs as well as the basis for future projections of production volumes and costs were, as mentioned in paragraph 6.2 of the Interim Report. discussed with the representatives of the costed units. Based on these discussions and other relevant data, our estimates of the future costs and fair ex-works selling prices have been determined as discussed below:—

14.1.3. *Raw materials and other Inputs:*

14.1.3.1. It would be seen from paragraph 6 that the mportant raw materials for the manufacture of Dye-Intermediates are basic coal tar primaries, chemicals and primary Intermediates. Most of these are now available indigenously but some of them are still required to be imported. In framing our estimates of future costs we have been guided by the prevailing price trends for the indigenous materials and the average costs for such items as still need to be imported taking into consideration the developments in indigenous production for import substitution. Sufficient care has been taken to eliminate influences of abnormal conditions.

14.1.3.2. In regard to the consumption (usage) of raw materials we have observed that the technology and the pattern of input by and large differ from unit to unit. We have, as stated in paragraph 6.7 noticed from our cost investigations that *the usage of raw materials and other inputs in a number of Dye-Intermediates even when they are produced* *with foreign technical collaboration is found to be at a comparatively higher level than would be warranted by the internationally recognised standards* such as those published in the B.I.O.S. reports. We have therefore consulted technical opinion and we are advised that there is considerable scope for improving the yield factors in indigenous manufacture and bringing about economies in costs. *We bring this to the notice of Government as they may like to enquire into the reasons for lower efficiency of the indigenous industry as a result of higher usage of raw materials and other inputs.*

14.1.4. *Conversion charges.*—These comprise of wages and salaries, expenditure on stores, water, steam, power, repairs etc. and provision for depreciation in respect of the fixed and other assets. We have taken into consideration the commitments of the management with the labour regarding wages and other conditions of employment, made the required provision for usual annual increments in respect of the staff of the units, as well as given requisite allowances for additional requirements for anticipated increased volume of production with necessary adjustments for utilisation factors, efficiency and productivity. In assessing the requirements of repairs due consideration has been given to the highly corrosive nature of the plants of this Industry. *Depreciation has been provided on the written down value basis at the rates and multishift working allowances admissible under the Income-Tax Rules.*

14.1.5. *Return on Capital Employed.*—Based on the pattern and composition of Capital as reflected in the Balance Sheets of the costed units, the Bonus formula and the related principles *we have assessed the requirements of a fair Return at 12.5 per cent (before taxation) of the Capital employed which is taken as equivalent to the sum of the average net fixed assets and the working capital needs placed at six months cost of production, excluding depreciation.* It may be stated that the working capital requirements were also placed at the same level during the last Inquiry and there has not been any improvement in this regard, with the progress of the Industry, since our 1968 Report. In this connection we have studied the stock position of the raw materials, consumable stores and finished products of the selected units of the Industry.

14.1.6. *Comparison of Fair Ex-works prices and landed cost ex-duty.*—The fair ex-works prices determined by us on the above basis are compared with the landed costs without duty of imports for considering the quantum of protection needed for the Industry. These are ex-factory prices exclusive of any duty levies, outward transport and selling commission/rebate/discount and are compared with the landed cost ex-duty as shown in Annexure XIX-A.

15.1. *Existing rates of Protective Duty:*

15. Existing Rates of Duty and Measure of Protection

15.1.1. The protected Dye-Intermediates are at present assessed (period ending on 31st December 1972) to Customs duty under Item Nos. 28(35), 28(36), 28(37), 28(38), 28(39) and 28(40) of the First Schedule to the Indian Tariff Act, 1934, the relevant extracts of which are reproduced in Annexure XXI. It would be seen therefrom that out of the 53 products, 44 bear duty at 60 per cent *ad valorem* Standard and 50 per cent *ad valorem* Preferential whilst the remaining nine (classified under I.C.T. Item No. 28(38) have a higher levy at 100 per cent *ad valorem* Standard and 90 per cent *ad valorem* Preferential. Under the Finance Act 1972, a regulatory duty on the graded scale from 2½ per cent to 10 per cent has been levied on all imported goods.

15.1.1.1. The I.C.M.A. has claimed that the import duty levied on the 44 protected Dye-Intermediates classified under I.C.T. Item Nos. 28(35), 28(36), 28(37), 28(39) and 28(40) given in Annexure XXI should also be raised to 100 per cent *ad valorem* Standard and 90 per cent *ad valorem* Preferential as is the case with regard to the nine products classified under I.C.T. Item 28(38). It has also contended that immediate protection should be granted to the following 21 Dye-Intermediates by increasing the present import duty on them to 100 per cent *ad valorem* Standard and 90 per cent *ad valorem* Preferential as the production of these items has since been well established in the country.

1. Acetoacetic ester
2. Acetoacet-*ortho*-anisidide
3. Acetoacet-*meta*-xylidide

4. Acetyl chloride
5. Bromamine acid
6. *beta*-Naphthol
7. 3-Bromobenzanthrone
8. Chicago acid
9. 2, 5-Dichloronitrobenzene
10. 2, 5-Dichloronitroaniline
11. 1, 5-Dibenzoylnaphthalene
12. Gamma-Acid
13. H-Acid
14. Isoviolanthrone
15. Leuco quinizarin
16. 1, 5-Naphthalene disulphonic acid
17. *para*-Nitroaniline
18. Phthalic anhydride
19. 3-Methyl-1-phenyl-5-pyrazolone
20. Rhoduline acid
21. J-Acid urea

15.1.1.2. The I.C.M.A. has also averred that the Customs duty on Primary Intermediates which are neither presently manufactured in the country nor is there any programme for their indigenous production in the near future should be reduced. One of the producers has suggested that after an Intermediate is produced in the country the rate of Customs duty on it be automatically increased to discourage imports.

15.1.1.3. The D.M.A.I. has, in its turn, claimed that the enhancement of duty in 1971 from 10 per cent *ad valorem* to 60 per cent *ad valorem* Standard and 50 per cent *ad valorem* Preferential on 17 Dye-Intermediates given in Annexure XVII on being released from GATT obligation, should be reduced and the concessional rate of duty of 20 per cent *ad valorem* should be made applicable to all these items.

15.1.1.4. The D.M.A.I. has further urged that in order to provide incentve to the manufacturers of derivative of J-Acid, namely, phenyl-J-Acid, J-Acid urea and Rhoduline acid (Di-J-acid), which are vital for the manufacture of various Dyestuffs, concessional rate of duty of 20 per cent should be made applicable to J-Acid. It has also pleaded for concessional duty of 20 per cent on Vat dyes when imported as Intermediates for the manufacture of Solubilised Vat dyes and that no countervailing duty be charged on the same.

15.1.1.5. The D.M.A.I. has also represented that the nine Dye-Intermediates classified under I.C.T. 28(38) (*vide* Annexure XXI) enjoy double protection by way of higher rate of duty at 100 per cent *ad valorem* Standard and 90 per cent *ad valorem* Preferential as well as restrictions on imports. It has urged that wherever the advantage of restricted imports is available, the excess duty charged should be brought down to the normal rate of duty, namely, 60 per cent *ad valorem* Standard and 50 per cent *ad valorem* Preferential. In this context one of the small scale units has suggested that protection to the indigenous Industry should be by way of duty only and not simultaneously by import restrictions.

15.1.2. With regard to the Central Excise duties leviable on Dye-Intermediates we have been informed that the 53 protected products (*vide* Appendix I of the Interim Report) are held as non-Excisable. However, we understand from the Collector of Central Excise, Bombay that the non-Excisable nature of these items is being decided only on the specific opinion of their Deputy Chief Chemist that these are genuine Dye-Intermediates and that they cannot be used either as Fast Colour Bases or Azoic Dyestuffs.

15.1.2.1. We understand from the I.P.C. that according to Notification No. 26/62 dated 24-4-1962 published in the Indian Customs and Central Excise Tariff, Volume II, motor spirit known as benzene, ethyl benzene, benzol, toluene, toluol and light solvent naphtha (mixture of benzene and toluene) are exempt from Excise duty to the extent of 5 per cent *ad valorem* provided the Collector of Central Excise is satisfied that these are intended to be used for various types of industrial purposes listed therein which also include the manufacture of Dye-Intermediates. In this Notification, *ortho*-xylene is however, not included. Phthalic anhydride manufacturers are therefore required to pay Excise duty on their purchases of *ortho*-xylene. There is no Excise duty on mixed xylenes.

15.1.2.2. The reason for the higher Excise duty on *ortho*-xylene is stated to be that its Flash point is below 76°F whereas that of mixed xylene is above this degree. The I.P.C. has suggested that *ortho*-xylene should be included in the list mentioned in the said Notification with a view to obtaining the requisite exemption from Excise duty by Dye-Intermediates manufacturers who possess L-6-licence. They would then have to pay only 5 per cent Excise duty on their purchases of *ortho*-xylene. Since the Excise duty accounts for nearly 40 per cent of the landed cost of *ortho*-xylene, inclusion of this item as claimed would result in considerable reduction in the cost of manufacture of Dye-Intermediates based on *ortho*-xylene particularly phthalic anhydride the present cost of manufacturing of which is very high as stated in paragraph 6.2.2. This reduction in cost would in turn enable the manufacturer to increase export of the relevant Dye-Intermediates resulting in the earning of more valuable foreign exchange for the country.

15.1.2.3. *Having regard to the facts mentioned above we recommend that ortho-xylene be included in the list along with Motor spirit known as benezen, ethyl benzene, benzol, toluene, toluol and light solvent naphtha (mixture of benezene and toluene) in Notification No.* 26/62, *dated* 24-4-1962, *referred to above.*

15.1.3. During the Public Inquiry representatives of the Industry drew our attention to the Public Notice No. 42 dated 14-6-1971, which is as given below :

"It appears that the Trade is under the impression that I.T.C. licences issued for acids and bases are valid for import of their salts."

"The Trade is, therefore, informed that in future I.T.C. licences issued for acid and bases will not be accepted for their salts and *vice-versa* and importers are accordingly advised that in future such I.T.C. licences will have to be properly worded to include their Salts to enable this Customs House to allow clearance of the goods."

15.1.3.1. Our views in this regard which have since been communicated to the Government are as reproduced below:—

"Technical Experts consulted in this connection informed us that it is customary in this trade to supply some of these Acids/Bases in the form of Salts. This is done either in the interest of convenience of transport or for imparting stability or both. *We are therefore of the opinion that import of these Acids/Bases in this form should not be objected to from the Import Control point of view provided that such imports are only in the form of Sodium/Potassium/Ammonium Salts of such permitted Acids and in the case of Bases only in the form of Sulphates/Chlorides of such permitted Bases.* We are also of the opinion that, if for import licensing, value is the only limiting factor, no further precautions would be needed. If in any case, quantity is also stipulated as such a limiting factor, then for imports in the form of Salts, the Acid/Base content of such Salts should fall within the prescribed limit."

15.1.3.2. Government have since taken note of the above recommendation by suitably amending the list III (Annexure to Appendix 24 of the Import Trade Control Policy for 1972-73).

15.1.4. The Government of India, Ministry of Foreign Trade had earlier referred to us the representation from M/s. Aniline Dyestuffs and Pharmaceuticals Pvt. Ltd., Bombay and invited our views on certain amendments suggested by that Company in the Customs Notification No. 148/F. No. 17/4/69-Cus. I dated 15-11-1969. The Company in its representation had requested for deletion of (i) the word 'penultimate' from 'penultimate Dye-Intermediates' occurring in the said Notification on the ground that the Dyestuff Industry required secondary Intermediates also and (ii) bond requirement under the plea that, apart from the expense and delay involved in the execution of the bond and its subsequent cancellation, the guarantee facility limit granted to the importer by the Banker being inadequate, it was very difficult and financially strenuous to get this increased to the required sizeable limit. Most of the other producers had also represented that they were facing considerable difficulties on account of bond demanded by the Customs authorities in respect of concessional rate of duty on certain Dye-Intermediates.

15.1.4.1. The question of deletion of the bond requirement from the point of view of administrative convenience and the difficulties stated to have been experienced by the contracting parties, had been considered by us in consultation with the representatives of the Taxtile Commissioner, J.C.C.I. & E. and the Collector of Customs, Bombay. Our views communicated to Government given in Annexure XXII are summarised below:—

"(i) Specific as well as other Intermediates whose predominant use (say, 85 to 90 per cent) is in the Dyestuff Industry, should be granted unqualified duty concession and thus freed from the operation of bond restrictions;

(ii) *per contra* those Intermediates whose predominant use (say, 85 to 90 per cent) is in Industries, other than Dyestuff, should be removed from the duty concession list; and

(iii) those Intermediates which do not belong to either of the above two groups but whose incidence of cost on the cost of production of finished Dyestuff is significant, may continue to enjoy the duty concession subject to the execution of bond by the importer."

15.1.4.2. *We would reiterate the above recommendations and suggest that Government may take effective steps for their speedy implementation.* With regard to the bond requirements by the Customs Authorities, where normal duty is paid, the question of bond does not arise. Where the Dye-Intermediates are required for the manufacture of Dyestuffs, then the end-use certificate from the D.G.T.D. for the large scale sector and the Director of Industries for the small scale units would have to be furnished. In the *remaining* *cases instead of having individual bonds for each import we feel it would be advisable to have a continuous bond of a certain sum for a specific period. We feel that the Standing Committee referred to earlier may also look into this matter.*

15.2. *Measure of protection:*

15.2.1. As stated earlier the Dye-Intermediates Industry has been enjoying protection in some form or the other since 1964. Our basic objective therefore, is to determine how far this policy has justified itself not only from the point of view of the producers, but of the consumers as well. We have also to consider whether and if so, to what extent, and in what form, this policy needs to be continued consistently with the growth of the Industry as well as having regard to the national economic objectives and interests.

15.2.2. In paragraph 8 of our Interim Report we have narrated the views of the producers of both the large and small scale sectors and of their respective Associations, all of whom have advocated continuance of protection to the Dye-Intermediates Industry for some years more. We have also mentioned in that paragraph as well as in paragraphs 6.4 and 12.2 of this Report some of the salient aspects showing the rapid progress made both in the field of domestic production as well as with regard to exports since our last Inquiry in 1968. Notwithstanding the all round progress it needs to be emphasised as mentioned in paragraph 8.1.5. of the Interim Report, that *this Industry has to discipline itself in regard to progressive economies in costs ultimately leading to price reduction not only in its own interest but also in the larger interest of the consumers as a whole.*

15.2.3. The statistical data presented in Annexure VII show that as many as 174 Dye-Intermediates are being produced and/or required in the country. Consumption was 10 tonnes or more in respect of 53 Dye-Intermediates out of 59 (53 protected +6 others) during 1970 as shown in Annexure XI. The number of such Intermediates is expected to go up to 117 by 1973-74, *vide* Annexures VII and XI. As mentioned in paragraph 7.2 there is need to secure maximum utilisation of the existing capacity in respect of certain Intermediates whose demand is progressively outstripping the domestic supply.

15.2.4. As a result of our cost investigations we have been able to assess the fair ex-works prices of 35 out of the 53 protected Dye-Intermediates and five items out of the new ones which have been manufactured since our last Inquiry in 1968. In addition, we have ascertained the ex-works costs of 14 out of the remaining 18 protected Dye-Intermediates from the data furnished by the Industry.

15.2.5. In respect of imports we have been informed by the concerned authorities that figures of imports are not maintained by them for each and every Intermediate separately. Nor have we had the requisite data regarding this from the concerned manufacturers. In good many cases, therefore, as can be seen from Annexure XI the words "N.A." have been indicated. We have assumed that by and large in these cases imports could not have been significant. *For keeping a watch on the healthy growth and development of the Industry it is necessary to know the flow of imports of each of the Intermediates whose annual requirements are likely to be significant say in excess of 10 tonnes. We, therefore, suggest that D.G.C.I. & S. should maintain separate statistics for imports of such Intermediates.*

15.2.6. We have examined the various issues pertaining to protection under the following five heads:—

(i) Deletion from the list of 53 protected Dye-Intermediates;

(ii) Items entitled for retention in or withdrawal from the existing list of 18 Dye-Intermediates enjoying duty concession;

(iii) Dye-Intermediates released from GATT obligation requiring protection and/or concession in the customs duty;

(iv) New items requiring protection and/or duty concession; and

(v) Modifications in respect of existing duty structure of those items qualifying for continuance of protection.

15.2.6.1. In suggesting protective rates of duty for various Intermediates we have taken into consideration all relevant factors such as the existing installed capacity in the Industry, its adequacy or otherwise to meet the anticipated demand, the need for imports and degree of foreign competition, the overall requirements of particular Intermediates where such requirement is substantial. We have also borne in mind the rationalised pattern of rates of duty of the I.C.T.

15.2.7. *Deletion from the list of 53 protected Dye-Intermediates:*

15.2.7.1. Comparison of the fair ex-works prices of indigenous Intermediates with the landed cost ex-duty of the corresponding imported products given in Annexure XIX-A shows that six Dye-Intermediates (at Sl. Nos. 7, 8, 10, 12, 16 and 23 of Annexure XIX-A) have advantages *vis-a-vis* imports ranging from 7.2 to 67.9 per cent. These, in our view, are no longer in need of tariff protection. *We, therefore, recommend that protection granted to these Intermediates need not be continued beyond 31st December, 1972 and suggest that the existing protective duties on these i.e. 60 per cent ad valorem standard and 50 per cent ad valorem preferential may be converted into equivalent revenue rates after that date.*

15.2.7.2. There are a number of Intermediates which suffer varying degrees of disadvantage. Present revenue rate of duty on Dyes and Dye-Intermediates is 60 per cent *ad valorem* (standard). Theoretically if the disadvantage of indigenous manufacture were to be up to 60 per cent, this disadvantage would get wiped off by the existing revenue rate of duty. However, the disadvantage margin will have to be fixed at a somewhat lower level for possible price variations during the period for which we are recommending protection. A differential disadvantage margin of about 20 per cent should be adequate to cover such price fluctuations. In other words where the disadvantage margin of an indigenously produced Intermediate is up to 40 per cent *vis-a-vis* the ex-duty landed costs of similar imported Intermediates, it can be deprotected and made liable to the existing revenue rates of duty of 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential. It will however be desirable to continue to treat such an Intermediate as protected within the meaning of Section 11(a) of the Tariff Commission Act, 1951, during the currency of the scheme of tariff protection to certain Dye-Intermediates i.e. till 31st December 1974, so that a continuous watch may be kept on the progress and development of the Industry.

15.2.7.3. In the light of the general observations made in the above paragraph we find that in the case of seven Intermediates (Sl. Nos. 4, 5, 14, 22, 27, 28 and 30 of the Annexure XIX-A), the disadvantages indicated vary from 8.1 to 34.3 per cent as against the existing protective duty of 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential excluding Sl. No. 22 which attracts a duty of 100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential. Except for some imports in respect of three Intermediates namely 1-aminoanthraquinone (Sl. No. 5 of Annexures XI-A and XIX-A) and *ortho*-anisidine (Sl. No. 22 of Annexures XIX-A and Sl. No. 25 of Annexure XI-A) and *para*-chloroaniline (Sl. No. 27 of Annexure XIX-A and Sl. No. 31 of XI-A) no figures of imports were available in regard to others. Since capacities in respect of these Intermediates are claimed to be interchangeable, the producers will judiciously utilise the existing facilities at their plants to meet the requirements of the consumers. *We suggest that the existing protective duty on these Dye-Intermediates, except* ortho-*anisidine may be converted into equivalent revenue duty. However, since in the foreseeable future quantitative control over their imports is likely to remain they should continue to be protected within the meaning of Section* 11(*a*) *of the Tariff Commission Act,* 1951.

15.2.7.4. The existing protective duty on *ortho*-anisidine is 100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential as compared to its disadvantage of 14.8 per cent. Hence there is no justification for retaining the existing high level of protective duty on it. *We accordingly recommend that the protective duty on it be withdrawn and general revenue rates of duty viz.* 60 *per cent* ad valorem *standard and 50 per cent* ad valorem *preferential may be levied. It should however continue to be protected within the meaning of section* 11(*a*) *of the Tariff Commission Act for reasons stated in the above paragraph.*

15.2.7.5. We have not been able to cost 14 out of 53 protected Dye-Intermediates given in Annexure XI-(B). Taking their ex-works costs excluding return as furnished by the units and comparing them with the landed costs ex-duty we find that the advantages in respect of three Intermediates namely 2, 5-Dimethyl-4-Chlorophenyl thioglycolic acid, 1, 4-Diaminoanthraquinone and *ortho*-Chloroaniline (Sl. Nos. 8, 9 and 10 of Annexure XI(B)) vary from 1.9 to 13.8 per cent. This position may however, undergo some change with the inclusion of return.

It is likely that the advantage may be reduced and in some cases may even turn into some disadvantage. The installed capacities of the Intermediates are by and large adequate to meet the requirements of the Industry and though the figures of imports were not available, we feel that the interest of the manufacturers of these Intermediates would be adequately safeguarded by the existing levels of duties. *We therefore recommend that protection granted to these may be withdrawn and the existing protective duty of 60 per cent* ad valorem *standard, and 50 per cent* ad valorem *preferential converted into equivalent revenue duty. However, since in the foreseeable future quantitative control is likely to remain, they should continue to be protected within the meaning of Section* 11(*a*) *of Tariff Commission Act.*

15.2.7.6. The Dye-Intermediates recommended for deprotection after 31st December 1972 as well as those to which protection is to be continued within the meaning of Section 11(a) of the Tariff Commission Act despite the withdrawal of protective duties thereon are listed below for the sake of convenience.

I. *Dye-Intermediates to be deprotected.*

1. Anthraquinone-1-Sulphonic acid, sodium salt (7)
2. Benzanthrone (8)

3. BON acid (2-hydroxy-3-naphthoic acid) (10)
4. 1-Chloroanthraquinone (12)
5. 2, 6-Diaminoanthraquinone (16)
6. *ortho*-Nitroanisole (23)

II. *Dye-Intermediates to be continued as protected under Section* 11(*a*) *of the Tariff Commission Act.*

7. Amino-iso-G-acid (4)
8. 1-Aminoanthraquinone (5)
9. 5-Chloro-*ortho*-toluidine (14)
10. 2, 5-Dimethyl-4-Chlorophenyl thioglycolic acid (8)
11. 1, 4-Diaminoanthraquinone (9)
12. *ortho*-Anisidine (22)
13. *ortho*-Chloroaniline (10)
14. *para*-Chloroaniline (27)
15. *para*-Nitroanisole (28)
16. Peri-acid (30)

NOTE:—(i) The figures in brackets against the items except those at Sl. Nos. 10, 11 and 13 refer to the corresponding serial numbers in the Annexure XIX-A.

(ii) The figures in brackets against the item Nos. 10, 11 and 13 refer to Sl. Nos. in the Annexure XI-B.

15.2.8. *Items entitled for retention in, or withdrawal from, the existing list of* 18 *Dye-Intermediates enjoying duty concession.*

15.2.8.1. The concessional rate of duty of 10 per cent *ad valorem* which was in force in 1964 as a result of our recommendation made earlier, was revised upwards to 40 per cent *ad valorem* (except GATT items) during the process of rationalisation of the tariff rates, in August 1965. However, with the devaluation of the Rupee, this rate was reduced to 27½ per cent *ad valorem* on 6th June 1966. By the Finance Act (No. 2) 1971, the general rate on raw materials has been raised from 27½ per cent to 40 per cent *ad valorem*. We have examined the list of Intermediates currently enjoying duty concession in this context and we feel, that it would be more appropriate to fix the lowest rate slab i.e. 40 per cent *ad valorem* standard and 30 per cent *ad valorem* preferential on all Intermediates qualifying for concessional rate of duty and have accordingly suggested these rates. In considering the question of modification of this list by the deletion of certain Intermediates or by the addition of new ones, we have also applied the principles enunciated in paragraph 9.4.4 of our 1964 Report according to which those Intermediates for which domestic capacity has been established should be adequately protected while those which are not likely to be indigenously produced in the foreseeable future should be granted duty concession so as to reduce the cost of manufacture of the finished dyes.

15.2.8.2. The 18 Dye-Intermediates given in Annexure VII-B are at present subject to concessional duty of 27½ per cent *ad valorem* standard and 17½ per cent *ad valorem* preferential. As explained in paragraph above the existing concessional rates of duty would need to be revised to 40 per cent *ad valorem* standard and 30 per cent *ad valorem* preferential. We have been informed by producers that capacities in respect of six Intermediates, namely, acetoacetic ester, trichlorobenzene, 2-chloro-4-nitroaniline, *ortho*-nitrochlorobenzene and *meta*-nitrochlorobenzene and *para*-nitrochlorobenzene have been established in the country. Of these, capacity of trichlorobenzene alone appears to be far in excess of the domestic requirement. In the case of acetoacetic ester, we find that its capacity would be able to meet nearly 60 per cent of the country's requirement. There is therefore, no necessity for the continuance of concessional rate of duty on acetoacetic ester and trichlorobenzene. *We recommend that concessional duty on these two Intermediates be withdrawn.* The question of further measures regarding protection of acetoacetic ester and trichlorobenzene is discussed in paragraph 15.2.10. The capacities in respect of the other four are too small compared to their estimated requirements. *Until such time as adequate capacity is established in respect of 2-chloro-4-nitroaniline,* ortho-*nitrochlorobenzene,* meta-*nitrochlorobenzene and* para-*nitrochlo-*

robenzene, we suggest that the concessional rates of duty of 40 *per cent* ad valorem *standard and* 30 *per cent preferential may be levied on these Intermediates.*

15.2.8.3. In regard to the remaining 12 Intermediates which are considered to be important to the Dyestuff manufacturers, there is no production in sight as yet. Since the Industry is in the formative stage, continuance of concessional rates of duty on these would, in our opinion, help considerably to reduce the cost of production of Dyestuffs which are used as raw materials in other Industries such as textiles, leather, paints etc. *The following* 16 *Dye-Intermediates* (inclusive of the four mentioned in paragraph 15.2.8.2.) *may continue to be shown some duty concession till* 31-12-1974. *The concessional rates of duty may be fixed at* 40 *per cent* ad valorem *standard and* 30 *per cent* ad valorem *preferential.*

1. *alpha*-Naphthylamine
2. Benzidine sulphate
3. 2-Chloro-4-nitroaniline
4. 3, 3'-Dichlorobenzidine
5. Dimethylaniline
6. Diethylaniline
7. 3, 3'-Dichlorobenzidine dihydrochloride
8. *meta*-Dinitrobenzene
9. *ortho*-Nitrochlorobenzene
10. *meta*-Nitrochlorobenzene
11. Mono-Chloro-*para*-xylene (1-chloro-2, 5-dimethylbenzene or 2-chloro-1, 4-dimethylbenzene)
12. *ortho*-Nitrotoluene
13. *ortho*-Tolidine
14. *para*-Nitrotoluene
15. *para*-Toluidine-*ortho*-sulphonic acid
16. *para*-Nitrochlorobenzene

15.2.9. *Dye-Intermediates released from GATT obligation requiring protection and/or concession in the customs duty.*

15.2.9.1. We understand that 13 out of the 17 Dye-Intermediates released from GATT obligation which are considered to be important to the Dyestuff Industry are produced indigenously as indicated in Annexure XVII. It would be observed that adequate capacities in respect of most of them singly or jointly have been established which could be geared to meet any spurt in the domestic demand. Besides, additional licences are reported to have been issued to units for expansion in respect of H-Acid and *para*-nitro-aniline. As these 13 Intermediates have not been costed, we are unable to ascertain the price advantage/disadvantage *vis-a-vis* imports. The duty now levied on these Intermediates is 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential. In view of the importance of these Intermediates to the Dyestuff Industry and for the reasons mentioned above, *we recommend that the existing revenue duty may be converted into equivalent protective duty on the* 13 *Intermediates listed below:*

1. Benzidine dihydrochloride
2. Chicago acid
3. G-Salt
4. Gamma acid
5. H-Acid
6. J-Acid urea
7. *meta*-Toluylenediamine
8. *meta*-Phenylenediamine
9. Nevile and Winther's acid
10. *para*-Nitroaniline
11. Rhoduline acid
12. Sulphanilic acid
13. Sodium naphthionate/Naphthionic acid.

15.2.9.2. In the case of three other Intermediates *viz.*, aminoazobenzene hydrochloride, Laurent Acid and *para*-aminoacetanilide, we understand that there is no indigenous production in sight as yet. Nor are separate figures of imports available. The demand for these at present does not appear to be significant. *We do not see any justification* *for granting duty concession and the existing revenue rates of duty at 60 per cent* ad valorem *standard and 50 per cent* ad valorem *preferential may be continued on these Intermediates.*

15.2.9.3. In the case of dinitrochlorobenzene (2, 4-dinitrochlorobenzene) as stated later on in paragraph 15.2.10.8 the existing revenue duty may continue.

15.2.10. *New items requiring protection or concessional rates of duty:*

15.2.10.1. We have received specific requests from the Industry for inclusion under protection of the following six new Dye-Intermediates *viz.,* (i) acetoacetic ester, (ii) acetoacet-*meta*-xylidide, (iii) acetoacet-*ortho*-anisidide, (iv) *beta*-naphthol, (v) dimethyl sulphate and (vi) 2, 5-dichloronitrobenzene of which the first five have only been costed. In addition, trichlorobenzene whose capacity is well established also needs consideration for protection. Thus there are in all seven items for inclusion under protection.

15.2.10.2. Acetoacetic ester is now enjoying duty concession at 27½ per cent *ad valorem* standard and 17½ per cent *ad valorem* preferential. As mentioned in paragraph 15.2.8.2 indigenous capacity for this Intermediate has been already established and its production when stabilised is expected to meet nearly 60 per cent of the domestic consumption. The duty now required to protect it on the basis of price comparison (given in Annexure XIX-A) is 258.4 per cent. Since the plant producing this Intermediate has come into operation recently and has yet to establish firmly, even if the duty is fixed at the highest slab rate *viz.,* 100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential, it would not adequately protect the Intermediate. It will only lead to an increase in the cost of manufacture of the finished dyes. *We, therefore, recommend that after withdrawal of the concession, protective duties on acetoacetic ester may be fixed at the general level of duty, i.e. 60 per cent* ad valorem *standard and 50 per cent* ad valorem *preferential. In view of the large gap between the demand for and the available supply of this important Intermediate as mentioned in paragraph* 15.2.8.2. *the existing capacity of this Intermediate needs* *to be augmented so that ultimately the domestic production is capable of meeting fully the indigenous requirements.* Meanwhile, to ensure adequate supplies to the consumer, imports may have to be allowed to supplement domestic supplies. Having regard to the fact that the protective duty recommended by us only partially neutralises the disadvantage, *we recommend that imports of acetoacetic ester should be so regulated as to meet only the excess requirements over indigenous production. At the same time an all-out effort will have to be made by the producer to bring down its cost of production by effecting all possible economies in the operation of the plant.*

15.2.10.3. In the case of *beta*-naphthol which has been recently changed from item I.C.T. No. 30(1)(c) to item I.C.T. No. 28, the effective duty levied on it continued to be 12 per cent *ad valorem* and a countervailing duty of 15 per cent (since raised to 20 per cent under the Finance Act, 1972). The duty now required to protect this Intermediate on the basis of price comparison is 106.3 per cent. *beta*-Naphthol is a pure chemical of a very basic nature and we understand that the quantity used in the manufacture of Dyestuffs is quite small compared to its consumption in various other Industries, such as Jute, Rubber, Pharmaceuticals and a number of other chemicals. Its maximum use is stated to be in the manufacture of rubber chemicals. Therefore, raising of duty on *beta*-naphthol to the level indicated by the price comparison, would, in our opinion, indirectly affect the interests of a very large number of consumers other than those of the Dyestuff manufacturing units. However, in order to give the producers of this Intermediate some incentive and at the same time to ensure that the consumers other than the units in the Dyestuff Industry do not suffer, *we recommend that protective duty of* 60 *per cent* ad valorem *standard and* 50 *per cent* ad valorem *preferential may be levied on it.*

15.2.10.4. The duty now required to protect dimethyl sulphate on the basis of price comparison is 41.3 per cent. Despite adequate indigenous capacity, large scale imports have taken place as is evident from the fact that during the three and half years ending June 1971 the volume of imports has been 160.1 tonnes in 1968, 179.2 tonnes in 1969, 150.6 tonnes in 1970 and 114.6 tonnes (Jan-June, 1971). *We, therefore, recommend that the existing revenue duty i.e.* 60 *per cent* ad valorem *standard and* 50 *per cent* ad valorem *preferential may be converted into an equivalent protective duty. In view of substantial imports currently taking place we recommend to Government to so regulate the imports as to ensure that the full utilisation of domestic capacity is not hampered.*

15.2.10.5. Customs duty at present levied on acetoacet-*meta*-xylidide and acetoacet-*ortho*-anisidide is 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential. There is no indication of imports of these Intermediates. Though the duties now indicated to protect them on the basis of price comparison given in Annexure XIX-A are 99.2 per cent and 46.8 per cent respectively, their annual requirements, which are quite small, can be comfortably met from the existing capacity. *Protection is not therefore necessary and these Intermediates should continue to bear the current revenue rates of duty.*

15.2.10.6. As regards 2, 5-dichloronitrobenzene (*vide* Annexure XI-B) its price advantage or disadvantage could not be ascertained as it has not been costed by us. In view of its importance to the Dyestuff Industry *we recommend that the existing revenue duty of 60 per cent* ad valorem *standard and* 50 *per cent* ad valorem *preferential be converted into equivalent protective duty.* Notwithstanding the fact that adequate capacity has already been established in the country, large imports have taken place and in fact the volume of imports has progressively increased from 162.4 tonnes in 1968 to 234.7 tonnes in 1970. The imports in 1971 (Jan-August) was 93.7 tonnes. Consequently a part of the indigenous capacity remained idle. According to the Import Trade Control Policy (1972-73), the imports of this Intermediate are permitted on restricted basis to A.U. We *suggest that the Import Trade Countrol Policy may be kept under review to ensure that the maximum utilisation of the indigenous capacity does not suffer.*

15.2.10.7. As stated in paragraph 15.2.8.2, the existing capacity for trichlorobenzene is much in excess of its potential demand for 1973-74. It, therefore, no longer qualifies to be included in the duty concession list. As this Intermediate has not been costed by us, nor have we any information regarding its imports, its advantage or disadvantage could not be assessed. *We, therefore, recommend that trichlorobenzene should be put in the protected list and the general rates of duty viz.* 60 *per cent* ad valorem standard *and* 50 *per cent* ad valorem *preferential be levied on it as protective duty.*

15.2.10.8. During the public inquiry a few producers represented to us that 29 Intermediates given in Annexure XXIV should be granted duty concession. On detailed examination of these requests, we have found that requirements of 14 out of 29 Intermediates are insignificant being less than 10 tonnes per year. Of the remaining, 15, capacities in respect of three Intermediates viz., 2, 5-dichloronitrobenzene, *ortho*-dichlorobenzene and *para*-cresidine have been established already and schemes for the manufacture of two others, 2, 4-dinitrochlorobenzene and aniline are stated to be in advanced stage of implementation by HOCL. In view of these considerations, we are of the opinion that the application of concessional rates of duty to these five items would not be in the interest of the Industry. Since adequate data regarding the actual imports of the remaining ten items are not available and they have been all along subjected to a levy at the general rates of duty of 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential, *we are not in favour of granting concessional rates of duty to these Intermediates. We suggest that revenue duty at the existing level may be continued on these.*

15.2.1. *Modifications of those items qualifying for continuance of protection:*

15.2.11.1. The disadvantage on the basis of price comparison for anthraquinone (Sl. No. 6 of Annexure XIX-A) is 59.1 per cent whereas the protective duty currently levied is 60 per cent *ad valorem* standard and 50 per cent *ad* *valorem* preferential. *We, therefore, recommend that protective duty at the existing level, namely* 60 *per cent* ad valorem *standard and* 50 *per cent* ad valorem *preferential may be continued.*

15.2.11.2. In the case of some Intermediates the existing indigenous capacity is surplus and more than adequate to meet the present demand or anticipated demand in the next couple of years. There are generally no imports of such Intermediates. Even if there are some imports at present there is no reason why such imports should continue to be allowed. In such cases even where the disadvantage of indigenously produced Intermediates is substantial, the *status quo* in the matter of rates of duty should not be disturbed as raising the protective duty to the level of the disadvantage will merely tend to push up the prices without making protection any more effective. *Where there is surplus capacity in any Intermediate and its imports are still being permitted, such imports should be severely curtailed or regulated so that they do not prove a dis-incentive to the full utilisation of the indigenous capacity.*

15.2.11.3. In the case of four Intermediates, namely, acetoacetanilide, acetoacet-*ortho*-chloroanilide, phenyl-J-acid and *para*-toludine-*meta*-sulphonic acid (Sl. Nos. 1, 2, 26 and 29 of Annexure-XIX-A) protective duty currently levied on them is 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential. Out of four, only phenyl-J-acid was costed during the last Inquiry in 1968. Its disadvantage at that time was 57.76 per cent. The duty now required to protect this Intermediate is 114.7 per cent. While the disadvantage suffered by this Intermediate is quite substantial, according to the current import policy, its import will be permitted on restricted basis only. *We, therefore, feel that there is no necessity to increase the protective duty and recommend that the existing protective duty of* 60 *per cent* ad valorem *standard and* 50 *per cent* ad valorem *preferential may be allowed to continue on it. As there is surplus capacity which can fully meet the domestic demand, we further recommend that the current policy of restricted imports should be continued for the time being so that the domestic manufacturers can fully utilise their existing capacity.*

15.2.11.4. The disadvantages in respect of acetoacetanilide, acetoacet-*ortho*-chloroanilide and *para*-toluidine-*meta*-sulphonic acid on the basis of price comparison given in Annexure XIX-A are 512.7 per cent, 241.8 per cent and 256.8 per cent respectively. According to the current licensing policy, all these Intermediates have been put on the banned list of imports. Since large unutilised capacities exist in respect of these Intermediates, as seen from Annexure XI, *we recommend that the current policy of complete banning of imports in respect of these should be continued so as to enable the manufacturers to fully utilise their capacities. We further feel that in the existing circumstances the current protective duty of* 60 *per cent* ad valorem *standard and* 50 *per cent* ad valorem *preferential should suffice and may be continued on these Intermediates.*

15.2.11.5. The price comparison in respect of five Dye-Intermediates, namely, acetoacet-*ortho*-toluidide, *meta*-nitroaniline, metanilic acid, quinizarin and Tobias acid given at Sl. Nos. 3, 18, 20, 34 and 35 in Annexure XIX-A indicates that duty required to protect them are 55.0 per cent, 71.9 per cent, 83.9 per cent, 87.0 per cent and 59.3 per cent respectively. Of these, metanilic acid and Tobias acid were only costed during the last Inquiry in 1968, and their disadvantages were 47.23 per cent and 67.12 per cent respectively. As the capacity of metanilic acid is expected to fall short of the demand as envisaged by D.C.O.C.I. (Dyes Panel) and its disadvantage is very substantial as compared to that of 1968, *we recommend that duty of* 100 *per cent* ad valorem *standard and* 90 *per cent* ad valorem *preferential may be levied on it.* Though the installed capacity of quinizarin is just adequate to meet the demand, its disadvantage is considered to be very substantial. *We, therefore, recommend that the protective duty of* 100 *per cent* ad valorem *standard and* 90 *per cent* ad valorem *preferential may be levied on it. In the case of acetoacet-*ortho*-toluidide,* meta-*nitroaniline and Tobias acid we feel that their existing capacities would be able to meet the domestic demand and there is no need for their imports in future. Since acetoacet-*ortho*-toluidide is included in the banned list and Tobias acid under restricted list for imports in the current Import Trade Control Policy,* *we suggest the continuance of this policy. We also recommend that existing protective duty of* 60 *per cent* ad valorem *standard and* 50 *per cent* ad valorem *preferential may be continued on these.*

15.2.11.6. In the case of *ortho*-toluidine, *para*-toluidine and phenyl-peri-acid protective duty leviable on them is 100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential. As against the disadvantages of 90.07 per cent, 135.09 per cent and 85.63 per cent in 1968, the rates of duty now required to protect these Intermediates are 80.0 per cent, 61.4 per cent and 148.2 per cent respectively. It would be seen that on the basis of the disadvantage suffered by *para*-toluidine there is no justification to continue the existing protective rates of duty on this. *We, therefore, recommend that protective duty of* 60 *per cent* ad valorem *standard and* 50 *per cent* ad valorem *preferential may be levied on this Intermediate.* As it is currently put under banned list for import according to the Import Trade Control Policy (1972-73), *we recommend that it should continue to remain in the banned list for import during the period of protection, so that full utilisation of the indigenous capacity which has been created and which is being installed progressively is in no way hampered as a result of the lowering of the duty.* In so far as *ortho*-toluidine and phenyl-peri-acid are concerned, disadvantage suffered by them is quite substantial. *We recommend that existing protective duty of* 100 *per cent* ad valorem *standard and* 90 *per cent* ad valorem *preferential may be allowed to continue on these. The imports of phenyl-peri-acid and ortho-toluidine should be so regulated that they do not interfere with maximum utilisation of installed capacities.*

15.2.11.7. Price comparison in respect of J-acid and *para*-anisidine given at Sl. Nos. 17 and 32 in Annexure XIX-A indicates that duty required to protect these Intermediates is 65.2 and 46.9 per cent respectively as against that of 88.55 per cent and 119.44 per cent in 1968. The existing protective rates of duty on these are 100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential. *As disadvantage has become less we consider that protective duty of* 60 *per cent* ad valorem *standard and* 50 *per cent* ad valorem *preferential should suffice and accordingly recommend that the existing rates be reduced to these levels. The existing Import Trade Control Policy of restricting imports of para-anisidine needs to be continued during the period of protection so that full utilisation of domestic capacity is not hampered.*

15.2.11.8. C-Acid (2-chloro-5-toluidine-4-sulphonic acid or 6-chloro-*meta*-toluidine-4-sulphonic acid) and *meta*-diethylaminophenol are two other Intermediates currently enjoying protection and the duties levied on them are 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential and 100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential respectively. The duty now required to protect these Intermediates on the basis of price comparison given in Annexure XIX-A are 73.0 and 87.6 per cent respectively. Since these Intermediates have surplus capacity, *we recommend that existing protective duties i.e.* 60 *per cent* ad valorem *standard and* 50 *per cent* ad valorem *preferential on C-Acid and* 100 *per cent* ad valorem *standard and* 90 *percent* ad valorem *preferential on* meta-*diethylamino phenol may be continued.*

15.2.11.9. In regard to *meta*-nitro-*para*-toluidine, *meta*-chloroaniline and *ortho*-nitroaniline (Sl. Nos. 19, 21 and 24 of Annexure XIX-A), duties now indicated to protect these on the basis of price comparison given in Annexure XIX-A are 93.4 per cent, 71.0 per cent and 62.1 per cent respectively as against the existing protective duty of 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential. Of the three Intermediates, *meta*-nitro-*para*-toluidine was costed in 1968 and its disadvantage was 17.85 cent. As its installed capacity is more than adequate to meet the estimated requirements and future imports can be suitably regulated it is not necessary to increase the existing protective rates of duty though the disadvantage is substantial. *We accordingly recommend that existing protective duty of* 60 *per cent* ad valorem *standard and* 50 *per cent* ad valorem *preferential may be allowed to continue and a watch kept on imports if any.* In so far as *meta*-chloroaniline and *ortho*-nitroaniline are concerned, it would be seen that production is undertaken according to the requirement of the consumers and there was no indication of any imports. *It would suffice if the existing protective rates of duty of* 60 *per cent* ad valorem *standard and* 50 *per cent* ad valorem *preferential are allowed to continue and we recommend accordingly.*

15.2.11.10. In respect of 4-chloro-2-nitroaniline (Sl. No. 13 of Annexure XIX-A), the duty now indicated to protect this Intermediate on the basis of price comparison is 54.0 per cent as against the existing duty of 100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential. Application of duty disproportionate to the actual disadvantage may tend to keep its selling price high. *Since indigenous capacity is adequate to meet the anticipated demand of the consumers and its import is permitted on restricted basis during the current licensing period, there is no need for any further relaxation in regard to its imports during the period of protection. We, therefore, recommend that protective duty of* 60 *per cent* ad valorem *standard and* 50 *per cent* ad valorem *preferential may be levied on it.*

15.2.11.11. In the case of benzoyl-J-acid and 4-chloro-2-nitroanisole only landed costs were available, while in respect of 2, 5-dichloroaniline and *ortho*-aminoazotoluylene (Sl. Nos. 11, 14, 19 and 28 of the Annexure XI-A) neither their costs of manufacture nor c.i.f. prices were available. We could not therefore assess the disadvantages, if any, in their cases. Since their capacities are also adequate to meet the domestic demand, *we recommend that the existing protective duties of* 60 *per cent* ad valorem *standard and* 50 *per cent* ad valorem *preferential on these may be allowed to continue. As regards benzoyl-J-acid, we suggest that the existing Import Trade Control Policy needs to be continued during the period of protection so that full utilisation of domestic capacity is not hampered.*

15.2.11.12. In the absence of c.i.f. prices as there were no imports in 1970 and a negligible quantity during the first half of 1971, the extent of disadvantage in respect of 2-aminoanthraquinone (Sl. No. 9 of Annexure XIX-A) could not be assessed. Since adequate indigenous capacity has been already established, *we recommend that existing protective rates of duty of* 60 *per cent* ad valorem *standard and*

50 per cent ad valorem *preferential may be continued on this Intermediate.*

15.2.11.13. Comparison of ex-works costs excluding return *vis-a-vis* imports in respect of the following ten Dye-Intermediates shows that their respective disadvantages are 137.0 per cent, 91.8 per cent, 141.7 per cent, 148.8 per cent, 32.8 per cent, 130.8 per cent, 49.9 per cent, 30.7 per cent, 45.5 per cent and 3.8 per cent.

(i) 1-amino-6-nitro-2-naphthol-4-sulphonic acid (1)

(ii) 4-chloro-*ortho*-toluidine (4)

(iii) 4, 4'-diaminostilbene-2, 2'-disulphonic acid (5)

(iv) 4, 4'-dinitrostilbene-2, 2'-disulphonic acid (6)

(v) 1, 5-diaminoanthraquinone (7)

(vi) 2-naphthyl-thioglycolic acid (2)

(vii) *para*-nitrosophenol (11)

(viii) *para*-nitrotoluene-*ortho*-sulphonic acid (12)

(ix) R-salt and (13)

(x) Schaeffer acid (14)

NOTE.—Figures given in brackets refer to the Sl. Nos. given in Annexure XI-(B)

Remedy in such cases where indigenous capacity is adequate is not high tariff but strict regulation of imports so that they do not act as disincentive to full utilisation of indigenous capacity. Since, in the case of these Intermediates indigenous capacity is either adequate to meet the anticipated demand of consumers or interchangeable so that it could be geared to meet the domestic requirements. *we recommend continuance of existing protective rates of duty of* 100 *per cent* *ad valorem standard and 90 per cent ad valorem preferential on 4, 4′-diaminostilbene-2, 2′-disulphonic acid and 60 per cent ad valorem standard and 50 per cent preferential on all others. Further more, their imports should continue to be effectively regulated.*

15.2.11.14. In the case of 4-chloro-2-anisidine (Sl. No. 3 of Annexure XI-B) we have not been able to get any c.i.f. prices and hence, could not assess its price advantage or disadvantage. *We, therefore, recommend that the protection at the existing rates of duty viz.,* 60 *per cent ad valorem standard and* 50 *per cent ad valorem preferential may continue.*

15.2.11.15. In December 1968 the Ministry of P & C requested the Commission to review the rates of duties leviable on five Intermediates viz. (i) *para*-toluidine-*meta*-sulphonic acid, (ii) C-Acid, (iii) acetoacetanilide, (iv) acetoacet-*ortho*-toluidide and (v) acetoacet-*ortho*-chloroanilide produced by M/s. Sudarshan Chemical Industries, Poona. The Commission, on detailed investigation found that, the existing rates of duty on *para*-toluidine-*meta*-sulphonic acid was adequate. On the other four Intermediates the Commission recommended duty of 100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential as against the existing levels of 60 per cent and 50 per cent respectively (*vide* Annexure XXIII). The position now obtaining in their cases as a result of fresh cost investigation has been discussed *vide* paragraphs 15.2.11.4, 15.2.11.5 and 15.2.11.8 supra.

15.2.11.16. *If at a later stage manufacturers find that protective rates recommended by us for certain uncosted Intermediates are inadequate to cover the price disadvantage they may apply to the Commission with requisite data for suitable revision of the quantum of protection.*

15.2.11.17. *The scheme of protection recommended in the foregoing paragraph may be kept in force upto* 31*st December,* 1974. *The list of these Intermediates with the corresponding* protective rates of duty recommended for levying is briefly indicated in the following Table :

TABLE NO. 15.1

List of Dye-Intermediates recommended for protection

Sl. No.	Name of the Intermediate	Nature of duty	Existing rate of duty	Protective rates of duty recommended
1	2	3	4	5
1	Acetoacetanilide	Protective	60 per cent *ad valorem* standard & 50 per cent *ad valorem* preferential.	60 per cent *ad valorem* standard & 50 per cent *ad valorem* preferential.
2	Acetoacet-*ortho*-chloroanilide .	Do.	Do.	Do.
3	Acetoacet-*ortho*-toluidide . .	Do.	Do.	Do.
4	Acetoacetic (methyl/ethyl) ester .	Concessional rate	27½ per cent *ad valorem* standard & 17½ per cent *ad valorem* preferential.	Do.
5	1-Amino-6-nitro-2-naphthol-4-sulphonic acid	Protective	60 per cent *ad valorem* standard & 50 per cent *ad valorem* preferential.	Do.
6	2-Aminoanthraquinone . .	Do.	Do.	Do.
7	Anthraquinone	Do.	Do.	Do.

8	*beta*-Naphthol	Revenue	12 per cent *ad valorem* 15 per cent countervailing*	Do.
9	Benzidine dihydrochloride	Do.	60 per cent *ad valorem* standard & 50 per cent *ad valorem* preferential.	Do.
10	*beta*-Naphthalene thioglycolic acid (2-naphthyl-thioglycolic acid)	Protective	Do.	Do.
11	Benzoyl-J-Acid (2-Benzoylamino 5-naphthol-7-sulphonic acid)	Do.	Do.	Do.
12	C-Acid (6-Chloro-*meta*-toluidine 4-sulphonic acid)	Do.	Do.	Do.
13	Chicago acid	Revenue	Do.	Do.
14	4-Chloro-2-nitroanisole	Protective	Do.	Do.
15	4-Chloro-2-nitroaniline	Do.	100 per cent *ad valorem* standard & 90 per cent *ad valorem* preferential.	Do.

(*Since raised to 20 per cent under the Finance Act 1972).

1	2	3	4	5
16	4-Chloro-*ortho*-toluidine	Protective	60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential.	60 per cent *ad valorem* standard & 50 per cent *ad valorem* preferential.
17	4-Chloro-2-anisidine	Do.	Do.	Do.
18	Diethyl-M-aminophenol (*meta*-diethylaminophenol)	Do.	100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential.	100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential.
19	Diaminostilbene disulphonic acid (4,4′-diaminostilbene-2,2′-disulphonic acid)	Do.	Do.	Do.
20	Dinitrostilbene disulphonic acid (4,4′-dinitrostilbene-2,2′-disulphonic acid)	Do.	60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential.	60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential.
21	Dimethyl sulphate	Revenue	Do.	Do.
22	1,5-Diamino-anthraquinone	Protective	Do.	Do.
23	2,5-Dichloronitrobenzene	Revenue	Do.	Do.
24	2,5-Dichloroaniline	Protective	Do.	Do.

25	G-Salt	Revenue	Do.	Do.
26	Gamma acid	Do.	Do.	Do.
27	H-Acid	Do.	Do.	Do.
28	J-Acid (2-naphthylamine-5-hydroxy-7-sulphonic acid)	Protective	100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential.	Do.
29	J-Acid urea	Revenue	60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential.	Do.
30	*meta*-Nitroaniline . . .	Protective	Do.	Do.
31	*meta*-Toluylene-diamine . .	Revenue	Do.	Do.
32	*meta*-phenylene-diamine . .	Do.	Do.	Do.
33	*meta*-Nitro-*para*-toluidine . .	Protective	Do.	Do.
34	Metanilic acid	Do.	Do.	100 per cent *ad valorem* standard & 90 per cent *ad valorem* preferential.

1	2	3	4	5
35	*meta*-Chloroaniline . . .	Protective	60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential.	60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential.
36	Nevile and Winther's acid . .	Revenue	Do.	Do.
37	Naphthionic acid/sodium naphtnionate	Do.	Do.	Do.
38	*'tho*-Nitroaniline . . .	Protective	Do.	Do.
39	*ortho*-Aminoazotoluylene (2,3/-dimethyl-4-aminoazo-benzene or 4-*ortho*-toluylazo-*ortho*-toluidine)	Do.	Do.	Do.
40	*ortho*-Toluidine	Do.	100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential.	100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential.
41	*para*-Anisidine	Do.	Do.	60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential.
42	*para*-Nitroaniline	Revenue	60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential.	Do.

43	*para*-Nitrosophenol (1-hydroxy-4-nitrobenzene)	Protective	Do.	Do.
44	*para*-Nitrotoluene-*ortho*-sulphonic acid (toluene-4-nitro-2-sulphonic acid or benzene-1-methyl-4-nitro-2-sulphonic acid)	Do.	Do.	Do.
45	*para*-Toluidine	Do.	100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential.	Do.
46	*para*-Toluidine-*meta*-sulphonic acid	Do.	60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential.	Do.
47	Phenyl-J-acid (2-phenylamino-5-naphthol-7-sulphonic acid or 2-phenylamino-5-hydroxy-naphthalene-7-sulphonic acid)	Do.	Do.	Do.
48	Phenyl-peri-acid (phenylamino naphthalene-8-sulphonic acid)	Do.	100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential.	100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential.
49	Quinizarin (1,4-dihydroxy-anthraquinone)	Do.	60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential.	Do.

1	2	3	4	5
50	R-salt(2-naphthol-3,6-disulphonic acid, sodium salt)	Protective	60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential.	60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential.
51	Rhoduline acid . . .	Revenue	Do.	Do.
52	Schaeffer acid (2-naphthol-6-sulphonic acid)	Protective	Do.	Do.
53	Sulphanilic acid . . .	Revenue	Do.	Do.
54	Tobias acid (2-naphthylamine-1-sulphonic acid)	Protective	Do.	Do.
55	Trichlorobenzene . . .	Concessional	27½ per cent *ad valorem* standard and 17½ per cent *ad valorem* preferential.	Do.

16.1. The Industry has represented that the import duty on certain Intermediates is higher than that on the Dyestuffs manufactured from them. It has pointed out that while the import duty on naphthalene, which is used as a raw material in the manufacture of *beta*-naphthol is 60 per cent there is a concessional rate of duty of 12 per cent on the latter with a countervailing duty of 15 per cent. It has been also brought to our notice that while basic and acid Dyes like Methyl violet, Methylene Blue, Malachite Green attract only 12 per cent duty plus 15 per cent countervailing duty, the import duty on diethylaniline, dimethylaniline and ethyl benzylaniline, which are stated to be Intermediates for these Dyes is at the rate of 27.5 per cent on the first two and 60 per cent on the last item. The Industry has requested us to examine these anomalies and suggest suitable modifications in the duty structure.

16. Tariff Anomalies

16.2. Based on the analysis of inputs that go into the manufacture of various end products having different rates of customs duties, ——————————— incidence of import duties per kg. of the Intermediate and the finished product has been worked out. These are indicated in the Table 16.1. It will be seen from this Table that in the case of ethyl benzylaniline and naphthalene the rate of duty is 60 per cent *ad valorem* as against 12 per cent *ad valorem* plus 15 per cent *ad valorem* countervailing duty [now revised to 20 per cent under the Finance Act, 1972] on Patent Blue A.S. and *beta*-naphthol which are respectively manufactured from these Intermediates. There is therefore an apparent tariff anomaly in that the rate of duty on these Intermediates is higher than that on the finished products. In the case of dimethylaniline and diethylaniline the rate of duty on them is 27.5 per cent *ad valorem* as against 12 per cent *ad valorem* plus 15 per cent *ad valorem* countervailing duty (now 20 per cent) on the finished products manufactured from these

Intermediates. 12 per cent *ad valorem* plus 15 per cent *ad valorem* countervailing duty comes to an effective rate of more than 27.5 per cent *ad valorem* (and with a countervailing duty of 20 per cent will come to even more). One cannot therefore say that there is a tariff anomaly in the case of these Dye-Intermediates. It may also be mentioned that in the case of all the four Dye-Intermediates given in the Table, the amount of duty paid on the Intermediates is much less than on the finished products manufactured therefrom. This is evident from the Table.

TABLE NO. 16.1

Statement giving illustrations of Tariff anomaly in the rates of duties on Dye-Intermediates and their finished Dyes.

Name of the intermediate which is imported	C.I.F. price Rs. per kg.	Existing rate of Duty %	Duty paid Rs. per kg.	Quantity of imported intermediate used per kg. of finished dye	Duty paid on the quantity used per kg. of finished dye Rs.	Name of the finished dye	C.i.f. price Rs. per kg.	Existing rate of duty %	Duty paid on finished dye Rs. per kg.
Dimethylaniline . .	3.75	27.5	1.03	1.347	1.39	Methyl violet	16.26	12+15 Countervailing duty.	4.68
,,	3.75	27.5	1.03	0.849	0.88	Methylene Blue	17.41	,,	5.01
,,	3.75	27.5	1.03	0.821	0.85	Malachite Green X1s	20.92	,,	6.02
,,	3.75	27.5	1.03	0.850	0.88	Auramine O	14.50	,,	4.18
Diethylaniline . .	7.50	27.5	2.06	0.849	1.75	Brillant Green X 1s	16.84	,,	4.85
Ethyl benzlaniline .	12.50	60.0	7.50	0.850	6.38	Patent Blue AS	43.97	,,	12.66
Naphthalene . .	0.80	60.0	0.48	1.306	0.63	*Beta*-Naphthol	3.87	,,	1.11

17. Miscellaneous items.

17.1. In addition to various assistance asked for and suggestions put forth by the Industry which have been appropriately dealt with in different paragraphs a few other measures of assistance asked for by the Industry are set out below:

17.2.1. One of the large scale units has averred that there is no provision in the Import Policy for the release of mild steel to such units who wish to fabricate their own plants and equipment. It has further added that if this is done, the capital cost of the plant could be reduced considerably.

17.2.2. A representative of the Small Scale Industry has pointed out that imports of spare parts are banned on the ground that they are being manufactured indigenously. According to him the trouble is that the domestic manufacturer is able to supply parts only for the domestic brand of machinery and not for any of the foreign makes installed long back by the producers.

17.2.3. From the foregoing paragraphs, it would seem that there is some force in their contentions and *we suggest that the C.C.I. & E may look into these suggestions and take such action as considered appropriate.*

17.3.1. During the course of the enquiry the producers made some other miscellaneous suggestions also regarding the working of the Industry. These suggestions are listed below and are brought to the notice of Government for such action as it may consider necessary:

(i) restrictions placed on the manufacture of allied products like pharmaceuticals and plastics when the plants are idle should be removed;

(ii) permission to import spare parts should be based on a fixed percentage of the capital cost rather than on the basis of a fixed amount irrespective of the size of the units or its expansion;

(iii) if any patents are involved, the owners of the patents must be forced to give manufacturing rights by payment of nominal royalty;

(iv) excise, sales-tax, octroi and such other imposts need to be scaled down or removed to safeguard the interests of the consumers; and

(v) credit facilities at present given to consumers of dyes by the large scale units who produce both Dyes and Dye Intermediates, should also be extended to the manufacturer of Dye-Intermediates in the small scale sector.

18. Summary of the Conclusions and Recommendations.

18.1. Our conclusions and recommendations are summarised below :

A. MAIN RECOMMENDATIONS:

18.1.1. Protection granted to the following six Intermediates need not be continued beyond 31st December, 1972. The existing protective duty on them i.e. 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential may be converted into equivalent revenue rates after that date.

1. Anthraquinone-1-sulphonic acid, sodium salt
2. Benzanthrone
3. BON Acid (2-hydroxy-3-naphthoic acid)
4. 1-Chloroanthraquinone
5. 2, 6-Diaminoanthraquinone
6. *ortho*-Nitroanisole

(Paragraphs 15.2.7.1 & 15.2.7.6)

18.1.2. The existing protective duty of 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential on the following nine Intermediates may be converted into equivalent revenue duty. They should however continue to be protected within the meaning of Sections 11(a) of the Tariff Commission Act, 1951 upto 31st December, 1974.

1. Amino-iso-G-acid
2. 1-Aminoanthraquinone
3. 5-Chloro-*ortho*-toluidine
4. 2, 5-Dimethyl-4-chlorophenylthioglycolic acid

5. 1, 4-Diaminoanthraquinone
6. *ortho*-Chloroaniline
7. *para*-Chloroaniline
8. *para*-Nitroanisole
9. Peri-acid

(Paragraphs 15.2.7.2., 15.2.7.3., 15.2.7.5. and 15.2.7.6)

18.1.3. The existing protective duty on ortho-anisidine of 100 per cent *ad valorem* standard and 90 and per cent *ad valorem* preferential may be withdrawn and revenue duty at the general level i.e. 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential levied instead. It should however, continue to be protected within the meaning of Section 11(a) of the Tariff Commission Act upto 31st December, 1974.

(Paragraphs 15.2.7.2., 15.2.7.4 and 15.2.7.6)

18.1.4. Protective duties on the 55 Dye-intermediates (37 existing + 18 new) listed in Table 15.1 may be levied at the rates indicated against each in column 5 and kept in force upto 31st December, 1974.

(Paragraph 15.2.11.17)

18.1.5. The existing Import Trade Control Policy of banning imports of seven Intermediates listed under "A" and of restricting imports of 12 others listed under "B" below needs to be continued during the period of protection so that full utilisation of domestic capacity is not hampered:—

LIST A

1. Acetoacetanilide
2. Acetoacet-*ortho*-chloroanilide
3. Acetoacet-*ortho*-toluidide
4. 4,-4′-Dinitrostilbene-2, 2′-disulphonic acid
5. *para*-Nitrotoluene-*ortho*-sulphonic acid
6. *para*-Toludine
7. *para*-Toluidine-*meta*-sulphonic acid

LIST B

1. 1-Amino-6-nitro-2-naphthol-4-sulphonic acid
2. Benzoyl-J-acid
3. 4-chloro-2-nitroaniline
4. 1-5-Diaminoanthraquinone
5. 2, 5-Dichloronitrobenzene
6. 2, Naphthyl thioglycolic acid
7. Phenyl-peri-acid
8. *Para*-Anisidine
9. Phenyl-J-acid
10. R-Salt
11. Schaeffer acid
12. Tobias acid

(Paragraphs 15.2.10.6, 15.2.11.3, 15.2.11.4, 15.2.11.5, 15.2.11.6, 15.2.11.7, 15.2.11.10, 15.2.11.11 and 15.2.11.13).

18.1.6. Imports of dimethyl sulphate, 4, 4′-diaminostilbene-2, 2′-disulphonic acid and *ortho*-toluidine should be so regulated that full utilisation of domestic capacity is not hampered.

(Paragraphs 15.2.10.4, 15.2.11.6 and 15.2.11.13)

18.1.7. It would be desirable to permit imports of J-Acid to effectively fill the gap between indigenous production and to total demand, particularly to ensure that the requirements of the small scale sector are adequately met at a reasonable price.

(Paragraph 7.2.3)

18.1.8. The existing capacity of acetoacetic ester needs to be augmented so that ultimately the domestic production is capable of meeting fully the indigenous requirements. In addition we recommend that its imports should be so regulated as to meet only the excess requirements over indigenous production. At the same time an all-out effort will have to be made by the producer to bring down its cost of production by effecting all possible economies in the operation of the plant.

(Paragraph 15.2.10.2)

18.1.9. If at a later stage manufacturers find that protective rates recommended by us for certain uncosted Intermediates are inadequate to cover the price disadvantage they may apply to the Commission with the requisite data for suitable revision of the quantum of protection.

(Paragraph 15.2.11.16)

18.1.10. With regard to "Penultimate Dye-Intermediates" noted in the Customs Notification No. 148/F. No. 17/4/69 CUS. I dated 15-11-1969 attention is invited to the recommendations made in paragraphs 15.1.4.1 and 15.1.4.2.

(Paragraphs 15.1.4.
15.1.4.1 and 15.1.4.2)

18.1.11. The following 16 Dye-Intermediates may continue to be shown some duty concession till 31-12-1974. The concessional rates of duty may be fixed at 40 per cent *ad valorem* standard and 30 per cent *ad valorem* preferential.

1. *Alpha*-Naphthylamine
2. Benzidine sulphate
3. 2-Chloro-4-nitroaniline
4. 3, 3′-Dichlorobenzidine
5. Dimethylaniline
6. Diethylaniline
7. 3, 3′-Dichlorobenzidine dihydrochloride
8. *meta*-Dinitrobenzene
9. *ortho*-Nitrochlorobenzene
10. *meta*-Nitrochlorobenzene
11. *mono*-Chloro-para-xylene (1-Chloro-2, 5-dimethylbenzene or 2-chloro-1, 4-dimethyl benzene)
12. *ortho*-Nitrotoluene
13. *ortho*-Tolidine

14. *para*-Nitrotoluene
15. *para*-Toluidine-*ortho*-sulphonic acid
16. *para*-Nitrochlorobenzene

(Paragraph 15.2.8.3)

18.1.12. We are not in favour of granting concessional rates of duty to 29 other Intermediates listed in Annexure XXIV.

(Paragraph 15.2.10.8)

18.1.13. The existing revenue rates of duty at 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential on the following three Intermediates may be continued.

(1) Aminoazobenzene hydrochloride
(2) Laurent acid
(3) *para*-Aminoacetanilide

(Paragraph 15.2.9.2)

18.1.14. Protection is not necessary for acetoacet-*meta*-xylidide and acetoacet-*ortho*-anisidide. They should however, continue to bear the current revenue rates of duty *viz.*, 60 per cent *ad valorem* standard and 50 per cent *ad valorem* preferential

(Paragraph 15.2.10.5)

18.1.15. It is necessary to have up-to-date accurate data in regard to capacity, production, sales, consumption and various other aspects of the Industry, both from large and small scale sectors, particularly the latter.

(Paragraph 4.2.6.1)

18.1.16. For keeping a watch on the healthy growth and development of the Industry, it is necessary to know the flow of imports of each of the Intermediates whose annual requirements are likely to be significant, say in excess of 10 tonnes. D.G.C.I. & S. should maintain separate statistics of imports of such Intermediates.

(Paragraph 15.2.5)

18.1.17. It is high time that the Industry seriously considers some sort of voluntary discipline to ensure that the selling prices of its products to the consumers are fair and reasonable. The recognised Associations of the manufacturers can, and should, also play a more effective part in ensuring such price discipline. In this context reference may be made to the recommendation made by the Commission in its 1970 Review Report *vide* recommendation No. 11.20, No. 4 of G. R. Annexure VI. In addition, we propose to select a few Dye-Intermediates and examine in depth the pricing policy of the manufacturers, their capacity utilisation, supplies and quality in terms of Section 11(d) of the Tariff Commission Act.

(Paragraphs 13.2.7,
13.2.8 & 15.2.2)

18.1.18. The partial exemption from excise duty granted to benzene, ethyl benzene, benzol toluene, toluol and light solvent naptha (mixture of benzene and toluene) may be extended to *ortho*-xylene also.

(Paragraph 15.1.2.3)

B. ANCILLARY RECOMMENDATIONS:

18.1.19. Development Commissioner for Small Scale Industries may be requested to take effective steps for eliminating toxic risks in the use of dangerous chemicals ensuring safe working conditions.

(Paragraph 4.1.11.1)

18.1.20. The producers of phthalic anhydride should explore all possible ways and means to effect economies in the process of its manufacture so as to bring down its price as far as possible to the level of the landed cost of the imported product.

(Paragraph 6.2.2)

18.1.21. There is great need for improving the quality of zinc dust and other raw materials as well as bringing down their prices. We hope that their producers would make earnest efforts to bring down the cost of their manufacture and improve their quality so that they conform to ISI Standards.

(Paragraphs 6.4.1.2 & 6.6)

18.1.22. The usage of raw materials and other inputs in a number of Dye-Intermediates even when they are produced with foreign technical collaboration is found to be at a comparatively higher level than would be warranted by the Internationally recognised standards. This higher consumption of raw materials lowers the efficiency of production thereby raising the cost of finished products. This is a serious matter and needs to be looked into by competent technical experts.

(Paragraphs 6.7 & 14.1.3.2)

18.1.23. In the interest of this growing Industry the ISI should finalise early standard specifications with due regard to the purity percentage for as many of the important Dye-Intermediates as possible.

(Paragraph 9.1.2)

18.1.24. Producers in both the large and small scale sectors should pay more attention to the quality of their products and remove the complaints voiced by the consumers. As our Dye-Intermediates are now progressively entering the export markets it is imperative that the manufacturers become more quality-conscious to withstand the international competition.

(Paragraph 9.2.4)

18.1.25. In its own interests, as a check on the quality of supplies the State Trading Corporation of India should consider introducing some sample testing on its own on receipt of goods even though it has large scale operations and receives necessary certificates of analysis from the foreign manufacturers.

(Paragraph 6.8.3)

18.1.26. The State Trading Corporation of India has suggested that in the case of imports through the State Trading Corporation of India the customers should place firm order and pay in advance 5 to 10 per cent of the value of the goods as deposit. The State Trading Corporation of India in turn would be willing to pay interest thereon. We commend this proposal for consideration by Government.

(Paragraph 6.8.1)

18.1.27. While it may not be feasible to make any water-tight distinction as between Dye-Intermediates to be manufactured by the large and small scale units it would be worthwhile to explore ways and means for achieving a programme of rationalised manufacture. The recently formed Standing Committee for the Dyestuff Industry could play an effective role in this direction.

(Paragraph 7.3.6)

18.1.28. For furthering Research and Development activities in the Industry and fuller utilisation of the facilities provided at the National Chemical Laboratory (NCL), the NCL should besides undertaking sponsored research projects as at present, agree to allow the chemists and qualified technologists belonging to the small scale and medium size companies to utilise, upon payment of reasonable charges, the facilities available in it to carry out investigations and tests.

(Paragraph 10.2)

18.1.29. In order to help the Industry in promoting its Research and Development activities, the Development Council for Organic Chemical Industries (Dyes Panel) should be entrusted with the work of co-ordinating the research efforts of various units. The National Chemical Laboratory, Poona, should also be associated in this work. We would also suggest for consideration whether Government themselves could not buy the technology for some of the new items and make it available to those who wish to use it.

(Paragraph 10.3.3)

18.1.30. We would reiterate the recommendations made in our 1970 Review Report *vide* Nos. 1(iv) to 1(vi) and 8 of G. R. Annexure VI.

(Paragraphs 10.3.4, 11.3.1, 11.9.2 & 11.20)

18.1.31. The suggestion made by the Federation of Associations of Small Industries of India that Import Control Policy for the chemicals as well as spare parts imported by the Dyestuff Industry needs to be rationalised, may be looked into by Government and such remedial measures taken as deemed fit.

(Paragraphs 11.1.6, 11.1.8 and 17.2.3)

18.1.32. The recommendation made in 1968 Report *vide* No. 15 of G. R. Annexure V is brought to the notice of Government.

(Paragraph 11.4.1)

18.1.33. The Chief Controller of Imports and Exports after taking into account the foreign exchange resources position and other relevant factors should give sympathetic consideration to the suggestion of allowing at least 20% of the Rupee Currency Area licences to be converted into Hard Currency Area licences when a producer could prove that he was using a particular item which was not available in the Rupee Currency Area.

(Paragraph 11.10)

18.1.34. In case of imports of Intermediates, the production of which was to be indigenously started there seems at present some lack of proper co-ordination between the Industry and the Chief Controller of Imports and Exports. The industry should also regularly keep the Chief Controller of Imports and Exports informed of the latest developments in its manufacturing programmes so as to enable the latter to take these developments into consideration when framing the import control policy.

(Paragraph 11.12)

18.1.35. What needs to be ensured is not merely sufficient production of a particular Intermediate but also its requisite quality and reasonableness of its price. It is imperative that before licensing, the details of the costs furnished by the prospective manufacturers are carefully scrutinised by the concerned authorities.

(Paragraph 11.17.1)

18.1.36. It should be examined whether in the case of sensitive items, the validity period of licence could not be shortened so that a more frequent review of the position of imports *vis-a-vis* availability could be undertaken, say, at an interval of every six months.

(Paragraph 11.21)

18.1.37. The various proposals put forth by the Export Promotion Committee and the Dyestuffs Manufacturers' Association of India mentioned in paragraphs 12.2.5 and 12.2.6 are brought to the notice of Government for such action as deemed fit.

(Paragraph 12.2.7)

19. Acknowledgements

19.1. We wish to express our thanks to the producers and consumers of Dye-Intermediates as also their Associations, namely, D.M.A.I., I.C.M.A. and F.A.S.I., suppliers of raw materials, importers and various Government Departments, both Central and State, for their assistance in conducting this Inquiry. We are deeply grateful to Dr. B. D. Tilak, Director, N. C. L. and Chairman, Standing Committee for the Dyestuffs Industry and Dr. R. B. Mitra, Dy. Director, N.C.L. for sharing with us their expert technical knowledge of this Industry. Our thanks are also due to Shri J. Banerji, Export Commissioner, Ministry of Foreign Trade, New Delhi, Dr. K. I. Narasimhan, Director, Office of the Textile Commissioner, Bombay, Shri S. J. Shah, Chairman, B.C.P.S.E.P.C., Bombay, Shri N. K. Sen, Dy. Director, Office of the D.C.S.S.I., New Delhi, Shri V. M. Srikumaran Nair, J.C.C.I. & E., Bombay and Shri M. S. Nadkarni, Dy. C. C. I. & E., Bombay and Shri G. S. Apte, Project Officer, Ministry of P. & C., New Delhi with whom

we had very useful discussions on certain issues which arose during the Inquiry. We also wish to put on record our appreciation for help rendered by Shri K. S. Subramaniam, Dy. Chief Chemist, Customs Office, Bombay regarding certain technical issues. We are also indebted to Shri P. L. Tandon, Chairman, Shri G. L. Casewa, Chief Marketing Manager and Shri D. C. Bhowmik, Marketing Manager, S. T. C., New Delhi who made it convenient to meet us for discussions on the question of imports, distribution and prices of Intermediates channelised through the S. T. C.

19.2. As mentioned in paragraph 9 of our Interim Report, Shri B. N. Banerji, who was Chairman of the Commission till he relinquished charge on the 2nd September, 1971, was closely associated with this Inquiry from its very inception. He presided over the Public Inquiry and participated in the cost and other discussions till he retired. He was also actively concerned with the drafting of the major portion of the Interim Report that was submitted in September, 1971. We are highly indebted to him for his work connected with this Inquiry.

19.3. We are also much indebted to late Shri F. H. Vallibhoy, Member who was actively associated with this Inquiry right from the inception. He had made valuable suggestions in the preparation of the Report and in his passing away on 2nd March, 1972 we have lost a valued and distinguished colleague.

19.4. We wish to place on record our warm appreciation for the sustained hard work put in by the officers and staff of the Commission engaged on this Inquiry.

D. P. ANAND,
Chairman.

PRAMOD SINGH,
Member.

P. V. GUNISHASTRI.
Secretary.

Bombay:
Dated 12*th July*, 1972.

ANNEXURE I

(*Vide* paragraph 1.1)

Interim Report on the continuance of Protection to Dye-Intermediates Industry

1, Historical Background

1.1. In the context of the initial Inquiry in 1954 into the Dyestuff Industry the Commission noted that the process of manufacture of Dyes as then practised in India involved mostly the final stages of reactions in which the ultimate or penultimate Intermediates were converted into the finished products by undergoing just one or two operations. All the requirements of the requisite raw materials namely the necessary Intermediates were being met by imports. Substantial concessions in the rates of import duty were therefore recommended for some of these Intermdiates then considered to be the essential starting points for the domestic Dyestuff Industry. The rates so recommended were 10 per cent *ad valorem*, Standard and nil, Preferential. Subsequently, as a result of the representations made by the Industry in 1956 and 1958, eight more Intermediates were added to this concession list. Following Government's acceptance of the Commission's Review Report of 1962, two Intermediates were withdrawn from this list and nine other specific Intermediates meant exclusively for the Dyestuff Industry, became eligible for the concessional rates.

1.2. The Commission in its 1964 Report, mainly confined its study to 51 Intermediates whose annual consumption exceeded 10 tonnes each. Protection was granted to three other Intermediates, *viz.*, Beta Amino Anthraquinone, Benzanthrone and BON Acid (Beta-Oxy-Naphthoic Acid). The Commission also recommended duty concession to 33 other Intermediates.

1.3. At the time of the Commission's Inquiry in 1968 with regard to the question of continuance of protection to the Dyestuff Industry, the producers had complained of insufficient supplies and high prices of Intermediates, both indigenous and imported. Some of them had, in addition, expressed dissatisfaction with the quality of indigenous Intermediates. Nevertheless, there was a general demand for encouragement to indigenous production of Intermediates. Taking these factors into consideration, the Commission recommended the scheme of protection to 53 Intermediates (given in Appendix I) to be kept in force upto 31st December 1971 and duty concession to 23 other Intermediates. Acting on our recommendations Government granted protection to these 53 Intermediates. As regards the concessional rates of duty Government granted these only to 18 Intermediates (given in Appendix II). In respect of the remaining 5 Intermediates, namely (a) 2:5-Dichloro Nitro Benzene; (b) Para

Dichloro Benzene; (c) Diphenylamine; (d) Chloro Benzene; and (e) Phenol, Government did not extend duty concession on the ground that indigenous production of these Intermediates had since commenced.

1.4. Since protection to 53 Intermediates and duty concession to 18 Intermediates are due to expire on 31st December 1971, an Inquiry has been undertaken under Section 11(e) read with Section 13 of the Tariff Commission Act, 1951, which empowers the Commission to enquire into and report on any further action required in relation to protection granted to an Industry with a view to its increase, decrease, modification or abolition according to the circumstances of the case.

Scope of the Inquriy

2. The scope of the present Inquiry covers—

(i) Continuance/dis-continuance of protection to the 53 Intermediates listed in Appendix I;

(ii) Continuance/dis-continuance of the import duty concession to the 18 Intermediates listed in Appendix II; and

(iii) Requests received from the Industry for modifications in these two lists and those considered necessary by us in respect thereof.

3. Method of Inqury

3.1. Special questionnaires were issued to producers (large and small scale), consumers, importers and raw materials suppliers. The Dyestuffs Manufacturers' Association of India, the Indian Chemical Manufacturers' Association and the Federation of Associations of Small Industries of India were requested to submit their memoranda on important aspects of the Industry. A Press note was issued inviting Associations, Companies/Firms and others interested in the Inquiry to obtain copies of the relevant questionnaires and reply thereto. A memorandum on the Industry high-lighting its present position and plans for future expansion was invited from the Directorate General of Technical Development (D.G.T.D.). A letter was also addressed to the Development Commissioner, Small Scale Industries seeking information relating to the Industry with reference to the small scale units. The Textile Commissioner was requested to send his comments on quality, demand etc. The Indian Standards Institution was addressed to intimate the latest progress achieved in the formulation of standard specifications for Dye-Intermediates. Latest information regarding c.i.f. prices and landed costs was sought from the Collectors of Customs at the principal ports. Research Associations like Ahmedabad Textile Industries Research Association, the Bombay Textile Research Association, the Silk and Art-Silk Mills' Research Association, Bombay and the South Indian Textile Research Association, Coimbatore, were requested to furnish relevant information, regarding the research and development work and programmes. The State Trading Corporation was addressed to furnish information relating to imports, c.i.f. prices, mode of sales, distribution policy etc. Latest domestic prices in foreign countries and c.i.f./f.o.b. prices were sought from our Embassies/High Commission in Japan, West Germany, France, Switzerland and U.K. Various parties connected with Export Promotion Council dealing with the products of this Industry were requested to furnish information regarding exports, export promotion measures, problems faced by exporters and future export prospects.

3.2. The following six units in the large scale sector and one unit in the small scale sector were selected for our cost investigation:

(i) Amar Dye-Chem Ltd., Bombay;

(ii) Atic Industries Ltd., Bulsar;

(iii) The Atul Products Ltd., Bulsar;

(iv) Colour-Chem Ltd., Bombay;

(v) Indian Dyestuff Industries Ltd., Bombay;

(vi) Sudarshan Chemical Industries (Pvt.) Ltd., Poona; and

(vii) M/s. Ganesh Chemical Industries, Bombay (Small Scale).

3.3. A Public Inquiry on the Industry was held on 30th July, 1971. We held discussions with Dr. B. D. Tilak, Director of National Chemical Laboratory, Poona and Chairman of the Standing Advisory Committee, (on the Dyestuff Industry recently set up by Government consequent to our recommendation in the Half-Yearly Review Report (1970) on the Dye-Intermediates Industry) who is an acknowledged export on this subject, along with Dr. R. B. Mitra, Deputy Director of the said Laboratory, on 18th August 1971. This was followed by a series of discussions with the Joint Chief Controller of Imports and Exports (Bombay), the Export Commissioner (Delhi), representatives of the Textile Commissioner, the Export Promotion Council, the Indian Chemical Manufacturers' Association and the Federation of Associations of Small Industries and with the Chairman of the State Trading Corporation on various issues connected with the Inquiry on 27th and 28th August, and 3rd and 6th September 1971. Cost discussions with the representatives of the selected units given in paragraph 3.2 were held in-camera on 16th, 17th and 18th September 1971 (*vide* Appendix III).

3.4. As it may take some time to finalise our Report and in order to facilitate timely legislative action, we are sending this Interim Report covering the question of the need of continuing in principle the regime of protection/import duty concession, without finalising at this stage our views on the precise quanta, necessary modifications in the two lists (Appendices I and II) and other details and ancillary matters thereof.

4. Structure of the Industry

4.1. *Progress of the Industry.*—The Dye-Intermediates Industry is a part and parcel of the Dyestuff Industry. Its development is therefore closely linked with the growth of the latter.

4.2. At the time of the last Inquiry in 1968, there were 15 units in the large scale sector engaged in the production of various types of Intermediates numbering 85. Of these, only 13 units now remain in the field while the other two, namely, Universal Dyestuff Industries Ltd. and India Chemical Industries, are understood to have discontinued the production. Four more units namely, Aniline Dyestuffs, Colour-Chem Ltd., National Chemical Industries and Sahyadri Chemicals, are reported to have established capacity for production of Intermediates. Thus there are at present 17 units in the large scale sector producing various types of Intermediates numbering 149, besides the small scale sector producing two of these and 11 other items, giving an aggregate of 16 Intermediates.

4.3. *Capacity, Production and Utilisation.*—According to the data furnished by D.G.T.D. and the producers the increase both in the installed capacity and production of Intermediates since the last Inquiry in 1968, has been spectacular as may be seen from the Table No. 4.1.

TABLE 4.1

Capacity, Production and Utilisation of Dye Intermediates, 1968 *to* 1970

(Tonnes)

Items	As on 1st January, 1968				1970			
	Protected	Enjoying Duty Concession	Non-Protected	Total	Protected	Enjoying Duty Concession	Non-Protected	Total
(i) Installed Capacity	6,507	Nil	1,397	7,904	8,492	540	14,388	23,420
(ii) Production .	4,074*	Nil	3,069*@	7,143	7,571	162	13,152	20,885
(iii) Percentage utilisation . .	62.6	Nil	219.7	90.4	89.2	30.0	91.5	89.2

*This refers to the calendar year 1968.

@The much larger production is due to increase in the installed capacity during the year.

4.3.1. It would be seen from the above Table that in the field of capacity there was a three-fold increase from 7,904 to 23,420 tonnes. This was made possible mostly by the addition of 59 new Intedmediates (48 in the large scale sector and 11 in the small scale sector) to the list of items of indigenous manufacture. One of the reasons for this increase advanced by the Industry during the Public Inquiry was the growing export potential for many of these Intermediates. This move towards a better functional international division of labour is because the main advanced countries like Germany, U.K., U.S.A. and Japan are faced inter-alia with a growing labour shortage, which incline them to look for efficient suppliers abroad for the simpler products such as many Dye-Intermediates.

4.3.2. In the matter of production too, the Industry has registered considerable increase from 7143 to 20,885 tonnes during this period. It has been claimed that the production level would have been higher still but for the reported accumulation of stocks partly brought about by a slackening off of demand by the Textile Industry and partly due to excessive imports made by certain Actual Users and Registered Exporters. The present installed capacity and production in respect of 160 Intermediates (53 protected, 18 entitled for duty concession and 89 non-protected) since 1968 together with the capacities adopted in our last Report (1968) are given in Appendix IV which also shows the percentage utilisation of capacity in respect of 53 Intermediates.

4.3.3. It would be seen from this Appendix that there has been under-utilisation of capacity ranging from five to 92 per cent in most of the cases in the protected category except for (i) Anthraquinone, (ii) Benzanthrone, (iii) BON Acid, (iv) 1 : 4-Diamino Anthraquinone, (v) 1 : 5-Diamino Anthraquinone, (vi) 2 : 6-Diamino Anthraquinone, (vii) J-Acid, (viii) Diaminostilbene Disulphonic Acid, (ix) 2 : 5-Dimethyl-4-Chloro Phenyl Thioglycolic Acid, (x) Ortho Anisidine, (xi) Para Anisidine, (xii) Ortho Nitro Aniline, (xiii) Ortho Toluidine, (xiv) Para Chloro Aniline, (xv) Para Nitro Anisole, (xvi) Phenyl Peri Acid, (xvii) Quinizarin, (xviii) Schaeffer's Acid, and (xix) Tobias Acid.

4.3.4. The same Appendix reveals that production levels achieved in 1970 had been considerably higher than in 1969 in case of most of these Intermediates. Over 30 Intermediates were produced both by the large and small scale sectors in quantities greater than 100 tonnes. The representative of D.G.T.D. informed us during the Public Inquiry, that the capacity utilisation of over 70 per cent could be considered as satisfactory. If that view is taken, capacity utilisation had been satisfactory in the case of 23 Intermediates only in the protected category. It had been between 50 and 70 per cent for 17 Intermediates (inclusive of small scale sector) and for the rest (13) below 50 per cent.

4.3.5. It was brought out during the Public Inquiry that for proper assessment of capacity utilisation production of Intermediates should be related to some standard strength of a basic product. It was, however, difficult to do so on account of multi-purpose plants and frequent changes in the pattern of production having regard to the varying demand and supply positions. Besides the recession in the Textile Industry, the common reasons advanced both by the large and small scale sectors for under-utilisation of the capacity have been the lack of demand on account of excessive imports of specific items, non-availability of certain imported and indigenous raw materials like Ancillary Chemicals and Coaltar Primaries and their mounting prices as well as delays in the issue of import licences. However, on the whole, the increase in the capacity and production of the Dye-Intermediates in both the sectors has been very substantial.

4.4. *Expansion.*—According to the producers, the unitwise plans for the manufacture of new Intermediates and expansion of capacity for some of the existing items, cover a wide range. While licences had been sanctioned for some units, others had applied for expansion and were awaiting requisite sanction. Names of the Intermediates for which licences have been issued to units but production has yet to commence are given in Appendix V.

5. Demand

5.1. *Consumption.*—The figures of apparent consumption of Dye-Intermediates (made up of production plus imports minus exports) for the years 1968, 1969 and 1970 are given in Appendix VI. Intermediates required by the small scale sector as mentioned in the Commission's Review Report (1970) are also included in the same Appendix. It would be seen from this Appendix that the consumption of Intermediates which was of the order of 5424 tonnes in 1968 had gone up marginally to 5710 tonnes in 1969 but substantially to 7990 tonnes in 1970. It would also be seen that of the 53 Intermediates listed in the same Appendix, consumption in respect of five namely, (i) 1-Amino-6-Nitro-2 Naphthol-4 Sulphonic Acid, (ii) Benzoyl-J-Acid, (iii) 2:5 Di-Chloro-Aniline, (iv) P-Nitrosophenol, and (v) R-Salt was less than 10 tonnes in 1970. It is, however, pertinent to note that consumption of two Intermediates, namely, BON Acid and Anthraquinone ranged between 1100 to 1410 tonnes during the same period and in respect of 19 others it varied from 100 to 481 tonnes. Of the remaining 26 Intermediates, consumption in respect of only five exceeded 50 tonnes in 1970 and that of the rest ranged between 10 to 50 tonnes.

5.2 *Future Demand.*—During the course of the Public Inquiry it was stated that the demand for Intermediates which was closely linked with the projected development of Dyestuffs was likely to grow at the rate of 10 per cent per annum. The Development Council for Organic Chemicals (Dyes Panel) has given the estimates of demand by the end of 1973-74 in respect of 103 Intermediates covering both protected and non-protected items as well as those enjoying duty concession. The demand for the remaining Intermediates at the end of 1973-74 as well as the annual demand for the protected categories have, however, been projected by applying linear growth rate of 10 per cent per annum. These estimates are given in Appendices IV and VI.

5.2.1. Regarding availability mixed views have been expressed. While some of the producing units felt that Intermediates produced indigenously suffered from lack of sustained demand, others mainly the consuming units, viewed that supply of most of the protected Intermediates was not quite adequate. It was however, agreed that the demand was flexible and fluctuating depending upon the demand for the finished products. General consensus of opinion in the case of the small scale sector was that it had been experiencing considerable difficulties in obtaining most of the Intermediates as the large scale sector manufacturing them charged not only exorbitant prices but also in many cases failed to make timely deliveries.

6. Cost of Production and C.I.F. Prices

6.1. As stated in paragraph 3.2, we selected six units in the large scale sector and one in the small scale sector of the Industry for examination of the actual cost of production of 40-Dye-Intermediates manufactured in large quantities. The latest completed financial year of the particular units for which audited accounts were available was adopted for determining the actual ex-works cost of the Intermediates selected for such study. The units and the year of accounts are indicated below :—

Name of the Unit	*Year ended*
Large Scale Sector	
1. Amar Dye-Chem Ltd., Bombay . .	December 1970
2. Atic Industries Ltd., Bulsar . .	December 1970
3. The Atul Products Ltd., Bulsar . .	December 1970
4. Colour-Chem Ltd., Bombay . .	March 1971
5. Indian Dyestuff Industries Ltd., Bombay	March 1971
6. Sudarshan Chemical Industries (Private) Ltd., Poona .	June 1970
Small Scale Sector	
7. M/s Ganesh Chemical Industries, Bombay	December 1970

6.2. The actual costs as well as the basis for future projections of production volume and costs were discussed by us with the representatives of these units. However, the various aspects of estimation need to be gone into in details and are under examination. The actual ex-works costs worked out by our Cost Accounts Officers and those furnished by the Companies in their replies to the Commission's questionnaire would be taken for guiding our recommendations to be made in the Final Report. Detailed computations of a fair Return based on the exact assessment of the Capital employed for the different products could not be done within the limited time and are under preparation.

6.3. C.i.f. prices have been received in respect of only 26 out of the 53 protected Intermediates. For the remaining, renewed efforts are being made to collect the requisite data. In respect of five additional Intermediates for which the Industry has sought protection, c.i.f. prices are available only in respect of three, whilst for the remaining two, the same are being collected. On obtaining the relevant information we shall be in a position to make the necessary comparison of the projected ex-works fair prices with the c.i.f. prices of the Intermediates requiring protection and the quanta thereof.

7. Classification of Intermediates

7.1. During the course of the Public Inquiry as well as the joint discussions with the representatives of the Industry held subsequently, we had put forth a suggestion that the protected Dye-Intermediates should be classified into three broad categories, namely, primary, secondary and tertiary so as to subject them to graded rates of duty depending upon the level of processing required for each of them. Having received a somewhat favourable response to our idea, we also requested the Standing Advisory Committee, referred to in paragraph 3.3, which held its first meeting on 23rd August 1971, to examine the various aspects of the working of the Dye-Intermediates Industry and to recommend to us the classification of 71 Intermediates (53 protected, and 18 enjoying duty concession) into the following five broad categories :—

(i) Raw materials used for the manufacture of Intermediates;

(ii) Primary Intermediates;

(iii) Secondary Intermediates;

(iv) Tertiary Intermediates; and

(v) Items which could be classified for duty purposes as Dyestuff.

7.2. We have since received the suggestions of the Standing Committee and have also had the benefit of further discussion on these with Dr. Tilak, its Chairman. We shall give our considered views on the question of such classification and the quanta of protection after detailed examination of the data and the estimates of future costs of the Intermediates and their c.i.f. prices, wherever available in our final Report.

8. Protection

8.1.1. *Views of the Industry.*—While advocating continuance of protection to the Dye-Intermediates Industry for quite a few years more, majority of the producers have suggested in general that the duty on Intermediates which enjoy concessional rates should be enhanced after the indigenous production was established. I.C.M.A. which represents the case of the large scale sector has suggested that as soon as production of a new Intermediate was established Government should immediately raise the tariff barrier and increase the import duty thereon to 100 per cent. It has been added that unless this form of protection was given the manufacturers would be forced to face competition from the imported Intermediates which would be available at prices much lower than those of the indigenous ones.

8.1.2. Amar Dye-Chem Ltd. is of the view that at the present stage of development, the Dye-Intermediate Industry would not be able to stand for quite a few years (minimum 8-10 years) competition from the industrially advanced countries. This company has suggested that the Commission's recommendations should be all embracing bearing in mind the horizontal and vertical growth of the Industry. The Atul Products Ltd. has also sought continuance of protection to Intermediates because of the high cost of basic Chemicals like Ammonia, Nitric Acid, Caustic Soda and Sulphuric Acid. This Company has contended that it would be almost impossible for this Industry to survive if adequate protection was not provided. Sudarshan Chemical Industries (Private) Ltd. has contended that at present the Intermediates manufacturer did not get sufficient protection and there was no inducement for the Dyestuff manufacturers to undertake production of more Intermediates because the consumers get licences to import them. In its opinion, there should be more restrictions on the import of Intermediates so that there would be inducement for the manufacturers to undertake production of Intermediates, which would not only save foreign exchange but would also increase employment. It has further suggested that the present scheme of protection should be extended to cover all the Intermediates which were produced within the country. In addition it has averred that after an Intermediate was produced in the country, the rate of Customs duty should be automatically increased on it to discourage its imports. This view has been further shared by M/s. Hickson & Dadajee, Colour-Chem Ltd., and Sahyadri Chemicals.

8.1.3. During the course of the Public Inquiry, one of the representatives of the Industry pleaded that the indigenous Industry should be protected against the competition from imports, as overseas producers got rid of their surpluses at marginal cost or at almost any price. However, local manufacturers should be encouraged to compete to the maximum extent with each other, which would best serve the consumer and sooner or later, bring down the price of local manufacture as low as practicable and would also at the same time encourage the growth of the indigenous Industry.

8.1.4. Consumers of the products of this Industry being mostly the small scale manufacturers, have also pleaded for continuance of protection. The Federation of Associations of Small Industries of India has argued that since secondary Intermediates were needed by both the protected Intermediates manufacturing units and other allied Industries, they should be protected both by way of increase in the Customs duty and import restrictions. Some of the small scale manufacturers have observed that prices of indigenous raw materials of Intermediates were very high and if imports of Dye-Intermediates were banned without any control on the price of the indigenous product they would have difficulty in maintaining their tempo of production.

8.1.5. While we are fully aware of the various problems enumerated in the foregoing paragraphs and shall deal with them in our Final Report, it needs to be emphasised here that *this Industry has to discipline itself in regard to progressive economies in costs ultimately leading to price reduction not only in its own interest but also in the larger interest of the consumers as a whole.*

8.2. *Financial Analysis.*—Financial and trading positions of the selected units manufacturing Dye-Intermediates mentioned in paragraphs 3.2 and 6.1 have been analysed from their published audited accounts and given in Appendix VII. The overall position indicates that the units in the large scale sector have, in addition to maintaining sizeable dividend, built up substantial Reserves and also issued in some cases Bonus shares. In the case of M/s. Ganesh Chemical Industries, which is a partnership concern, the position is different, it being a recently started small unit. The analysis of the Capital employed in the Industry indicates that 25.79 per cent of this is out of paid up Capital excluding Bonus shares, 23.15 per cent represents Reserve including Bonus shares and 51.05 per cent is from borrowings. The Industry has on the average enjoyed a gross Return of about 20 per cent on the average Capital employed which would come to about 22.5 per cent on the cost of sales. *The maintenance of a fairly high dividend, issue of Bonus shares and the building up of substantial Reserves would go to indicate the excellent progress this Industry has made under the protection extended to its products.*

8.3. *Continuance of Protection:*

8.3.1. In the foregoing paragraphs we have touched upon some of the salient aspects showing the rapid progress made by the Dye-Intermediates Industry since our last Inquiry in 1968. As would be seen from Table No. 4.1 given earlier under paragraph 4.3 that in the matter of installed capacity, within the short span of two years, the Industry has almost trebled itself from 7,904 to 23,420 tonnes. Similarly, in respect of production, the advancement is no less spectacular inasmuch as against 7,143 tonnes in 1968, it has gone up to as much as 20,885 tonnes in 1970. Again, in so far as the range of production is concerned, whereas at the time of our last Inquiry there were 15 units manufacturing different Intermediates numbering 85 in all, at present there are 17 units in the large scale and a few in the small scale sectors manufacturing as many as 160 Intermediates.

8.3.2. In the field of exports too, the Dye-Intermediates Industry has made a noteworthy contribution. From an export of 71 tonnes, valued at Rs. 6.21 lakhs in 1969, the figure in 1970 is of the order of 512 tonnes, valued at Rs. 35.90 lakhs. As has been stated earlier, the prospects of increasing export potentials of Intermediates in the coming years are indeed very bright. A striking example of how the exports are shaping up is seen from the significant exports of BON Acid. Another field in which progress made by the Industry is discernible is in respect of the prices of some of the indigenous Intermediates vis-a-vis their imported counterparts. It is observed that slowly but steadily the price gap between some of the imported and indigenous items is narrowing to some extent mainly due to larger capacity utilisation.

8.3.3. All this goes to show the healthy all round growth which has been mainly possible on account of protection granted to the Dye-Intermediates Industry since 1964. A part of this prosperity can also be ascribed to the restrictions that have had to be imposed and maintained, and rightly so, on the imports of competing products. *Nevertheless, inspite of such encouraging progress, the Industry is still in its formative years.* Rapid technological changes and demand shifts are also clearly discernible. *However, the Industry has yet a long way to go, not only in the matter of attaining self-sufficiency in so far as internal requirements are concerned, but also to successfully compete on near equal terms with the manufacturers in advanced countries.*

8.3.4. In view of the importance of the Dyestuff Industry to the national economy we had enunciated in paragraph 9.4.4 of our 1964 Report certain principles for encouraging the domestic manufacture of Intermediates with a view to reducing the dependence of the Dyestuff Industry on imports for its requirements of Intermediates. Accordingly, it was then considered that Intermediates which were being produced in the country should be adequately protected. *This view, in our opinion, holds good even to-day.*

8.3.5. In paragraph 10 of our Review Report (January-June and July-December 1969) on the Dye-Intermediates in Industry, we have enumerated the various difficulties which were being encountered by the manufacturers. These, by and large, still persist. There is also little doubt that, to a large extent, the higher costs and prices prevailing within this Industry could be generally attributed to the operation of inflationary forces within a developing economy, such as ours. The Industry still encounters major difficulties in regard to the availability of the required inputs invariably of the right quality at the appropriate time and at reasonable prices. In this respect, the small scale manufacturers are the greater sufferers.

8.3.6. *We are therefore of the considered opinion that inspite of the heartening progress made by this Industry so far, it has yet to come fully of age.* The need for maintaining a close and constant watch on its performance and progress, from the point of view both of consumers and producers, prices, quality and steadiness of supply still remains. *Therefore, the shelter afforded by tariff protection (in addition to the quantitative control on imports of competing products) requires, in our view, to be maintained for some time longer to this Industry.*

8.4. *Recommendations.*—As referred to earlier in paragraph 3.4 we shall in our Final Report deal at length with some of the problems faced by the Dyestuff Industry as a whole and also recommend on an itemwise basis the quanta of protection needed by the various Intermediates. We shall also then go into details in the matter of addition to, or deletion from, as found necessary, in the lists of the items enjoying protection, and of concessional rates of duty. We shall also then give our views on the various contentions put-forth by the Industry as well as in respect of other detailed and ancillary matters arising with regard to this Inquiry. *In the meanwhile however, we recommend that the Intermediates which are enjoying protection, should continue to do so at the same rates of duty as at present for atleast three years more till* 31*st December,* 1974. *A list of these Intermediates is given in Appendix I. We also recommend that pending further examination and modifications, if any, which would be indicated in our Final Report, the* 18 *Intermediates listed in Appendix II should also continue to enjoy duty concession as obtaining at present.*

Acknowledgement

9. In conclusion we wish to state that Shri B. N. Banerji who was Chairman of the Commission till he relinquished the charge on the 2nd September, 1971 was closely associated with this Inquiry from its very inception. He presided over the Public Inquiry and participated in the cost and other discussions. He has also been actively concerned with the drafting of the major portion of this Interim Report. We are highly indebted to him for his valued guidance in this Inquiry. However, on account of the time taken for cost investigation and collection of the requisite data, this Interim Report could not be completed and signed before Shri Banerji left the Commission.

F. H. VALLIBHOY
Chairman

PRAMOD SINGH
Member

P. V. GUNISHASTRI
Secretary

BOMBAY
30*th September,* 1971.

APPENDIX I

(*Vide* paragraphs 1.3.2 and 8.4)

List of 53 Protected Intermediates.

1. Acetoacetanilide.
2. Aceto Acet Ortho Chloroanilide.
3. Aceto Acet Ortho Toluidide.
4. Amino G-Acid.
5. 1-Amino-6-Nitro-2-Naphthol-4-Sulphonic Acid.
6. 1 Amino Anthraquinone.
7. Anthraquinone.
8. Anthraquinone-1-Sulphonic Acid Sodium Salt.
9. Benzanthrone.
10. Beta Amino Anthraquinone.
11. Beta Naphthalene Thioglycolic Acid.
12. Beta Oxy Naphthoic Acid (BON Acid).
13. Benzoyl-J-Acid.
14. C-Acid (2-Chloro-5-Toluidine-4-Sulphonic Acid or 6-Chloro-M-Toluidine 4-Sulphonic Acid).
15. 1-Chloro Anthraquinone.
16. 4-Chloro-2-Anisidine.
17. 4-Chloro-2-Nitroanisole.
18. 4-Chloro-2-Nitroaniline.
19. 4-Chloro Ortho Toluidine.
20. 5-Chloro Ortho Toluidine.
21. Diethyl-M-Aminophenol.
22. Diaminostilbene Disulphonic Acid.
23. Dinitrostilbene Disulphonic Acid.
24. 1 : 5-Diamino Anthraquinone.
25. 2 : 6-Diamino Anthraquinone.
26. 2 : 5-Dichloroaniline.
27. 2 : 5-Dimethyl-4-Chlorophenyl Thioglycolic-Acid.
28. 1 : 4-Diamino Anthraquinone.
29. J-Acid.
30. Meta Nitroaniline.

31. Meta Nitro Para Toluidine.
32. Metanilic Acid.
33. Meta Chloroaniline.
34. Ortho Chloroaniline.
35. Ortho Anisidine.
36. Ortho Nitroanisole.
37. Ortho Nitroaniline.
38. Ortho Amino-Azo-Toluylene.
39. Ortho Toluidine
40. Phenyl J-Acid.
41. Para Chloroaniline.
42. Para Nitroanisole.
43. Para Toluidine Meta Sulphonic Acid.
44. Para Nitrosophenol.
45. Peri Acid.
46. Para Nitro Toluene Sulphonic Acid.
47. Phenyl Peri Acid.
48. Para Anisidine.
49. Para Toluidine.
50 Quinizarin.
51. R. Salt.
52. Schafter's Acid.
53. Tobias Acid.

APPENDIX II

(*Vide* paragraphs 1.3.2 and 8.4)

List of 18 Intermediates enjoying the concessional import duty on the recommendation of the Tariff Commission.

1. Aceto Acetic Ester.
2. Alpha Naphthylamine.
3. Benzidine Sulphate.
4. 2-Chloro-4-Nitroaniline.
5. 3:3′ Dichloro Benzidine.
6. Dimethyl Aniline.
7. Diethyl Aniline.
8. 3:3′-Dichloro Benzidine Dihydro Chloride.
9. Meta Dinitrobenzene.
10. Meta Nitrochlorobenzene.
11. Mono Chloro Para Xylene.
12. Ortho Nitrotoluene.
13. Ortho Tolidine.
14. Ortho Nitrochlorobenzene.
15. Para Nitrotoluene.
16. Para Toluidine-O-Sulphonic Acid.
17. Para Nitrochlorobenzene.
18. Trichlorobenzene.

APPENDIX III

(*Vide* paragraph 3.3)

Details regarding cost discussions held with representatives of the costed units

Sl. No.	Name of the unit	Date and Day
1	M/s Amar Dye-Chem Ltd., Bombay . .	16-9-1971 (Thursday)
2	M/s Indian Dyestuff Industries Ltd., Bombay	
3	M/s The Atul Products Ltd., Bulsar . .	17-9-1971 (Friday)
4	M/s Atic Industries Ltd., Bulsar . .	
5	M/s Colour-Chem Ltd., Bombay . .	18-9-1971 (Satuday)
6	M/s Sudarshan Chemical Industries (P) Ltd., Poona	
7	M/s Ganesh Chemical Industries, Bombay	

APPENDIX—IV

(*Vide* paragraph 4.2)

Statement showing Installed Capacity and Production of intermediates during the last three years and estimated requirements by 1973/74

A. LIST OF 53 PROTECTED INTERMEDIATES.

(Tonnes)

Sl. No.	Intermediates	Installed Capacity		Production			Capacity Utilisation Percentage	
		1968*	1970	1968	1969	1970	1968	1970
1	2	3	4	5	6	7	8	9
1	Acetoacetanilide	32	113	6	112	66	18·8	58·4
2	Aceto Acet-O-Chloroanilide . . .	24	90	6	34	46	25·0	51·1
3	Aceto Acet Ortho Toluidine . . .	12	40	3	14	14	25·0	35·0
4	Amino G. Acid	82	180	42	99	172	51·2	95·6
5	1-Amino-6-Nitro-2-Naphthol-4-Sulphonic Acid.	N.A.	65	10	7	5	N.A.	7·7

APPENDIX—IV—*Contd.*

1	2	3	4	5	6	7	8	9
6	1-Amino Anthraquinone	**	**	64	99	113	N.A.	N.A.
7	Anthraquinone	1,000	1,720	843	996	1,805	84·3	104·6
8	Anthraquinone-1-Sulphonic Acid-Sodium Salt.	**	**	25	280	349	N.A.	N.A.
9	Benzanthrone	446	408	447	398	368	100·2	90·2
10	Beta Amino Anthraquinone	647	772	380	336	319	58·7	41·3
11	Beta Naphtholone Thioglycolic Acid	32	30	8	10	21	25·0	70·0
12	Beta Oxy Naphthoic Acid (BON Acid)	800	800	608	766	1,182	76·0	147·8
13	Benzoyl-J-Acid	5	5	N.A.	1	N.A.	N.A.	N.A.
14	2-Chloro-5-Toluidine-4-Sulphonic Acid (C-Acid).	72	140	11	51	42	15·3	30·0
15	1-Chloro Anthraquinone	**	**	48	72	99	N.A.	N.A.
16	4-Chloro-2-Anisidine	150	150	33	29	22	22·0	14·7
17	4-Chloro-2-Nitroanisole	200	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
18	4-Chloro-2-Nitroaniline	55	120	5	27	45	9·1	37·5
19	4-Chloro-O-Toluidine	N.A.	N.A.	N.A.	7	14	N.A.	N.A.
20	5-Chloro-O-Toluidine	N.A.	60	26	27	45	N.A.	75·0
21	Diethyl-M-Aminophenol	60	180	37	39	56	61·7	31·1
22	Diaminostilbene Disulphonic Acid	335	367	183	235	301	54·6	82·0
23	Dinitrostilbene Disulphonic Acid	177	208	101	89	115	67·0	55.3
24	1;5-Diamino Anthraquinone	N.A.	29	12	17	24	N.A.	82·8

25	2:6-Diamino Anthraquinone	N.A.	22	15	18	29	N.A.	131·8
26	2:5-Dichloroaniline	65	N.A.	18	6	9	27·7	N.A.
27	2:5-Dimethy 1-4--Chlorophenyl-Thioglycolic Acid.	32	36	27	26	29	84·4	80·6
28	1:4-Diamino Anthraquinone . . .	N.A.	43	29	23	36	N.A.	83·7
29	J-Acid	55	108	26	58	102	47·3	94·4
30	Meta Nitroaniline	60	120	57	47	62	95·0	51·7
31	M-Nitro-P-Toluidine.	124	191	96	100	107	77·4	56·0
32	Metanilic Acid	124	139	100	76	99	80·6	71·2
33	M-Chloroaniline	80	N.A.	29	14	22	36·3	N.A.
34	O-Chloroaniline	30	N.A.	28	42	10	93·3	N.A.
35	Ortho Anisidine	250	250	87	135	242	34·8	96·8
36	Ortho Nitroanisole	400	400	144	209	287	36·0	71·8
37	O-Nitroaniline	15	30	23	11	31	153·3	103·3
38	O-Amino Azo Toluylene	24	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
39	Ortho Toluidine	258	430	89	96	255	35·6	59·3
40	Phenyl J-Acid	32	36	12	18	19	37·5	52·8
41	P-Chloroaniline	30	30	4	14	38	13·3	126·7
42	P-Nitroanisole	125	125	32	48	123	25·6	98·4
43	Para Toluidine Meta Sulphonic Acid . .	40	60	13	17	31	32·5	51·7
44	Para Nitrosophenol	14	14	17	16	7	121·4	50·0
45	Peri Acid	35	N.A.	39	N.A.	20	111·4	N.A.
46	Para Nitro Toluene Sulphonic Acid . .	205	..	142	138	195	69·3	N.A.

APPENDIX—IV—*Contd.*

1	2	3	4	5	6	7	8	9
47	Phenyl Peri Acid	10	8	3	4	7	30·0	87·5
48	P-Anisidine	100	100	18	31	86	18·0	86·0
49	P-Toluidine	100	462	N.A.	70	147	N.A.	31·8
50	Quinizarine	N.A.	52	37	40	58	N.A.	111·5
51	R-Salt	25	9	2	6	5	8·0	55·5
52	Schaffer's Acid	36	10	2	14	14	5·6	140·0
53	Tobias Acid	117	340	87	155	278	74.4	81.8
	TOTAL	6,507	8,492	4,074	5,177	7,571	62·6	85·7

**Atic Industries has given installed capacity for Intermediates for captive consumption only to manufacture 586 tonnes of Vat Dyes.

*Figures relate to as an 1-1-1968.

B. List of 18 Dye-Intermediates enjoying Duty Concession on Imports

(Tonnes)

Sl. No.	Intermediates	Installed Capacity		Production			Requirements by 1973/74 [Development Council for organic chemicals (Dyes Panel)]
		1968	1970	1968	1969	1970	
1	2	3	4	5	6	7	8
1	Aceto Acetic Ester	Nil	300	N.A.	N.A.	72	541
2	Alpha Naphthylamine						324
3	Benzidine Sulphate						149
4	2-Chloro-4-Ntiroaniline						54
5	3:3/-Dichloro Benzidine						121@@
6	Dimethylaniline						316
7	Diethvlaniline						63

APPENDIX—IV—*Contd.*

1	2	3	4	5	6	7	8
8	3:3/Dichloro Benzidine Dihydrochloride.						@@
9	Meta Dinitrobenzene						315
10	Meta Nitrochlorobenzere						78
11	Mono chloro Para Xylene						N.A.
12	Ortho Nitrotoluene						600
13	Ortho Tolidine						147
14	Ortho Nitrochlorobenzene	Nil	60@	Nil	N.A.	30	852
15	Para Nitrotoluene	Nil	N.A.	N.A.	N.A.	N.A.	588
16	Para Toluidine-O-Sulphonic Acid	Nil	60	N.A.	30	N.A.	N.A.
17	Para Nitrochlorobenzene	Nil	@	N.A.	N.A.	N.A.	367
18	Trichlorobenzene	Nil	120	N.A.	N.A.	60	17
			540	N.A.	30	162	4,532

@Combined for M-nitro-Chloro Benzene, O-Nitro-chloro Benzene and P-Nitro-Chloro Benzene

@@Combined for 3:3′ Dichloro Benzidine and 3:3/Dichloro Benzidine Dihydrochloride

N. A.—Not available.

C. List of other Intermediates

(Tonnes)

Sl. No.	Intermediates	Installed Capacity		Production			Requirements by 1973/74 [Development Council for Organic Chemicals (Dyes Panel)]	Remarks
		1968	1970	1968	1969	1970		
1	2	3	4	5	6	7	8	9
I.	*Intermediates covered in commission's* 1968 ***Report.***							
1	1:2:4 Acid	6	24	N.A.	32	10	14	
2	1-Amino-2-Naphthol-4-Sulphonic Acid	N.A.	N.A.	N.A.	N.A.	N.A.	34	
3	3-Bromo Benzanthrone	N.A.	26	10	9	18	119	
4	Chicago Acid	25	(d)	15	14	11	25	
5	Chloro Aminophenol	N.A.	(d)	N.A.	N.A.	N.A.	N.A.	
6	1:6 Cleve's Acid	N.A.	(d)	N.A.	N.A.	N.A.	3	

C. LIST OF OTHER INTERMEDIATES—*Contd.*

(Tonnes)

1	2	3	4	5	6	7	8	9
7	1:7 Cleve's Acid	N.A.	(d)	N.A.	N.A.	N.A.	7	
8	1:8 Cleve's Acid	N.A.	(d)	N.A.	N.A.	N.A.	N.A.	
9	Di-J-Acid/Rhoduline Acid .	32	24	20	13	14	7	
10	2:5 Dichloronitrobenzene	N.A.	330	N.A.	12	206	298	
11	3:9-Di Bromo Benzanthrone . .	N.A.	N.A.	N.A.	N.A.	N.A.	34	
12	G-Salt	161	160	102	138	119	162	
13	Gamma Acid	36	(d)	35	48	46	51	
14	H-Acid	150	250	95	149	215	278	
15	Iso Violanthrone	N.A.	N.A.	N.A.	N.A.	N.A.	59	
16	J-Acid Urea	28	(d)	10	6	19	37	
17	Laurent,s Acid	N.A.	(d)	N.A.	N.A.	N.A.	N.A.	
18	Meta Phenylene Diamine . . .	86	N.A.	12	10	27	78	
19	M-Toluylene Diamine	77	(d)	3	4	3	2·2	
20	Neville Winther's Acid . . .	15	10	6	7	7	19	
21	2-Nitro-1-Chlorobenzene-4-Sulphonic Acid-M-Methylamide. . . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	

22	1:5-Naphthalene Disulphonic Acid .	N.A.	12	4	10	10	14	
23	P-Aminoazobenzene	N.A.	N.A.	N.A.	N.A.	N.A.	32	Manufa-
24	Para Aminoazobenzene-4-Sulphonic Acid	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	ctured as
25	Para Nitroanilide	23	(d)	N.A.	N.A.	N.A.	N.A.	per demand
26	Para Nitroaniline	12	(d)	N.A.	1	7	45	
27	Sodium Naphthionate	242	340	201	247	266	254	
28	1 (4 Sulphophenyl)-3-Carboxy-5-Pyrazo-lone	204	6	N.A.	N.A.	5	25	
29	Sulphanilic Acid	300	141	70	174	201	206	
30	Sodium Phenate	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
	TOTAL OF I . .	1,397	1,323	643	874	1,184	1,803·2	
	II New Items							
31	Amido G-Acid	Nil	(d)	Nil	9	5	18	
32	Aniline-2:5-Disulphonic Acid . .	Nil	(d)	Nil	14	N.A.	12	
33	2-Amino Tolueme-4-Sulphonic Acid .	Nil	(d)	Nil	2	1	3	
	SUB-TOTAL . .	..	(d)	..	25	6	33	

C. LIST OF OTHER INTERMEDIATES—*Contd.*

(Tonnes)

1	2	3	4	5	6	7	8	9
	B/F	..	(d)	..	25	6	33	
34	2-Aminophenol-4-Sulphonic Acid	Nil	10	Nil	1	4	14	
35	4-Amino Acetanilide-3-Sulphonic Acid	Nil	(d)	Nil	3	5	4	
36	Azoxybenzene	Nil	60	Nil	N.A.	17	N.A.	
37	5-Amino Salicylic Acid	Nil	N.A.	N.A.	N.A.	N.A.	N.A.	
38	Aceto Acet-M-Xylidide	N.A.	10	Nil	N.A.	2	5	
39	Aceto Acet-O-Anisidide	Nil	10	Nil	N.A.	3	5	
40	Aluminium Chloride	Nil	7,200	1,823	4,424	7,236	N.A.	
41	Betanaphthol	Nil	1,000	Nil	N.A.	719	1,579	
42	Bromamine	Nil	(d)	Nil	N.A.	1	59	
43	Benzo Trichloride	Nil	60	Nil	N.A.	30	N.A.	
44	Benzoyl Chloride	Nil	60	Nil	N.A.	30	65	
45	Benzidine Dihydrochloride	Nil	100	Nil	N.A.	50	N.A.@	
46	Cyanurie Chloride	Nil	300	246	165	180	434	
47	2-Chloro-4-Nitroaniline	Nil	(d)	Nil	1	N.A.	54	
48	6-Chloro-2-Nitrophenol-4-Sulphonic Acid	Nil	(d)	Nil	N.A.	7	N.A.	
49	4-Chloronitrobenzene-3-Sulphonic Acid	Nil	(d)	Nil	7	7	N.A.	
	SUB-TOTAL	Nil	8,810	2,069	4,626	8,297	2,252	

	B/F	..	8,810	2,069	4,626	8,297	2,252
50	4-Chloro-2-Nitrophenol	Nil	(d)	Nil	27	24	N.A.
51	2-Chloro-P-Xylene	Nil	20	Nil	N.A.	10	N.A.
52	Dimethyl Sulphate	Nil	300	Nil	N.A.	87	200
53	1-Diazo Naphthol-4-Sulphonic Acid	Nil	(d)	Nil	6	7	N.A.
54	Diaminostilbene Disulphonic Acid (Sodium Salt).	Nil	(d)	Nil	10	15	304
55	2:5-Dimethoxy Aniline/2:5-Diethoxy Aniline.	Nil	(d)	Nil	N.A.	5	15
56	Dichloronitrobenzene	Nil	(d)	46	37	77	16.4
57	Dibenzyl Sulphanilic Acid	Nil	(d)	N.A.	13	13	12
58	Meta Phenylene Diamine-4-Sulphonic Acid.	Nil	(d)	N.A.	2	14	43
59	Meta Ureidoaniline (H.C.L.)	Nil	(d)	N.A.	N.A.	3	7
60	M-Sulfophenyl Pyarazolone	Nil	8	N.A.	N.A.	N.A.	N.A.
61	Nitrobenzene	N.A.	N.A.	N.A.	N.A.	N.A.	1,912
62	N-Acetyl Ortho Toluidine	Nil	(d)	32	39	68	N.A.
63	Naphthelene Mono Sulphonic Acid	Nil	(d)	1	N.A.	N.A.	N.A.
64	2-Naphthylamine-1:5 Disulphonic Acid	Nil	(d)	N.A.	2	16	N.A.
65	2-Naphthylamine-2:6:8-Tri-Sulphonic Acid.	Nil	(d)	Nil	7	5	N.A.
66	2-Nitrophenol-4-Sulphonic Acid	Nil	(d)	Nil	3	7	N.A.
67	4-Nitro-2-Aminophenol 6-Sulpnonic Acid	Nil	(d)	Nil	N.A.	1	15
68	6-Nitro 1:2:4-Acid Diazo	Nil	(d)	Nil	N.A.	1	1
		Nil	9,138	2,148	4,772	8,650	4777.4

C. LIST OF OTHER INTERMEDIATES—*Contd.*

(Tonnes)

1	2	3	4	5	6	7	8	9
	B/F	..	9138	2148	4772	8650	4777.4	
69	2-Nitrotoluene 4-Sulphonic Acid	Nil	(d)	Nil	3	2	N.A.	
70	4-Nitroaniline-2-Sulphonic Acid	Nil	(d)	Nil	5	6	N.A.	
71	3-Nitro Para Cresol	Nil	(d)	Nil	N.A.	5	N.A.	
72	4-Nitro-2-Aminophenol	Nil	(d)	Nil	5	6	24	
73	Nitro Aminostilbene Disulphonic Acid	Nil	(d)	Nil	21	N.A.	22	
74	N-Benzoyl H-Acid	Nil	(d)	Nil	5	5	8	
75	N-Methyl J-Acid	Nil	(d)	Nil	..	6	19	
76	Oxy Tobias Acid	Nil	(d)	102	211	331	N.A.	
77	O-Amino Azo Benzene	Nil	24	15	3	7	N.A.	
78	Ortho Dichlorobenzene	Nil	400	Nil	N.A.	200	128	
79	Phthalic Anhydride	Nil	3,000	158	1,938	2,489	2,743	
80	Para Tolyl Peri Acid	Nil	(d)	3	N.A.	N.A.	N.A.	
81	Para Nitro Acetanilide	Nil	(d)	Nil	1	N.A.	N.A.	
82	Para Chloro Ortho Aminophenol	Nil	(d)	Nil	N.A.	13	N.A.	
83	Para Cresidine	Nil	(d)	Nil	6	3	24	
84	P-Sulfophenyl Methyl Pyrazolone	Nil	8	Nil	N.A.	N.A.	14	
85	P-Nitrotoluene-O-Sulphonic Acid	Nil	20	Nil	..	N.A.	..	
86	Para Dichlorobenzene	Nil	400	Nil	N.A.	200	236	

87	Resorcinol	Nil	75	Nil	N.A.	27	4
88	Sulfo J-Acid	Nil	(d)	Nil	10	11	N.A.
89	5-Sulfo Anthranilic Acid . . .	Nil	(d)	Nil	7	7	N.A.
	TOTAL OF II .	Nil	13,065	2,426	6,987	11,968	7,999.4
	GRAND TOTAL OF I+II . .	1,397	14,388	3,069	7,861	13,152	9,802.6

NOTE :—(d)—Combined capacity.

N.A.—Not available.

@—Combined for Benzidine Sulphate (Sl: No. 3 of Appendix IV B) and Benzidine Dihydrochloride.

APPENDIX V

(*Vide* paragraph 4·4)

Statement showing names of the Intermediates for which additional Licences have been issued to Units but the Production has not commenced yet

Sl. No.	Intermediates	No. of units	Capacity Sanctioned (in tonnes)
1	2	3	4
1	Acetoacetanilide	2	80·00*(1)&(2)
2	Acetoacet-O-Anisidide	1	5·00 *(1)
3	Aniline 3:5 — Disulphonic Acid . .	1	0·80 **
4	Acetoecet-P-Chloroanilide . . .	1	5·00 *(1)
5	Acetoacet-O-Chloroanilide . . .	1	5·00 *(1)
6	Acetoacet-O-Toluidide	1	5·00 *(1)
7	3-Amino Acetanilide-4-Sulphonic Acid .	1	4·00 **
8	Beta Naphthol	1	1000·00@ (expansion)
9	Benzaldehyde-2:4-Disulphonic Acid . .	1	5·50
10	BON Acid	1	5·00*(1)
11	Cyanuric Chloride	1	250·00
12	4-Chloroanilide-3-Sulphonic Acid . .	1	5·00
13	6-Chloro-M-Toluidine-4-Sulphonic Acid .	1	30·00@
14	Dimethylaniline	2	900·00
15	Diethylaniline	1	240·00
16	2:4-Dinitroaniline	1	2·00@
17	Ethyl Acetoacetate	1	300·00
18	H-Acid	1	120·00 ***
19	Meta-Xylidine-O-Sulphonic Acid . .	1	5·00 *@
20	O-Anisidine	1	6·00 **

1	2	3	4
21	Orthotoluidine	1	360.00
22	Orthotoluidine and Dianisidine . . .	1	250.00 (b)
23	Ortho Phenitidine	1	2.40 **
24	P-Anisidine	1	4.00**
25	P-Amino Acetanilide	1	5.00
26	Paratoluidine	1	180·00
27	P-Toluidine-3-Sulphonic Acid . . .	1	6·00
28	P-Toluidine-O-Sulphonic Acid . .	1	3·60 **
29	P-Nitroaniline	1	1·00
30	4-Toluidine-3-Sulphonic Acid . . .	1	60·00@
31	Tobias Acid	1	60·00 ***
		TOTAL	3905·30

NOTES :

*(1) Not interested in its production as the same is being produced by others in large quantitites.

*(2) Could not be produced because of heavy stock of imported material in the market.

** Not manufactured due to lack of demand.

@ Likely to be implemented by 1971.

*** Implementation is subject to the issue of Capital Goods Licence.

*@ Not producing because of process difficulties experienced

(b) Trial production reported to have just started.

APPENDI XVI

(*Vide* Paragraph 5.1)

Installed Capacity, Production, Consumption and Demand for Intermediates

(Tonnes)

Sl. No.	Intermediates	Installed Capacity		Production			Consumption			Demand			
		1-1-1968	1970	1968	1969	1970	1968	1969	1970	1971	1972	1973	1973/74
1	2	3	4	5	6	7	8	9	10	11	12	13	14
**1	Acetoacetanilide . .	32	113	6	112	66	76	264	320	306	333	371	104*
**2	Aceto Acet-O-Chloroanilide	24	90	6	34	46	42	103	180	166	182	200	77*
**3	Aceto Acet Ortho Toluidide	12	40	3	14	14	3	14	14	15	17	19	56*@
4	Amino G-Acid . .	82	180	42	99	17	42	99	172	189	208	229	252
**5	1-Amino-6-Nitro-2-Naphthol-4-sulphonic Acid. .	N.A.	65	10	7	5	3	25	7	6.6	7.3	8.0	12*
**6	1-Amino Anthraquinone	N.A.	N.A.	64	99	113	68	99	117	126	139	153	200*
7	Anthraquinone . .	1,000	1,720	843	996	1,805	1,474	1,011	1,408	1,551	1,706	1,877	2,230
8	Anthraquinone-1-Sulphonic Acid Sodium Salt.	N.A.	N.A.	25	280	349	25	280	349	384	422	464	510@
9	Benzanthrone . . .	446	408	447	398	368	335	358	308	361	397	437	592*

10	Beta Amino Anthraquinone	647	772	380	336	319	380	336	288	317	349	384	364
11	Beta Naphtha lene Thioglycolic Acid	32	30	8	10	21	N.A.	N.A.	21	N.A.	N.A.	N.A.	2.40
**12	Beta Oxy Naphthaoic Acid (BON Acid)	800	800	608	766	1,182	608	766	1,182	1,300	1,430	1,573	703*
13	Benzoyl J Acid	5	5	N.A.	1	N.A.	1	1	1	N.A.	N.A.	N.A.	N.A.
14	2 Chloro-5-Toluidine-4-Sulphonic Acid (C-Acid)	72	140	11	51	42	11	51	42	46	51	56	23*
**15	1-Chloro Anthraquinone	N.A. (Captive)		48	72	99	48	72	99	109	120	132	145@
16	4-Chloro-2-Anisidine	150	150	33	29	22	33	29	22	24	26	29	32@
17	4-Chloro-2-Nitroanisole	200	N.A.	Production for Captive consumption.			N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	130*
**18	4-Chloro-2-Nitroaniline	55	120	5	27	45	5	27	45	50	55	60	66@
19	4-Chloro-O-Toluidine	N.A.	N.A.	N.A.	7	14	N.A.	7	14	15	17	19	N.A.
20	5-Chloro-O-Toluidine	N.A.	60	26	27	45	26	27	45	50	55	60	N.A
**21	Diethyl-M-Aminophenol	60	180	37	39	56	37	39	56	62	68	75	82*
22	Diaminostilbene Disulphonic Acid	335	367	183	235	301	139	176	301	216	238	262	304*
23	Dinitroasilbene Disulphonic Acid	177	208	101	89	115	101	89	115	126	139	153	435*
24	1:5-Diamino Anthraquinone	N.A.	29	12	17	24	12	17	24	26	29	32	35*@
**25	2:6-Diamino Anthraquinone	N.A.	22	15	18	29	15	18	29	32	35	38	42@
26	2:5-Dichloroaniline	65	N.A.	18	6	9	18	6	9	10	11	12	13@
27	2:5-Dimethyl-4-Chlorophenyl Thioglycolic Acid	32	36	27	26	29	27	26	29	32	35	39	13*
28	1:4-Diamino Anthraquinone	N.A.	43	29	23	36	29	23	36	40	44	48	53@
29	J-Acid	55	108	26	58	102	44	71	125	134	147	162	153*
	SUB-TOTAL	4,281	5,686	3,031	3,876	5,428	3,612	4,034	5,358	5,693.6	6,264.3	6,892	6,628.4

N.A.—Not Available.

APPENDIX VI—*Contd.*

1	2	3	4	5	6	7	8	9	10	11	12	13	14
	B/F	4281	5686	3013	3876	5428	3612	4034	5358	5693.6	6264.3	6892	6628.4
30	MetaNitroaniline . .	60	120	57	47	62	57	47	62	68	75	81	94*
*31	M-Nitro-P-Toluidine .	124	191	96	100	107	96	100	107	118	130	143	130 (Hickson & Dadajee)
32	Metanilic Acid . .	124	139	100	76	99	100	76	99	109	120	132	224*
33	M-Chloroaniline . .	80	N.A.	29	14	22	29	14	22	24	26	29	13*
34	O-Chloroaniline . .	30	N.A.	28	42	10	28	42	10	11	12	13	52*
**35	Ortho Anisidine . .	250	250	87	135	242	260	207	310	313	344	378	248*
36	O-Nitroanisole . .	400	400	144	209	287	144	209	287	316	348	383	421@
37	O-Nitroaniline . .	15	30	23	11	31	23	11	31	34	37	41	2*
38	O-Amino Azo Toluylene .	24	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A
**39	Ortho Toluidine . .	250	430	89	96	255	323	256	481	469	516	568	370*d
**40	Phenyl J-Acid . .	32	36	12	18	19	12	18	19	21	23	25	7*
41	P-Chloroaniline . .	30	30	4	14	38	8	39	42	42	46	51	17*
42	P-Nitroanisole . .	125	125	32	48	123	32	48	123	135	148	163	179@
43	Para Toluidine Meta Sulphonic Acid. . .	40	60	13	17	31	13	17	31	34	37	41	45 (Sudarshan).
44	Para Nitrosophenol . .	14	14	17	16	7	17	16	7	N.A.	N.A.	N.A.	N.A
45	Peri Acid . . .	35	N.A.	39	N.A.	20	39	N.A.	20	22	24	26	57*
46	Para Nitro Toluene Sulphonic Acid. . .	205	N.A.	142	138	195	142	138	195	215	236	260	286

**47	Phenyl Peri Acid . .	10	8	3	4	7	3	13	14	14	15	16	15*
**48	P-Anisidine . . .	100	100	18	31	86	98	65	130	143	157	173	66*
**49	P-Toluidine . . .	100	462	N.A.	70	147	255	123	242	194	213	235	233*
50	Quinizarine . . .	N.A.	52	37	40	58	37	40	58	64	70	77	49*
51	R-Salt	25	9	2	6	5	2	6	5	5.5	6.0	6,6	12 (Hickson & Dada-Jee).
52	Schaffer's Acid . .	36	10	2	14	14	2	14	14	15	17	19	23*
**5	Tobias Acid . . .	117	340	87	155	278	92	177	323	355	391	430	368*
	GRAND TOTAL .	6,507	8,492	4,074	5,177	7,571	5,424	5,710	7,990	8,415.1	9,255.3	10,186	9,150.4

*Demand estimates given by Development Council for Organic Chemicals (Dyes Panel) for the year 1973-74.

** Intermediates required by Small Scale Sector as mentioned in Commission's Review Report (1970).

@ Figures relate to 1974 and represent projections built on 10 per cent linear growth per annum.

N.A.– Not Available.

APPENDIX VII

(*Vide* paragraph 8.2)

Statement showing the average capital employed, net sales, Cost of Sales, Gross Margin etc. of the selected units during the costed period (1970-71)

(Rs./lakhs)

Units	Amar Dye-Chem Ltd., Bombay	Indian Dyestuff Industries Ltd., Bombay	Colour-Chem Ltd., Bombay	Atul Products Ltd., Bulsar	Atic Industries Ltd., Bulsar	Sudarshan Chemical Industries Pvt. Ltd., Poona	Ganesh Industries, Bombay	Total for Costed Units	
								(Rs./lakhs)	(%)
1	2	3	4	5	6	7	8	9	
A. Average Capital Employed :									
(i) Paid-up Capital excluding Bonus Shares	145.96	275.00	125.00	374.30	284.00	16.74	—(d)	1,221.00	25·79
(ii) Bonus Shares .	12.60	37.50	150.00	..	..	2.25	..	202.35	4.27
(iii) Reserves (a) . .	145.50	287.40	182.11	3.12	228.00	47.40	0.59	894.12	18.88
(iv) Loans (a) . .	153.32	415.84	280.59	969.31	502.76	93.05	3.30	2,418.17	51·06
TOTAL	457.38	1,015.74	737.70	1,346.73	1,014.76	159.44	3.89	4,735.64	100·00

B. Split up As :									
(i) Net Fixed Assets .	220.43	631.61	308.59	792.36	589.86	48.07	2.86	2,593.78	54.77
(ii) Working Capital .	236.95	384.13	429.11	554.37	424.90	111.37	1.03	2,141.86	45·23
TOTAL .	457.38	1,015.74	737.70	1,346.73	1,014.76	159.44	3.89	4,735.64	100.00
C. Sales Realisation (b) : .	859.53	1,095.36	872.90	1,298.07	710.01	321.20	2.79	5,159.86	
D. Cost of Sales . . .	662.67	900.74	710.71	1,106.93	552.11	277.10	2.21	4,212.47	
E. Gross Margin (c) . .	196.86	194.62	162.19	191.14	157.90	44.10	0.58	947·39	
F. Gross Margin expressed as % of :									
(i) Average Capital .	43.04	19.16	21.99	14.19	15.56	27.67	14.80	20.01	
(ii) Sales Realisation .	22.90	17.77	18.58	14.72	22.24	13.73	20.64	18.36	
(iii) Cost of Sales .	29.71	21.61	22.82	17.27	28.60	15.91	26.01	22·49	
G. Ratio of Average Capital Employed to Cost of Sales	1:1.45	1:0.89	1:0.96	1:0.82	1:0.54	1:1.74	1:0.57	1:0·89	
H. Dividends Declared .	%	%	%	%	%	%	%	%	
(i) Preference . .	8.57	8.58	..	..	..	..	..	..	
(ii) Equity . . .	14.00	14.00	12.00	14.00	20.00	10.00	..	..	
YEAR ENDING .	Dec. 70	March, 71	March, 71	Dec. 70	Dec. 70	June, 70	Dec. 70	..	

NOTES :—(a) Investments are adjusted first against Reserves and the balance against paid-up capital and capit work in progress against loans.

(b) Net sales realisation is excluding excise duty, commission etc. but including income such as cash subsidy, export draw backs.

(c) This is the profit before charging development rebate, taxation provision, donations, bad debts, expenses/income relating to earlier years interest on loans and deposits and investments incomes from non-operating activities etc.

(d) The partners capital stands at Rs. 85/- only after adjustment of Losses and the Reserve is only Dev. Rebate Reserve.

ANNEXURE II

(*Vide paragraph* 3.2)

List of parties to whom Commission's Questionnaires/Letters were issued and from whom replies/memoranda were received

Questionnaires were issued to 281 parties. The following replied: —

A. PRODUCERS—LARGE SCALE SECTOR

1. Arlabs Ltd., No. 6, 2nd Floor, Fort Street, India House, Opp. G.P.O., Bombay-1.
2. Amar Dye-Chem Ltd., Rang Udyan, Sitladevi Temple Road, Post Box No. 6471, Mahim, Bombay-16.
3. The Atul Products Ltd., Post Atul, W. Rly., Dist. Bulsar, (Gujarat State).
4. Atic Industries Ltd., Post Atul, (Via) Bulsar, W. Rly., Dist. Bulsar (Gujarat State).
5. Aniline Dyestuffs & Pharmaceuticals Pvt. Ltd., Mahalaxmi Chambers, 2nd Floor, 22, Bhulabhai Desai Road, Bombay-26 (WB).
6. Azofen Ltd., 63, Apollo Street, Bombay-1 (BR).
7. Colour-Chem Ltd., Ravindra Annexe, Dinshaw Vachha Road, 194, Churchgate Reclamation, Bombay-20.
8. Goodlass Nerolac Paints Ltd., Forbes Buildings, P.O. Box No. 699, Home Street, Bombay-1 (BR).
9. Hickson & Dadajee Ltd., Shree Pant Bhuwan, Sandhurst Bridge, Bombay-7.
10. Indian Dyestuff Industries Ltd., Mafatlal House, Backbay Reclamation, Bombay-20 (BR).
11. India Dye-Chem. Industries Pvt. Ltd., 191, Lawrence Road, Industrial Area, P.O. Rampura, Delhi-35.
12. IDCO Dyestuffs Pvt. Ltd., 189-90, Lawrance Road, P.O. Ganeshpura, Delhi-35.
13. K.C.A. Pvt. Ltd., Chandralaya, Chandi Bazar, P.B. No. 34, Jamnagar (Gujarat).
14. National Chemical Industries, 26, Najafgarh Road, Industrial Area, New Delhi-15.
15. Pigments & Dyestuffs (Pvt.) Ltd., "Mon Repos", 1st Floor, Behind Radio Club, Arthur Bunder Road, Colaba, Bombay-5.
16. Sahyadri Dyestuffs & Chemicals Pvt. Ltd., Mafatlal House, Backbay Reclamation, Bombay-20 (BR).

17. Suhrid Geigy Ltd., P.B. No. 48, Wadi Wadi, Baroda.
18. Sandoz (India) Ltd., Sandoz House, Dr. Annie Besant Road, Worli, P.O. Box 6596, Bombay-18 (W.B.).
19. Sudarshan Chemical Industries Pvt. Ltd., 162, Wellesley Road, Sangam Bridge, Poona-1.
20. Universal Dyestuffs Industries Ltd., Sakarda, Railway Station Ranoli (W. Rly.), Dist. Baroda (Gujarat).

B. PRODUCERS—SMALL SCALE SECTOR

1. Allied Dyestuff Production, Dharma Varam, Anantpur Dt., Andhra Pradesh.
2. Associated Chemical Industries, Opp. Vijay Mills, Naroda Road, Ahmedabad-2.
3. Associated Dyestuff Industries. Khadi Char Rasta, Prajapati Building, Ahmedabad.
4. Bharat Dyes & Pigments, Ext. A-2, Radheypari, Delhi-51.
5. Bharat Texdyes Industries, Bode Chawal, New Hanuman Lane, Princess Street, Bombay-2.
6. Central Dyes Products Pvt. Ltd., 6, Indu Chambers, 349-53, Samuel St., Vadgadi, Bombay-3.
7. Chemical & Allied Products, Besides Basant Pictures, Kolwada, Borla Road, Chembur, Bombay-74, A.S.
8. Chemical and Dyestuff Industries, College Road, Kaliakura, Nadiad.
9. Chemiequip Pvt. Ltd., 306, Green House, Green Street, Fort, Bombay-1.
10. Cloth Printers Research Laboratory Pvt. Ltd., Chunabhatti, Kurla, Bombay-70.
11. Gopran Chemicals, M.T.D.C. Plot No. A-31, A-32, Dombiwali, Industrial Estate, Dist. Thana.
12. Devarsons (P) Ltd., Narayan Niwas, Astodia Road, Ahmednagar-1.
13. Durga Laboratories, "Harish Chambers", 313/319, Samuel Street, Vadgadi, Bombay-3, BR.
14. Dye Azo (P) Ltd., C-2/20, Industrial Estate, Gorwa Road, Baroda-3.
15. Dyetex Corporation, 340-42, Samuel Street, Bombay-3.
16. Dye Sento Products, 2, Union Co-operative Insurance Bldg., Sir P.M. Road, Fort, Bombay-1.
17. Golden Dyes Corpn. (India) Pvt. Ltd., No. 2, Bela Court, Colaba, Bombay-5.
18. Gujarat Chemical Industries, Winsol House Compound, Kurla-Andheri Road, Bombay-72.
19. Harshad Dyechem Industries, M.I.D.C. Plots 7 & 8, Engineering Zone, Ambarnath (C. Rly.).

20. Hira Dye-Chem Industries, 23-24, Industrial Estate, Ujjain.
21. IDA Chem Industries P. Ltd., National Insurance Building, 204, Dr. Dadabhoy Naoroji Road, Bombay-1.
22. International Research Laboratories, 349, Vadgadi, Bombay-3, BR.
23. Jyant Dyes & Chemicals, 104, Ravivar Peth (New 772, Budhwar), Moti Chowk, Poona-2.
24. K. Mohanlal & Co., 27, Veer Vithaldas Chandan Street, Bombay-3.
25. Luxmi Narayan Dyestuff & Chemical Works (P) Ltd., 65/1, Prince Anwarshah Road, Tollygunge, Calcutta-33.
26. M. K. Soorenji & Co., 12, Calicut Street, Nazir Building, Ballard Estate, Bombay.
27. Modi Dyes & Chemical Industries, B-73/74, Road No. 4, Udyog Nagar, P.B. No. 26, Udhna, Surat.
28. M.P. Dyechem Industry, 24, Street No. 2, Siya Ganj, Indore.
29. Naranaryan Dyestuff & Chemical Works Ltd., 2, Karunanayee Ghat Road, Calcutta-41.
30. Navin Industries, Behind Nagar Gymkhana, Bhavnagar.
31. New India Trading Corporation, Spinner Building, 8/10, Tamarind Lane, Fort, Bombay-1.
32. Premier Chemicals, Channi Road, Baroda-3.
33. Premier Dyes Corporation, 127, Mahatma Gandhi Road, Fort, Bombay.
34. Rainbow Texdyes Corporation, Pratap Nagar Road, Baroda-4.
35. Ramanco (P) Ltd., Behind State Bank of India, Seth Seri, Baroda.
36. Shree Ban Dyes, Bansidhar House, Kankaria Road, Ahmedabad-22.
37. Shree Dyes & Chemical Industries, Karve Road, Poona-4.
38. S.K. Kabbur Pvt. Ltd., 3, Bastion Road, Fort, Bombay-1.
39. Sricol Chemical Ind. (P) Ltd., 37, Armenian Street, Calcutta-1.
40. Sterling Dyes (P) Ltd., 296, Samuel Street, Vadgadi, Bombay-3.
41. Tuljappa Maharwade, Ranebennur, Dist. Dharwar.
42. Vapson Products, 419, "Arun Chambers", Tardeo Road, Bombay-34.
43. Winsol Chemical Industries, Winsol House, Kurla-Andheri Road, 8902, Kurla, Bombay-72.
44. M/s. Ganesh Chemical Industries, 184/5024, Pant Nagar, Ghatkopar (East), Bombay-75, AS.

45. Uma Chemical Industries, 288, Vadgadi, Bombay-3.
46. Nascent Chemical Industries (P) Ltd., Regd. H.O. Giri Kunj, Hughes Road, Bombay-7.
47. Kabbur Industries (P) Ltd., 3, Bastion Road, Fort, Bombay-1.
48. Venus Texdyes Corporation, 7, Parikh Estate, Dubhai Road, Baroda-4.
49. W. S. Rawool, 92-A, D'Souza Cross Lane, Vadgadi, Bombay-3.
50. Gopi Industries, 167, Palace Road, Madurai-1.

C. PRODUCERS' ASSOCIATIONS

1. The Indian Chemical Manufacturers' Association, India Exchange, India Exchange Place, Calcutta-1.
2. The Dyestuffs Manufacturers' Association of India, 296, Samuel Street, Bombay-3.
3. The Federation of Association of Small Industries of India, "Laghoodyog Kutee", 23-B/2, Rohtak Road, New Delhi 5.
4. The Punjab Dyes & Chemicals Manufacturing Association, Hansi Road, Bhiwani.
5. The Gujarat Dyestuffs Manufacturers' Association, Prajapati Building, Khadia Char Rasta, Ahmedabad.
6. Alkali Manufacturers' Association of India, Bansilal Mansion, 11, Bruce Street, Fort, Bombay-1.

D. RESEARCH ASSOCIATION

1. The Silk & Art Silk Mills' Research Association, "Sasmira", Dr. Annie Besant Road, Bombay-25, DD.

E. IMPORTERS

1. I.C.I. (India) Private Ltd., Crescent House, 19, Wittet Road, Ballard Estate, Bombay-1.
2. Ciba of India Ltd., Royal Insurance Building, Churchgate Reclamation, 14, J. Tata Road, Bombay-20, BR.
3. Sandoz India Ltd., Sandoz House, Dr. Annie Besant Road, Worli, Bombay-18.
4. Chika Sales Department, Mehta Chambers, 13, Mathew Road, Post Box 3927, Bombay-4.
5. Suhrid Geigy Trading Ltd., Express Building, 14-E Road, Churchgate, Bombay-20. BR.
6. Capco Pvt. Ltd., 14, Netaji Subhas Road, Calcutta-1.

F. PRODUCERS OF RAW MATERIALS

1. The Tata Iron & Steel Co. Ltd., Bombay House, 24, Bruce Street, Fort, Bombay-1.
2. The Indian Iron & Steel Co. Ltd., 12, Mission Row, Calcutta-1.

3. Bengal Chemical & Pharmaceutical Works Ltd., 164, Maniktala, Main Road, Calcutta-54.
4. The Fertiliser Corporation of India Ltd., F-43, South Extension Area, Part I, Ring Road, New Delhi-40.
5. Bararee Coke Co. Ltd., 4, Clive Row, Post Box No. 51, Calcutta-1.
6. Hindustan Steel Ltd., Bhilai Steel Plant, Bhilai-1 (M.P.).
7. Herdilla Chemical Ltd., Air India Bldg., Backbay Reclamation, P. Box No. 1874, Bombay-20.
8. National Organic Chemical Industries Ltd., Sandoz House, Dr. A. B. Road, Worli, Bombay-18, W.B.
9. Union Carbide India Ltd., Laxmi Building, P.M. Road, Bombay-1.
10. Indian Petro-Chemical Corporation, P.O. Jawaharnagar, Dist. Baroda (Gujarat).

G. CONSUMERS

1. Silk & Art Silk Mills' Association Ltd., Resham Bhavan, 78, Veer Nariman Road, Bombay-20.
2. Indian Paint Association, India Exchange, Calcutta-1.
3. Ahmedabad Millowners' Association, Navrangpura, Ahmedabad-9.
4. Madhya Pradesh Millowners' Association, Indore.
5. Millowners' Association, Elphinstone Building, Veer Nariman Road, Bombay-1.
6. Southern India Millowners' Association, Coimbatore-1.
7. Indian Paper Makers' Association, Royal Exchange, Calcutta-1.
8. Binny Ltd., The Buckingham & Carnatic Mills, 7, Armenian Street, Madras-1.
9. The New Swadeshi Mills of Ahmedabad Ltd., Naroda Road, G.P.O. Box 15, Ahmedabad.
10. Bengal Paper Mills Co. Ltd., 14, Netaji Subhas Road, Calcutta-1.
11. Kesoram Industries and Cotton Mills Ltd., 42, Garden Reach Road, Calcutta-24.
12. Basanti Cotton Mills Ltd., 18, Netaji Subhas Road, P.B. No. 532, Calcutta-1.
13. The Indian Cotton Mills' Federation, Elphinstone Building, Veer Nariman Road, Fort, Bombay-1.
14. Modi Spg. & Wvg. Mills Co. Ltd., Madinagar (U.P.)

H. CENTRAL GOVERNMENT DEPARTMENTS

1. The Director General of Technical Development, (Dyes, Misc. Chemicals and Oils Dte.), Udyog Bhavan, Maulana Azad Road, New Delhi.
2. Development Commissioner, Small Scale Industries, (INDL. DEV. II & Co. Affairs), Nirman Bhavan (A Wing), 7th Floor, New Delhi.
3. Collector of Customs, Bombay.
4. Collector of Customs, Madras.
5. Collector of Customs, Cochin.
6. Collector of Customs, Calcutta.
7. Collector of Customs, Kandla.
8. The Textile Commissioner, New C.G.O. Building, New Marine Lines, Bombay-20 (BR).
9. The Chief Controller of Imports and Exports, Ministry of Foreign Trade, New Delhi.
10. The Indian Standards Institution, Manek Bhavan, 9, Bahadur Shah Zafar Marg, New Delhi.
11. The State Trading Corporation of India Ltd., Express Building, Bahadur Shah Zafar Marg, New Delhi-1.
12. Shri B. M. Oza, First Secretary (Com.) Embassy of India, Minami Chiyoda-ku, Tokyo (Japan).
13. Shri J. M. L. Saxena, Second Secretary, Embassy of India, 20, Kalcheggweg., Berne (Switzerland).
14. The Collector of Central Excise, M. Karve Road, Bombay-20 (BR).
15. The Director, National Chemical Laboratory, Poona.

I. STATE GOVERNMENT DEPARTMENTS

1. The Director of Industries, Government of West Bengal, Calcutta.
2. The Director of Industries, Government of Gujarat, Ahmedabad.
3. The Director of Industries, Government of Madhya Pradesh, Bhopal.
4. The Director of Industries, Government of Maharashtra, Bombay.
5. The Director of Industries, Government of Himachal Pradesh, Simla.

J. EXPORT PROMOTION COUNCIL

Basic Chemicals, Pharmaceuticals & Soaps Export Promotion Council, Jhansi Castle, 4th Floor, 7, Cooperage Road, Bombay-1.

ANNEXURE III

(*Vide* paragraph 3·2)

List of persons who attended the public inquiry on 30th July, 1971

Sl. No.	Names	Representing	Unit
1	2	3	4

PRODUCERS (Large Scale Sector):

Sl. No.	Names	Representing	Unit
1	Shri J. H. Doshi	Representing	Amar Dye-Chem Ltd., Rang Udyan, Sitaladevi Temple Road, Post Box No. 6471, Mahim, Bombay-16.
2	,, S. V. Desai		
3	,, H. J. Doshi		
4	,, M. B. Mehta	Do.	The Atul Products Ltd., Post Atul, W. Rly., Dist. Bulsar, (Gujarat State).
5	,, S. K. Soman		
6	,, M. Sebastian		
7	,, N. S. Johary	Do.	Atic Industries Ltd., Post Atul (*via*) Bulsar, W. Rly., Dist. Bulsar (Gujarat State).
8	,, S. R. Iyengar		
9	Dr. H. Kaiwar		
10	Shri B. C. Dhagat	Do.	Azofen Ltd., 63, Apollo Street, Bombay-1 (BR).
11	,, A. B. Parakh	Do.	Colour-Chem Ltd., Ravindra Annexe, Dinshaw Vachha Road, 194, Churchgate Reclamation, Bombay-20 (BR).
12	,, K. V. Krishnan		
13	,, K. R. V. Subramanian		
14	Dr. J. M. Rane	Do.	Hickson & Dadajee Ltd., Shree Pant Bhuwan, Sandhurst Bridge, Bombay-7.
15	Shri K. L. Navada		
16	,, R. Shankar	Do.	Indian Dyestuff Industries Ltd., Mafatlal House, Backbay Reclamation, Bombay-20 (BR).
17	Dr. H. H. Kundalia		

1	2	3	4
18	Shri N. S. Subramanian	Representing	K. C. A. Pvt. Ltd., 'Chandralaya, Chandi Bazar, P. B. No. 34, Jamnagar (Gujarat).
19	,, C. A. Doshi .		
20	,, Santokh Singh . .	Do.	National Chemical Industries, 26, Najafgarh Road, Industrial Area, New Delhi-15
21	,, R. B. Desai . .	Do.	Sahyadri Dyestuffs & Chemicals Pvt. Ltd., 117, Parwati-Vithalwadi Road, Poona-30.
22	Dr. O. P. Mittal . .	Do	Suhrid Geigy Ltd., P. B. No. 48, Wadi-Wadi, Baroda.
23	Shri B. Sanai . .	Do.	Sandoz (India) Ltd., Sandoz House, Dr. Annie Besant Road, Worli, P. O. Box 6596, Bombay-18 (WB).
24	Dr. R. J. Rathi . .	Do	Sudarshan Chemical Industries Pvt. Ltd., 162, Wellesley Road, Sangam Bridge, Poona-1.
25	Shri H. L. Ohri .	Do.	Pigments and Dyestuffs Pvt. Ltd., "Mon Repos", 1st Floor, Behind Radio Club, Arthur Bundar Road, Culaba, Bombay-5.
26	,, M. V. Kasbekar .	Do.	Arlabs Ltd., India House, Opp. G.P.O., Bombay-1.
PRODUCERS (Small Scale Sector):			
27	Shri N. J. Shanghvi . .	Do.	Central Dyes Products Pvt. Ltd., 6, Indu Chambers, 349-53, Samuel Street, Vadgadi, Bombay-3.
28	,, M. M. Dimri . .	Do.	Cloth Printers Research Laboratory Pvt. Ltd., Chunabhatti, Kurla, Bombay-70.
29	A. H. Mehta . .	Do.	Dyetex Corporation, 340-42, Samuel Street, Vadgadi, Bombay-3.
30	,, M. B. Turakhia . .	Do.	IDA Chem Industries Pvt. Ltd. National Insurance Bldg. 204, Dr. Dadabhoy Naoroji Road, Bombay-1.

1	2	3	4
31	Shri M. M. Mehta . .	Representing	K. Mohanlal & Co., 27, Veer Vithaldas Chanda Street, Bombay-3.
32	„ M. K. Soorenji	Do.	M. K. Soorenji & Co., 12, Calicut Street, Nazir Building Ballard Estate, Bombay-1.
33	„ R. C. Joshi		
34	„ D. U. Shah	Do.	Rainbow Texdyes Corporation, Pratap Nagar Road, Baroda-4.
35	„ Bansilal Doctor		
36	„ M. C. Parikh . .	Do.	Dye-azo Pvt. Ltd., C-2/20, Industrial Estate, Gorwa Road, Baroda-3.
37	„ K. C. Marfatia . .	Do.	Sterling Dyes (P) Ltd., 296, Samuel Street, Vadgadi, Bombay-3
38	„ S. H. Laxmeshwar .	Do.	Shree Dyes & Chemical Industries, Karve Road, Poona-4.
39	„ S. K. Kabbur .	Do.	S. K. Kabbur Pvt. Ltd., Bastion Road, Fort, Bombay-1.
40	„ B. D. Mavani . .	Do.	Uma Chemical Industries, 288, Vadgadi, Bombay-3.
41	„ K. H. Gharda .	Do.	Gharda Chemicals (P) Ltd., 48, Hill Road, Bandra, Bombay-50.
42	„ Shanti Sutaria .	Do.	Nascent Chemical Industries (P) Ltd., 1215, Prasad Chambers, Opera House, Bombay-4.
43	„ A. C. Parikh . .	Do.	Associated Chemical Industries, Opp. Vijaya Mills, Naroda Road, Ahmedabad-2.
44	„ R. N. Shah	Do.	Devarsons (P) Ltd., Narayan Niwas, Astodia Road, Ahmednagar-1.
45	„ P. R. Shah		
46	„ Malpani . .	Do.	Malpani Chemicals, E-11 Kalpana, Tilak Nagar, Sardar Patel Road, Bombay-4.

1		2	3	4
Producers' Association :				
47	Shri	J. G. Patel.	Representing	The Indian Chemical Manufacturers' Association, India Exchange, India Exchange Place, Calcutta-1.
48	,,	A. M. Gadgil		
49	,,	M. B. Turakhia (Idachem)	Do.	The Dyestuffs Manufacturers Association of India, 296, Samuel Street, Bombay-3.
50	,,	H. C. Khatiwala (Arlabs)		
51	,,	Krishnamurthy		
52	,,	Issrani (Golden Dyes)		
53	,,	R. N. Shah	Do.	Gujarat Dyestuff Mfg. Assn. Prajapati Building, Khadia Char Rasta, Ahmedabad.
54	,,	Thakur Desai	Do.	The Federation of Association of Small Industries of India, 'Laghoodyog Kuttee', 23-B/2, Rohtak Road, New Delhi-5.
55	,,	H. A. Vora		
56	,,	Satish Jhaveri		
mporters :				
57	Shri	R. S. Vaid	Do.	I.C.I. (India) Private Ltd., Crescent House, 19, Wittet Road, Ballard Estate, Bombay-1.
58	,,	M. Gojer	Do.	Ciba of India Ltd., Royal Insurance Building, Churchgate Reclamation, 14, J. Tata Road, Bombay-20 (BR.)
59	Dr.	S. Chatterjee	Do.	Suhrid Geigy Trading Ltd., Express Building, 14-E Road, Churchgate, Bombay-20 (BR.)
60	Shri	K. K. Aggarwal	Do.	Capco Pvt. Ltd., 14, Netaji Subhas Road, Calcutta-1.
61	,,	N. F. Khanderia		
62	,,	J. K. Sinha	Do.	Hoechst Dyes & Chemicals Ltd., Dugal House, Backbay Reclamation, Post Box No. 1473, Bombay-1.
Producers of Raw Materials :				
63	Shri	S. Santhanaraman	Do.	Hindustan Steel Ltd., 1. Fairlie Place, Calcutta-2.

1	2	3	4
64 Shri	T. R. P. Raman. .	Representing	National Organic Chemical Industries Ltd., NOCIL, Sandoz House, Dr. A. B. Road, Worli, Bombay-18 (WB).
65 ,,	N. J. Brahmabhat .	Do.	Union Carbide India Ltd., Laxmi Building, P. M. Road, Bombay-1.
66 ,,	R. A. Dhaul . .	Do.	Indian Petro-Chemical Corpn., P. O. Jawahar Nagar, Dist. Baroda (Gujarat).
Consumers			
67 Dr.	M. V. Nimkar . .	Do.	The Indian Cotton Mills Federation and the Millowners Association, Elphinston Building, Veer Nariman Road, Bombay-1.
68 Shri	V. Y. Tamhane . .	Do.	The Indian Cotton Mills' Federation, Bombay.
69 ,,	K. M. Shah . .	Do.	The Millowners' Association, Bombay.
70 ,,	G. R. Thatte . .		
71 ,,	M. S. Sanikop . .		
72 ,,	R. C. Jain . .		
Export Promotion Council :			
73 Shri	S. J. Shah . . .	Do.	Basic Chemicals, Pharmaceuticals & Soaps Export Promotion Council, Jhansi Castle, 4th Floor, 7, Cooperage Road, Bombay-1.
Government Departments :			
(a) *State Governments :*			
74 Shri	G. G. Dave . .	Do.	The Director of Industries, Government of Gujarat, Ahmedabad.
75 ,,	M. C. Patil . .	Do.	The Industries Commissioner, Directorate of Industries, Government of Maharashtra, Sachivalaya Annexe, Bombay-32.

1	2	3	4
	(b) *Central Government Departments :*		
76	Shri Joginder Singh . .	Representing	The Director General of Technical Development, (Dyes, Misc. Chemicals & Oils Dte.), Udyog Bhavan, Maulana Azad Road, New Delhi.
77	,, N. K. Sen . .	Do.	Development Commissioner, Small Scale Industries, (INDL DEV. II & CO. Affairs), Nirman Bhavan (A. Wing), 7th Floor, New Delhi.
78	,, N. Ramakrishanan .	Do.	Collector of Customs, Bombay.
79	,, G. S. Abhyankar .	Do.	The Indian Standards Institution, Manak Bhavan, 9, Bhahadur Shah Zafar Marg, New Delhi.
80	,, N. M. Mitra . .	Do.	The Director, National Chemical Laboratory, Poona.
81	,, G. S. Apte . .	Do.	The Secretary, Government of India, Ministry of Petroleum and Chemicals, Shastri Bhavan, New Delhi.

ANNEXURE IV

(*Vide* paragraph 3.3)

List of Factories/Units Visited by the Commission and its Officers

Sl. No.	Name of the factory/unit visited	By whom visited	Date of visit
1	2	3	4
	A—Units visited by the Commission		
1	Indian Dyestuff Industries, Mohane-1	1. Shri F. H. Vallibhoy, Member.	9-7-1971
2	Amar Dye-Chem Ltd., Mohane-1	2. Shri Pramod Singh, Member 3. Dr. P. V. Gunishastri, Secretary.	
3	M/s. Hickson & Dadajee, Aarey Colony, Goregaon, Bombay-63.	1. Shri B. N. Banerji, Chairman. 2. Shri F. H. Vallibhoy, Member. 3. Shri Pramod Singh, Member. 4. Dr. P. V. Gunishastri, Secretary.	7-8-1971
4	M/s. Idachem Industries Pvt. Ltd., Bombay	1. Shri B. N. Banerji, Chairman	20-8-1971
5	M/s. Winsol Chemical Industries (P) Ltd., Bombay.	2. Shri F. H. Vallibhoy, Member	
6	M/s. Golden Dyes Corpn. (India) Pvt. Ltd., Bombay.	3. Shri Pramod Singh, Member	
7	M/s. Nascent Chemical Industries (P) Ltd., Thana,	4. Dr. P. V. Gunishastri, Secrerary.	

8	M/s. Arun Chem-Dyes, Thana.		
9	M/s. Gujarat Chemicals Industries (P) Ltd., Bombay-72.		
10	M/s. Sudarshan Chemical Industries (P) Ltd., Poona.	Shri F. H. Vallibhoy, Member.	11-9-1971

B—Units visited by the Officers

1	M/s. Indian Dyestuff Industries Ltd., Bombay.	Shri S. N. Raghavan, Sr. C.A.O.	9-7-1971 to 11-7-1971
2	M/s. Ganesh Chemicals Industries, Bombay.	Shri D. C. Ghosh, A.C.A.O.	12-7-1971 to 18-7-1971
3	M/s. Amar Dye-Chem Ltd., Bombay . .	Shri S. N. Misra, A.C.A.O.	12-7-1971 to 29-7-1971
4	M/s. Atul Products Ltd., Bulsar . .	Shri S. N. Misra, A.C.A.O.	2-8-1971 to 19-8-1971
5	M/s. Atic Industries Ltd., Bulsar . . .	Shri D. C. Ghosh, A.C.A.O.	-8-1971 to 1 -8-1971
6	M/s. Sudarshan Chemical Industries (P) Ltd., Poona.	Shri D. C. Ghosh, A.C.A.O.	8-9-1971 to 16-9-1971

1	2	3	4
7	M/s. Colour Chem Ltd., Bombay. . .	Shri K. P. Sarma, C.A.O.	7-9-1971 to 21-9-1971
8	M/s. Idachem Industries (P) Ltd., Bombay .		
9	M/s. Winsol Chemical Industries (P) Ltd., Bombay.	Shri M. S. Marballi, T.D.(C)	20-8-1971
10	M/s. Golden Dyes Corpn. (India) (P) Ltd., Bombay.		
11	M/s. Nascent Chemical Industries Pvt. Ltd., Thana.		
12	M/s. Arun Chem-Dyes, Thana . . .		
13	M/s. Gujarat Chemicals Industries (P) Ltd., Bombay.		

ANNEXURE V

(*Vide* Paragraph 4.1)

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE

New Delhi, the 7th December 1968.

RESOLUTION

Tariffs

No. 14(1)-Tar/68.—The Tariff Commission has submitted its Report on the continuance of protection to the Dyestuff 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) Finished dyestuffs have now reached a stage where they can dispense with tariff protection. Therefore protection granted to the dyestuff industry covered by I.C.T.Nos. 30(1) (b) (i), 30(1)(b) (ii), 30(15) and 30(16) need not be continued beyond 31st December, 1968. However, since in the foreseeable future quantitative control over imports is likely to continue, the industry may be deemed to be protected within the meaning of Section 11(a) of the Tariff Commission Act, 1951 and be subject to periodical reviews in order to ensure that it does not take undue advantage of the protection so provided by raising prices or by disregarding quality or by limiting production or failing to exercise adequate caution with a view to lowering the cost of production.

(2) Protective duties on Beta-Amino-Anthraquinone, Benzanthrone and BON acid (Beta Oxy Napthoic acid), should be fixed at the level of 50 per cent *ad valorem* preferential and 60 per cent *ad valorem* standard.

(3) Protective duties on nine intermediates, namely, Ortho-Anisidine, Phenyl-Peri-Acid, J-Acid, Ortho-Toluidine, 4-Chloro-2-Nitro Aniline, Diethyl Meta Aminophenol Para-Anisidine, Para-Toluidine and Diaminostilbene Disulfonic Acid should be fixed at 90 per cent *ad valorem* preferential and 100 per cent *ad valorem* standard.

(4) The concessional rate of duty on six intermediates, namely, Anthraquinone, Aceto-acet-anilide, Aceto-acet-o-Toluidine, Tobias Acid, Aceto-acet-o-Chloro-anilide and C Acid (2

Chloro-5-Toluidine-4-Sulphonic Acid or 6-Chloro-m-Toluidine-4-Sulphonic acid) should be withdrawn and protective duties of 50 per cent *ad valorem* preferential and 60 per cent standard may be levied on them.

(5) The existing revenue duties of 50 per cent *ad valorem* preferential and 60 per cent *ad valorem* standard on 35 intermediates given below should be converted into equivalent protective duties:

1. M-nitroaniline
2. M-nitro-p-toluidine (MNPT)
3. Metanilic acid
4. 1-amino anthraquinone
5. Phenyl-J-acid
6. 1:5 di-amino anthraquinone
7. 2:6 diamino anthraquinone
8. Quinizarine
9. Schaeffer acid
10. M-chloroaniline
11. O-chloroaniline
12. P-chloroaniline
13. 2:5 dichloro aniline
14. 4-chloro-2-anisidine
15. O-nitroanisole
16. P-nitroanisole
17. 4-chloro-2-nitroanisole
18. 5-chloro-o-toluidine
19. O-nitroaniline
20. Para toluidine meta sulphonic acid
21. O-amino azotoluylene
22. 1:4-diamino anthraquinone
23. 1-chloro anthraquinone
24. R-salt
25. Benzoyl-J-acid
26. P-nitrosophenol
27. Dinitrostilbene disulfonic acid
28. Peri-acid
29. 2:5-dimethyl-4-chloro phenyl thioglycolic acid
30. Beta-naphthalene thioglycolic acid
31. 4-chloro-o-toluidine

32. Amino-Iso-G-acid
33. 1-Amino-6-nitro-2-naphthol-4-sulphonic acid
34. Para-nitrotoluene sulphonic acid
35. Anthraquinone-1-sulphonic acid-sodium salt.

(6) The scheme of protection recommended for intermediates [given in recommendations (2) to (5) above] may be kept in force up to 31st December, 1971 subject to half-yearly reviews of the quality, prices and availability of indigenously manufactured intermediates with special reference to the requirements of the small scale sector of the dyestuff industry.

(7) In case protection at higher rates than those recommended by the Tariff Commission to certain uncosted intermediates mentioned in recommendations No. (3) to (5) above is considered necessary by the manufacturers they may apply to the Tariff Commission with the requisite data for a revision of the quantum of protection.

(8) In order to avoid further increase in the prices of imported intermediates, the existing duty concession of 27½ per cent *ad valorem* (Standard) and 17½ per cent *ad valorem* (Preferential) may be allowed to continue on the following 13 intermediates till 31st December, 1971. However, if production of any intermediate starts within this period the industry may seek removal of the concessional rate of duty on it.

1. Alpha naphthylamine
2. O-tolidine
3. O-nitrotoluene
4. 2:5, dichloronitrobenzene
5. O-nitrochlorobenzene
6. Meta-dinitrobenzene
7. Aceto-acetic ester
8. 3:3-dichlorobenzidine
9. 2-chloro-4-nitroaniline
10. P-toluidine-o-sulphonic acid
11. 3:3-Dichlorobenzidine dihydrochloride
12. Benzidine sulphate
13. Dimethylaniline

(9) In order to reduce the prices of penultimate intermediates the import duty on the following primary and secondary intermediates should be charged at a concessional rate of

27½ per cent *ad valorem* (standard) till 31st December, 1971. However, if indigenous production of any of these intermediates commences within this period, the industry can approach the Commission for removal of the concessional rate.

1. P-nitrotoluene
2. Para-Nitrochlorobenzine
3. Para-Dichlorobenzene
4. Diphenylamine
5. Dii-ethylaniline
6. Meta-nitrochlorobenzene
7. Mono-chloro-paraxylene
8. Chlorobenzene
9. Trichlorobenzene
10. Phenol

(10) In order to attain self-sufficiency in the manufacture of important intermediates, it is necessary that immediate steps are taken to establish capacity for production of the following intermediates:

1. Dimethylaniline
2. Alpha Naphthylamine
3. O-Tolidine
4. Benzidine and Benzidine dihydrochloride
5. 3:3-Dichlorobenzidine
6. Diphenylamine
7. M-chloronitrobenzene

(11) The concerned administrative organisations such as the D.G.T.D. may take note of the complaints of short supply and high prices of ancillary chemicals required by the dyestuff industry and evolve suitable remedies.

(12) It is necessary to provide all possible assistance to the dyestuff industry in the form of adequate supply of raw materials and ancillary chemicals of standard quality at reasonable prices so as to enable the industry to attain self-sufficiency in the normal course.

(13) D.G.T.D. may keep a continuous watch over the progress of schemes of different units for the manufacture of intermediates and if any of them are not implemented in time, the industrial licences issued therefor may be given over to other more promising units.

(14) When foreign collaboration agreements come up for review or new agreements are approved, care should be taken to see that a continuous inflow of latest scientific and technological know-how into the country is assured.

(15) The import licensing authorities should take note of the comments of the dyestuff industry regarding cases of import of banned items and while formulating their future policy take effective steps to plug loopholes, if any, that may come to light in the actual working.

(16) So long as import restriction continues on balance of payments consideration, the imports of all GATT intermediates may be so regulated as to limit their quantum to meet just the excess of domestic consumption requirements over indigenous production.

(17) It is not possible to advocate merely on account of lower prices or better quality the import of intermediates irrespective of indigenous availability.

(18) Since the small scale sector accounts for more than one fourth of the total production of dyes in the country, the office of the Development Commissioner for Small Scale Industries should collect up-to-date and realistic figures of capacity and production of dyes in the small scale sector.

(19) The D.G.T.D. in consultation with other concerned organisations of the Government of India and of the Council for Scientific and Industrial Research like the National Chemical Laboratory, Poona should make a study of the requirements of basic coal tar primaries for different industries and rationally allocate the output of these primaries to different consuming industries including the dyestuff industry. The manufacturers of coal tar primaries should try and sell their products directly to the consumers instead of resorting to a complex net-work of intermediate agencies.

(20) Larger units will be appreciated if they show greater interest in the direction of exports. Government should also give all possible assistance and encouragement in increase exports of dyes and streamline procedural formalities especially those relating to import entitlements and cash assistance.

(21) In an industry which is producing a large number of different dyes, the optimum price level can be ensured most easily by increased competition. While giving licences for the manufacture of new items of dyes and intermediates the twin objective of fostering healthy competition without at the same time losing sight of the criterion of economic size of production may be kept in view.

(22) The attention given to elimination of toxic risks in the use of dangerous chemicals does not appear to have been adequate in dyestuff factories. It is necessary that both large and small units devote increasing attention to further research aimed at protecting the workers.

(23) In view of complaints received regarding quality of indigenous dyes, the producers should make redoubled efforts to improve the quality of their products and periodically get their products tested by independent organisations like the National Chemical Laboratory, Poona, the Department of Chemical Technology, Bombay and other such institutions of repute.

(24) In order to promote the use of their products to the best advantage of consumers, better technical service should be rendered by the dyestuff manufacturers. Further, since dyes decompose very early owing to their limited stability, the date of manufacture should be marked on the containers.

(25) The associations of consuming industries should bring to the notice of the Indian Chemical Manufacturers' Association and the Dyestuff Manufacturers' Association instances of short supply of individual dyes and mutually arrange for rationalising and increasing the supply of such dyes. If necessary, the D.G.T.D. may also be approached for remedial action when there is acute shortage of certain dyes.

2. Government accept recommendations (1) to (6). The rates of duty recommended by the Commission in respect of Benzanthrone and BON acid (Beta Oxy Naphthoic acid) covered in recommendation (2) and the intermediates mentioned in recommendations (3), (4) and (5) are being brought into force with immediate effect by Notification(s) published separately in the Gazette. The concessional rate of duty wherever it is applicable to intermediates covered in recommendations (3) and (4) is being withdrawn simultaneously. The necessary legislation will be undertaken in Parliament in due course

3. Government agree with recommendation (7), to which the attention of the manufacturers of dyestuffs is also drawn.

4. Government accept recommendations (8) and (9) in principle. They have however ascertained that production of some of these intermediates has already started. These are (a) 2:5 Dichloronitrobenzene, (b) Para-Dichlorobenzene, (c) Diphenylamine, (d) Chlorobenzene and (e) Phenol. Having regard to the latter part of these two recommendations, Government do not consider it necessary to continue/extend the duty concession in respect of these 5 intermediates. Concessional duty at $27\frac{1}{2}\%$ (standard) and $17\frac{1}{2}\%$

(preferential) will therefore be continued/extended on the intermediates mentioned in these two recommendations, with the exception of the 5 specified above, upto 31-12-1971. The duty concession where it is to be newly applied is being given effect to immediately. The attention of the industry is drawn to the latter part of these two recommendations.

5. Government has noted recommendation (10) for implementation to the extent possible and the attention of the manufacturers of intermediates is also drawn to this recommendation. It is pointed out that there are approved schemes under implementation for the manufacture of Dimethylaniline and O-Tolidine and that Diphenylamine is already being produced in India.

6. Government have taken note of recommendations (11) to (22) and steps will be taken to implement them as far as possible. In taking action on the recommendations, Government will bear in mind the interests of the Small Scale Industry. The attention of users of intermediates is drawn to recommendation (17), that of manufacturers of coal tar primaries to recommendation (19), and that of the dyestuff industry as a whole to recommendations (20) to (25). The attention of the National Chemical Laboratory, Poona, the Department of Chemical Technology, Bombay and similar institutions is also drawn to recommendation (23), and that of associations of consuming industries, the Indian Chemical Manufacturers' Association and Dyestuff Manufacturers' Association to recommendation (24).

ORDER

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

(S. VENKATESAN)
Joint Secretary to the Government of India.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

New Delhi, the 7th December, 1968.

NOTIFICATION
Tariffs

No. 14(1)-Tar/68-I.—Whereas the Central Government is satisfied, after due inquiry, that the duties chargeable under the First Schedule to the Indian Tariff Act, 1934 (32 of 1934), in respect of (i) Benzanthrone and (ii) Beta Oxy Naphthoic Acid falling under Item No. 28(36) and Item No. 28(37) respectively of the said Schedule, and characterised as protective in the third column thereof, have become excessive for the purpose of securing the protection intended to be afforded by them to similar articles manufactured in India.

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 4 of the said Act, the Central Government hereby reduces, with immediate effect, the duties of customs on the said articles so that the duties chargeable shall be as specified in column 3 of the Table annexed hereto.

TABLE

Item No. of Tariff	Name of Article	Rate of duty
1	2	3
28(36)	Benzanthrone :	
	(a) of British manufacture	50 per cent *ad valorem*
	(b) not of British manufacture	60 per cent *ad valorem*
28(37)	Beta Oxy Nephthoic Acid :	
	(a) of British manufacture	50 per cent *ad valorem*
	(b) not of British manufacture	60 per cent *ad valorem*

NOTE.—The above articles manufactured in a British Colony shall be deemed to be of British manufacture.

(S. VENKATESAN)
Joint Secretary to the Government of India.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

New Delhi, the 7th December, 1968.

NOTIFICATION

Tariffs

No. 14(1)-Tar/68-II.—In exercise of the powers conferred by sub-section (1) of section 3A of the Indian Tariff Act, 1934 (32 of 1934), the Central Government hereby direct that with immediate effect there shall be levied on the articles specified in column (1) of the Table hereto annexed, when imported into India, a duty of customs of such amount as is specified in the corresponding entry in column (2) thereof.

TABLE

Name of articles	Amount of duty of customs inclusive of the duty specified in the First Schedule to the Indian Tariff Act, 1934
1	2
The following dye intermediates, namely :	
Ortho anisidine	
Phenyl Peri Acid,	
J. Acid,	
Ortho Toluidine,	
4-Chloro-2-Nitro aniline,	
Diethyl Meta Amino Phenol,	
Para Anisidine,	
Para Toluidine,	
Diamino Stilbene Disulphonic Acid.	
(a) of British manufacture	90 per cent *ad valorem*
(b) not of British manufacture	100 per cent *ad valorem*

NOTE.—The above articles manufactured in a British Colony shall be deemed to be of British manufacture.

(S. VENKATESAN)
Joint Secretary to the Government of India.

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE

New Delhi, the 7th December. 1968.

NOTIFICATION

Tariffs

No. 14(1)-Tar/68-III.—In exercise of the powers conferred by sub-section (1) of section 3A of the Indian Tariff Act, 1934 (32 of 1934), the Central Government hereby direct that with immediate effect there shall be levied on the articles specified in column (1) of the Table hereto annexed, when imported into India, a duty of customs of such amount as is specified in the corresponding entry in column (2) thereof.

TABLE

Name of articles	Amount of duty of customs inclusive of the duty specified in the First Schedule to the Indian Tariff Act, 1934
1	2
The following dye intermediates, namely: Anthraquinone, Aceto-acet-anilide, Aceto-acet-O-Toluidide, Tobias Acid, Aceto-Aceto-Chloro-anilide, C-Acid (2 Chloro-5-toluidine-4-sulphonic acid or 6 chloro-m-toluidine-4-sulphonic Acid).	
(a) of British manufacture	50 per cent *ad valorem*
(b) not of British manufacture	60 per cent *ad valorem*

NOTE.—The above articles manufactured in a British Colony shall be deemed to be of British manufacture.

(S. VENKATESAN)

Joint Secretary to the Government of India.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

New Delhi, the 7th December, 1968.

NOTIFICATION

Tariffs

No. 14(1)-Tar/68-IV.—In exercise of the powers conferred by sub-section (1) of section 3A of the Indian Tariff Act, 1934 (32 of 1934), the Central Government hereby direct that with immediate effect there shall be levied on the articles specified in column (1) of the Table hereto annexed, when imported into India, a duty of customs of such amount as is specified in the corresponding entry in column (2) thereof.

TABLE

Name of articles	Amount of duty of customs inclusive of the duty specified in the First Schedule to the Indian Tariff Act, 1934
1	2
The following dye intermediates, namely :	
M-nitro-aniline,	
M-nitro-p-toluidine (MNPT)	
Metanilic acid,	
1-amino-anthraquinone,	
Phenyl-J-acid,	
1:5-di-amino-anthraquinone,	
2:6-diamino-anthraquinone,	
Quinizarin,	
Schaeffer acid,	
M-chloroaniline,	
O-chloro-aniline,	
P-chloro-aniline,	
2:5-dichloroaniline	

1	2
4-chloro-2-anisidine,	
O-nitroanisole,	
P-nitroanisole,	
4-chloro-2-nitroanisole,	
5-chloro-o-toluidine,	
O-nitroaniline,	
Para-toluidine-meta-sulphonic acid,	
O-amino azo toluene,	
1:4-diamino anthraquinone,	
1 chloro anthraquinone,	
R-salt,	
Benzoyl J-acid,	
P-nitrosophenol,	
Dinitrostilbene disulphonic acid,	
Peri acid,	
2:5 dimethyl-4-chloro-phenyl thioglycolic acid,	
Beta naphthalene thioglycolic acid,	
4-chloro-o-toluidine,	
Amino Iso-G-acid,	
1-Amino-6-nitro-2-naphthol-4-sulphonic acid,	
Para nitro toluene sulphonic acid,	
Anthraquinone-1-sulphonic acid sodium salt.	
(a) of British manufacture	50 per cent *ad valorem*
(b) not of British manufacture	60 per cent *ad valorem*

NOTE.—The above articles manufactured in a British Colony shall be deemed to be of British manufacture.

(S. VENKATESAN)

Joint Secretary to the Government of India.

ANNEXURE VI

(*Vide* paragraph 4.2.1)

GOVERNMENT OF INDIA

MINISTRY OF FOREIGN TRADE

New Delhi, the 25-2-1971.

RESOLUTION

Tariffs

No. 14(5)-Tar/69.—In pursuance of recommendation (6) in paragraph 1 read with paragraph 2 of the Government of India, erstwhile Ministry of Commerce Resolution No. 14(1)-Tar/68, dated the 7th December, 1968, issued on the Report (1968) of the Tariff Commission on the Dyestuff Industry, the Tariff Commission has reviewed the quality, prices, and availability with special reference to the requirements of the small-scale sector, of the dyestuff industry, and has submitted a report covering the period January to December 1969. As a *suo motu* inquiry into the further continuance of protection to the industry is due this year, the Commission has not considered it necessary to review the whole question of protection at this stage, and has confined its enquiry to an examination of the availability, prices and quality of the 53 intermediates in general and 18 intermediates, considered vital for the small scale sector, in particular. The recommendations made by the Tariff Commission in the Review Report are as follows:—

(1) The manufacturers/consumers are experiencing difficulty in securing raw materials/intermediates, and having regard to the fact that supplies of intermediates are not freely available even in foreign countries and the position is not likely to improve in the near future, the existing bottle-necks in their supply should be removed. The following suggestions have been made in this connection:—

(i) There should be greater coordination and cooperation among the small and large scale sectors of the industry. They should be able to exchange their products among themselves on the basis of their mutual needs and availability.

(ii) There is scope for expansion of capacity or setting up of new capacity in respect of some of the intermediates where demand outstrips supply. New manufacturers should be encouraged to come into the field, especially where at present there is one producer of an intermediate Producers with captive consumption should be encouraged to maximise their capacity utilisation and with this end in view should, as a first priority, get their import licences for raw materials without much difficulty and without having to depend on export promotion licences.

(iii) In the matter of issue of import licences for raw materials, preference should be given to actual users of those raw materials, i.e. those who are predominantly engaged in the conversion of these into intermediates to be further converted either by themselves or by others into finished dyestuffs.

(iv) Some further checks should be imposed on the imports, particularly against omnibus export promotion licences, of certain intermediates which are already in production or for which adequate capacities exist in the country.

(v) Where intermediates have still to be imported, preference should be given to the small scale sector who have no capacity for the manufacture of these intermediates directly from raw materials.

(vi) There is need for selective intensification and rationalisation of control over imports as well as establishment of regulatory control over distribution to ensure equitable sub-division of available supplies to all sectors of the industry. To this end, and to take advantage of the possible economies through bulk purchasing, it may be necessary to canalise imports of raw materials and/or intermediates through a centralised body like the State Trading Corporation. On occasions, it may be necessary to use the same, or some other machinery, to compulsorily purchase and distribute a specific part of the domestic production of intermediates in short supply in an orderly manner against the genuine requirements of all those who do not possess the facility of manufacturing such intermediates themselves.

(2) Some steps necessary in the direction of improving the supply position in respect of the following key-intermediates, where there has been lop-sidedness in imports, exports and domestic production *vis-a-vis* the estimated demand, are also recommended:—

(i) In view of the indigenous demand for BON acid, further exports of this item beyond the present commitment should not be allowed until domestic production is able to fully meet the internal demand.

(ii) Steps should be taken to see that the installed capacity of Diethyl-Meta-Aminophenol is raised at least to the level of 100 tonnes which is the estimated demand. The landed cost of the imported product, compared to the price of the indigenous product, is very high. The import of this product at the present exorbitant price does not seem to be justified.

(iii) While stepping up the capacity of J-Acid and its utilisation, imports of this product upto 10 per cent may be allowed to meet the existing shortage.

(iv) It should be possible to step up the domestic production of Ortho-Anisidine, particularly since there is a great deal of unutilised capacity for the product. It is not prudent to resort to imports.

(v) The installed capacity of Ortho-Toluidine being more than sufficient to meet the internal demand, steps should be taken to improve the production to avoid imports which are slightly more costly than the indigenous product.

(vi) There appears to be a case for the creation of additional capacity in respect of Para-Toluidine and for improving its production. Dependence on imports could easily be curtailed.

(vii) The reduction in the import quota of Tobias Acid from 20 per cent to 10 per cent is expected to help the utilisation of capacity which is more than adequate to meet the demand, and reduce dependence on imports.

(viii) Since there is considerable unutilised capacity the manufacture of Para-Anisidine can be stepped up with a view to reducing dependence on imports.

(ix) It is inadvisable to allow import of Aceto-Acet-Anilide to such an extent as to render a substantial part of the indigenous capacity idle. Reduction in import would help to increase the utilisation of indigenous capacity and reduce dependence on imports.

(3) A proper and realistic assessment of existing production (both actual and potential) and demand should be made so that the gap between demand and supply with a small margin, say 10 per cent of estimated demand for unforeseen contingencies, should be filled by imports in a planned manner.

(4) Indigenous prices of some of the intermediates have shown abnormal increases after the grant of protection and have no relationship either to those of the imported products or

to the ex-factory prices fixed at the last inquiry. It is, therefore desirable to explore that possibility of introducing some sort of control, formal or informal, whereby producers will not be in a position to manipulate the prices to their advantage unilaterally without the prior approval of the concerned authorities.

(5) The intermediates should be classined according to their purity per cent and should bear the ISI mark.

(6) Accurate data in regard to capacity, production, consumption, sale, etc. is not available in respect of even large scale sector of the industry. With a view to compiling adequate data, the units should be asked to report to the Director General Technical Development (DGTD) their progress at periodical intervals. Producers associations can also organise collection, maintenance and supply of up-to-date and reliable data about the various aspects of the industry.

(7) As detailed assessment of capacity, production, quality, prices, supply and demand in respect of the industry is involved, and as the situation is liable to change from time to time, sometimes at relatively short intervals, a Standing Committee consisting of a representative each of Directorate General of Technical Development (DGTD), Textile Commissioner, Chief Controller of Imports and Exports, Development Commissioner, for Small Scale Industries as well as two representatives each of the Dye and Chemical Manufacturers' Associations should be set up. This should be headed preferably by a technically qualified person of standing who is not directly interested in the production, import or distribution of these porducts. The Committee could keep a fairly continuous watch on the developing situation and offer advice to the executive authorities concerned for appropriate and timely action.

(8) Government should encourage pilot studies by institutions like the National Chemical Laboratory, Poona, on production and other aspects of the economy of intermediates, which could provide guidance and expertise for the development of the dyestuff industry and particularly the small scale producers. The industry should also in its turn develop closer contacts with institutions engaged in such pilot studies.

(9) The policy of protection as now in operation has by and large justified itself, as it has helped the industry not only to develop but also achieve a degree of competitive strength and should, subject to the minor operational modifications, suggested in the preceding recommendations, be allowed to continue up to 31st December 1971, *i.e.* when the period of protection to the industry is due to expire.

(10) Since the overall enquiry into the dyestuff industry is due in 1971, there may not be any particular need for repeating six monthly reviews as recommended in Report (1968) on the Dyestuff industry.

2. Government agree with recommendations (1)(i), (5) and (6), to which the attention of the industry is also drawn.

3. (a) Government have noted recommendations (1)(ii) to (1) (vi), (2)(ii) to (2)(ix) and (8), for implementation to the extent possible.

(b) In so far as recommendation (1)(iii) is concerned, manufacturers of dye intermediates are already being given import licences on replenishment basis and from preferential sources. As regards recommendation (1)(iv), only such dye-intermediates, import of which is otherwise permissible under the import policy, are allowed to be imported against export of dyes under the import policy, for Registered Exporters, and there is no omnibus export promotion licence. With respect to recommendation (1)(vi), it may be noted that some intermediates are already canalised through the State Trading Corporation.

(c) The Industry's attenion is drawn to recommendations (1)(ii), (2)(ii) to (2)(ix) and (8).

4. Government accept recommendations (7), (9) and (10). The Standing Committees, referred to in recommendation (7), will be constituted by the Ministry of Petroleum and Chemicals & Mines and Metals (Department of Petroleum and Chemicals). That Ministry will announce the composition and terms of reference of the Committee, which will include matters referred to in recommendations (2)(i), (3) and (4) also.

(S. VENKATESAN)
Joint Secretary to the Government of India.

ANNEXURE VI-A

(*Vide* paragraph 1.4)

GOVERNMENT OF INDIA
(BHARAT SARKAR)
MINISTRY OF FOREIGN TRADE
(VIDESH VYAPAR MANTRALAYA)

New Delhi, the 10-12-1971

RESOLUTION

Tariffs

No. 14(5)-Tar/71.—On the basis of the Tariff Commission's recommendations made in its (1968) Report, Government discontinued tariff protection to the Dyestuff industry beyond 31st December, 1968. Since, however, quantitative control over imports was likely to be continued in the foreseable future, the industry was deemed to be protected under Section 11(a) of the Tariff Commission Act, 1951, subject to a periodical review to ensure that it did not take undue advantage of protection so provided.

2. The Tariff Commission, however, recommended and Government accepted that the then existing protection to three intermediates should be continued (at modified rates) and the scope of protection should be extended to cover 50 other intermediates. The period of protection was to continue up to the 31st December, 1971, subject to half-yearly reviews of the quality, prices and availability of the indigenously manufactured intermediates, with special reference to the requirement of the small scale sector of the industry.

3. The Commission reviewed the industry in 1969. Since the overall enquiry into the Dyestuff industry was due in 1971, it did not consider it necessary to review the whole question of protection at that stage, and confined its enquiry to an examination of the availability, prices and quality of the 53 intermediates in general and 18 intermediates considered vital for the small scale sector, in particular. The Commission recommended in this Review Report that the policy of protection as then in operation had by and large justified itself, as it had helped the industry not only to develop but also achieve a degree of competitive strength and should, subject to minor operational modifications, be allowed to continue upto the 31st December, 1971, as recommended earlier. The Government accepted this recommendation and announced their decision in their Resolution No. 14(5)-Tar/69, dated the 25th February, 1971.

4. The Tariff Commission has since submitted a further Report on the continuance of protection to the dye-intermediates industry, on the basis of an enquiry undertaken by it under section 11(e) and 13 of the Tariff Commission Act, 1951. It has not been able to complete its examination and proposes to submit a detailed report later.

In the meanwhile, it has made the following interim recommendations :—

(1) The 53 intermediates which are enjoying protection [covered under Item Nos. 28(35), 28(36), 28(37), 28(38), 28(39) and 28(40) of the I.C.T. Schedule] should continue to do so at the same rates of duty as at present for atleast three years more till the 31st December, 1974.

(2) Pending further examination and modification, if any, which would be indicated in the Final Report, the 18 intermediates which are already enjoying concessional rates of duty at 27½ per cent *ad valorem* (standard) and 17½ per cent *ad valorem* (Preferential) should continue to enjoy duty concession as obtaining at present for a further period of 3 years upto the 31st December, 1974.

(3) It needs to be emphasised that the intermediates industry has to discipline itself in regard to progressive economies in costs ultimately leading to price reduction not only in its own interest but also in the larger interest of the consumers as a whole.

5. In so far as recommendations (1) and (2) are concerned Government have decided, pending receipt of the Commissions final report, to accept the Commission's recommendations to the extent that protection be continued to the 53 intermediates until the 31st December, 1972, at the existing rates of protective duty. Similarly, the duty concession available to the 18 intermediates covered in recommendation (2) will be continued until the 31st December, 1972.

Necessary legislation will be undertaken in Parliament in due course to continue the protection to the 53 dye-intermediates covered in recommendation (1) for a period of one year upto the 31st December, 1972. The Ministry of Finance (Department of Revenue and Insurance) will take necessary action to continue the duty concession to 18 intermediates covered in recommendation (2) for a period of one year upto the 31st December, 1972.

6. The attention of the Dye-intermediates industry is drawn to recommendation (3) for taking suitable measures to bring down the costs.

7. The Commission will be required to submit its final report to Government as early as possible so that the question of further continuance or discontinuance of the protection/duty concession granted to the dye-intermediates may be considered by the Government in time for necessary legislation to be undertaken in 1972.

ORDER

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

(S. VENKATESAN)

Joint Secretary to the Government of India.

ANNEXURE—VII

(*Vide* paragraph 5.2)

Statement showing installed capacity, production, capacity utilisation of Dye-Intermediates during the last four years and estimated requirements by 1973/1974

(A—LIST OF 53 PROTECTED INTERMEDIATES

Sl.No.	Intermediates	Installed Capacity (Tonnes)			Production (Tonnes)				Capacity utilisation percentage		
		*1968	1970	1971	1968	1969	1970	1971	1968	1970	1971
1	2	3	4	5	6	7	8	9	10	11	12
1	Acetoacetanilide . .	32	113	50+@@	6	112	66	6	18.8	58.4	N.A.
2	Acetoacet-*ortho*-chloroanilide	24	90	90+@@	6	34	46	14	25.0	51.1	N.A.
3	Acetoacet-*ortho*-toluidide ..	12	40	40+@@	3	14	14	28	25.0	35.0	N.A.
4	Amino-is.-G-acid (2-naphthylamine 5, 7-disulphonic acid/aneido-J-acid) . .	82	180	180	42	99	172	207	51.2	95.6	115.0
5	1-Amino-6-nitro-2-naphthol 4-sulphonic acid. . .	N.A.	65	N.F.	10	7	5	31	N.A.	7.7	N.A.
6	1-Aminoanthraquinone .	**	**	**	64	99	113	93	N.A.	N.A.	N.A.
7	Anthraquinone . . .	1000	1720	2920	843	996	1805	1965	84.3	104.9	67.3

8	Anthraquinone-1-sulphonic acid, sodium salt	**	**	**	25	280	349	262	N.A.	N.A.	N.A.
9	Benzanthrone	446	408	361+**	447	398	368	295	100.2	90.2	N.A.
10	*beta*-Aminoanthraquinone (2-amino-anthraquinone)	647	772	500+**	380	336	319	327	58.7	41.3	N.A.
11	*beta*-Naphthalene thioglycolic acid (2-naphthylthioglycolic acid)	32	30	30	8	10	21	9	25.0	70.0	30.0
12	BON Acid (2-hydroxy-3-naphthoic acid)	800	800	800	608	766	1182	1343	76.0	147.8	167.9
13	Benzoyl-J-acid (2-Benzoylamino-5-naphthol-7-sulphonic acid)	5	5	5	N.A.	1	N.A.	6	N.A.	N.A.	N.A.
14	C-Acid (6-chloro-*meta*-toluidine-4-sulphonic acid)	72	140	80+@@	11	51	42	63	15.3	30.0	N.A.
15	1-Chloroanthraquinone	**	**	**	48	72	99	43	N.A.	N.A.	N.A.
16	4-Chloro-2-anisidine	150	150	150	33	29	22	29	22.0	14.7	19.3
17	4-Chloro-2-nitroanisole	200	N.A.	N.A.	N.A.	N.A.	36	23	N.A.	N.A.	N.A.
18	4-Chloro-2-nitroaniline	55	120	@@(bb)	5	27	45	52	9.1	37.5	N.A.
19	4-Chloro-*ortho*-toluidine	N.A.	N.A.	@	N.A.	7	14	45	N.A.	N.A.	N.A.
20	5-Chloro-*ortho*-toluidine	N.A.	60	60	26	27	45	21	N.A.	75.0	35.0

A. LIST OF 53 PROTECTED INTERMEDIATES—*Contd*

1	2	3	4	5	6	7	8	9	10	11	12
21	Diethyl-M-aminophenol(*meta*-diethyl-aminophenol)	60	180	195	37	39	56	43	61.7	31.1	22.1
22	Diaminostilbene disulphonic acid (4, 4' diaminostilbene 2, 2'-disulphonic acid)	335	367	484 (c)	183	245	316	387	54.6	86.1	80.0
23	Dinitrostilbene disulphonic acid (4,4'-dinitrostilbene-2, 2-disulphonic acid)	177	208	128	101	89	115	157	57.0	55.3	122.7
24	1,4-Diaminoanthraquinone	N.A.	43	43	29	23	36	17	N.A.	83.7	39.5
25	1,5-Diaminoanthraquinone	N.A.	29	29	12	17	24	20	N.A.	82.8	69.0
26	2,6-Diaminoanthraquinone	N.A.	22	22	15	18	29	38	N.A.	131.8	172.7
27	2,5-Dichloroaniline (Scarlet G/GGS or GGH Base)	65	N.A.	@	22	12	26	46	33.8	N.A.	N.A.
28	2,5-Dimethyl-4-chlorophenyl-thioglycolic acid	32	36	36	27	26	29	15	84.4	80.6	41.7
29	J-Acid (2-naphthylamine-5-hydroxy-7-sulphonic acid)	55	108	108	26	58	102	129	47.3	94.4	119.4
30	*meta*-Nitroaniline	60	120	120	57	47	62	69	95.0	51.7	57.5

31	*meta*-Nitro-*para*-toluidine .	124	191	204 +@@	96	100	107	93	77.4	56.0	45.6
32	Metanilic acid . . .	124	139	193 +@	100	76	99	106	80.6	71.2	54.9
33	*meta*-Chloroaniline . .	80	N.A.	1000@	29	14	22	53	36.3	N.A.	5.3
34	*ortho*-Chloroaniline . .	30	N.A.	@	28	42	10	32	93.3	N.A.	N.A.
35	*ortho*-Anisidine . . .	250	250	@+@@	87	135	242	197	34.8	96.8	N.A.
36	*ortho*-Nitroaniline . .	15	30	120bb	23	11	31	33	153.3	103.3	27.5
37	*ortho*-Nitroanisole . .	400	400	(b)	144	209	287	226	36.0	71.8	N.A.
38	*ortho*-Aminoazotoluylene (2, 3'-dimethyl-4-aminoazobenzene or 4-*ortho*-toluylazo-*ortho*-toluidine or Garnet GB/GBC Base) . . .	24	N.A.	N.A.	28	39	41	45	N.A.	N.A.	N.A.
39	*ortho*-Toluidine . . .	250	430	180+@@/ +@	89	96	255	188	35.6	59.3	104.5
40	*para*-Anisidine . . .	100	100	@	18	31	86	42	18.0	86.0	N.A.
41	*para*-Chloroaniline . .	30	30	@	4	14	38	31	13.3	126.7	N.A.
42	*para*-Nitroanisole . .	125	125	650 (b)	32	48	123	62	25.6	98.4	9.5
43	*para*-Nitrosophenol (1-Hydroxy-4-nitrobenzene) .	14	14	14	17	16	7	5	121.4	50.0	35.7
44	*para*-Nitrotoluene-*ortho*-sulphonic acid (toluene-4-nitro-2-sulphonic acid or benezene-1-methyl-4-nitro-2-sulphonic acid)	205	20	20+(c)+ (d)	142	138	195	171	69·3	975·0	855·0
45	*para*-Toluidine . . .	100	462	290+ @@+@	N.A.	70	147	159	N.A.	31·0	54·8

A. List of 53 protected Intermediates—*Contd.*

1	2	3	4	5	6	7	8	9	10	11	12
46	*para*-Toluidine-*meta*-sulphonicacid . . .	40	60	1068@@	13	17	31	16	32·5	51·7	1·5
47	Peri-acid (1-naphthylamine-8-sulphonic acid) . .	35	N.A.	N.A.	39	N.A.	20	32	111·4	N.A.	N.A.
48	Phenyl-J-acid (2-phenylamino-5-naphthol-7-sulfonic acid or 2-phenylamino-5-hydroxy naphthalene-7-sulfonic acid)	32	36	36	12	18	19	29	37·5	52·8	80·6
49	Phenyl peri-acid (phenylamino naphthalene 8-sulfonic acid)	10	8	13	3	4	7	4	30·0	87·5	30·8
50	Quinizarin (1, 4-dihydroxy-anthraquinone) . . .	N.A.	52	22+**	37	40	58	37	N.A.	111·5	168·2
51	R-salt (2-naphthol-3, 6-disulphonic acid disodium salt)	25	9	16	2	6	5	Neg.	8·0	55·5	N.A.
52	Schaeffer acid (2-naphthol-6-sulphonic acid) . .	36	10	36	2	14	14	31	5·6	140·0	86·1
53	Tobias acid (2-naphthylamine-1-sulphonic acid) .	117	340	300 +@@	87	155	278	254	74·4	81·8	84·7
	Total of 'A' .	6507	8512	10593	4106	5232	7680	7629			

Note :—

1. @@combined capacity of 1068 tonnes of Sudarshan Chemical Industries Ltd. for 12 protected and 2 non-protected intermediates

2. @ combined capacity of 1000 tonnes of Amar Dye-Chem for 10 protected intermediates.

3. (bb) combined capacity of 120 tonnes of Amar Dye-Chem for 4-chloro-2-nitroaniline and *ortho*-Nitroaniline.

4. *As on 1-1-1968.

5. **for captive use.

6. (b) combined capacity of Amar Dye-Chem for *para*-nitroanisole and *ortho*-nitroanisole.

7. (c) out of 484 tonnes 120 tonnes capacity of Aniline Dyetuffs for Diaminostilbene disulphonic acid and *para*-Nitrotoluene-*ortho*-sulphonic acid.

8. (d) Refer to remark in Annexure—VII C.

9. N.A.=not available.

B. LIST OF 18 DYE-INTERMEDIATES ENJOYING DUTY CONCESSION ON IMPORTS.

(*Tonnes*)

Sl. No.	Intermediates	Installed Capacity 1968	Installed Capacity 1970	Installed Capacity 1971	Production 1968	Production 1969	Production 1970	Production 1971	Requirements by 1973-74 [Development Council for Organic Chemicals, (Dyes Pane)]
1	Acetoacetic ester . .	N.A.	300	300	N.A.	N.A.	72	13	541
2	*alpha*-Naphthylamine . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	324
3	Benzidine sulphate . .	N.A	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	149**
4	2-Chloro-4-nitroaniline .	N.A.	(d)	(d)**	N.A.	1	N.A.	N.A.	54
5	3, 3'-Dichlorobenzidine .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	121@@
6	Dimethylaniline . . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	316
7	Diethylaniline . . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	63
8	3, 3'-Dichlorobenzidine dihydrochloride . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	@@
9	*meta*-Dinitrobenzene .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	315
10	*meta*-Nitrochlorobenzene .	N.A.	@	N.A.	N.A.	N.A.	N.A.	N.A.	78
11	Monochloro-*para*-xylene (1-chloro-2, 5-dimethyl benzene or 2-chloro-1, 4-dimethyl benzene)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

	12	*ortho*-Nitrotoluene . .	N.A.	N.A.	N .A.	N.A.	N.A.	N.A.	N.A.	600
	13	*ortho*-Tolidine . . .	N.A.	M.A.	44	N.A.	N.A.	N.A.	20	147
N	14	*ortho*-Nitrochlorobenzene	N.A.	60@	N.A.	N.A.	N.A.	30@	N.A.	852
	15	*para*-Nitrotoluene . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	588
	16	*para*-Toluidine-*ortho*-sulphonic acid	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
N	17	*para*-Nitrochlorobenzene	N.A.	@	N.A.	N.A.	N.A.	N.A.	N.A.	367
N	18	Trichlorobenzene . .	N.A.	120	N.A.	N.A.	N.A.	60	N.A.	17
		TOTAL OF 'B' .	N.A.	480	344	N.A.	1	162	33	4532

N. Small Scale Sectors figures are not available.

@Combined for *meta*-Nitrochlorobenzene, *ortho*-Nitrochlorobenzene and *para* Nitrochlorobenzene.

@@Combined for 3,3'-Dichlorobenzidine and 3,3'-Dichlorobenzidine Dihydrochloride.

N.A.= Not Available

(d) Refer to remark in Annexure VII. C

**Combined for Benzidine dihydrochloride and benzidine sulphate.

(d)** Combined capacity for a number of Intermediates of Atul Products and Sudarshan Chemical Industries.

C. List of Other Intermediates

Sl. No.	Intermediates	Installed Capacity			Production				Requirements by 1973/74 [Development Council for Organic Chemicals (Dyes Panel)]
		1968	70	1971	1968	1969	1970	1971	
I.	*Intermediates covered in Commission's* 1968 *Report*								
1	1, 2, 4 acid (1-amino-2-naphthol-4-sulphonic acid)	6	24	24	N.A.	32	10	6	48
2	3-Bromobenzanthrone .	N.A.	26	26	10	9	18	9	119
3	Chicago acid . .	25	860(d)	860(d)	15	14	11	19	25
4	Chloroaminophenol .	N.A.	(d)	(d)	N.A.	N.A.	N.A.	N.A.	N.A
5	1,6-Clove acid(1-naphthylamine-6-sulphonic acid)	N.A.	(d)	(d)	N.A.	N.A.	N.A.	Neg.	3
6	1,7-Clove acid (1-naphthylamine-7-sulphonic acid) . . .	N.A.	(d)	(d)	N.A.	N.A.	N.A.	1	7

	7	Di-J-acid/Rhoduline acid (6, 6'-imino *bis*-1-naphthol-3-sulphonic acid)	32	24	29	20	13	14	23	7
	8	2,5-Dichloronitrobenzene	N.A.	330+(d)	90+(d)	46	49	283	105	298
N	9	3,9-Dibromobenzanthrone	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	34
	10	G-salt or G-acid . .	161	20+(d) (d)	60+(d) (d)	102	138	119	131	162
	11	Gamma-acid . .	36			35	48	46	45	51
	12	H-acid . . .	150	(d)	(d)	95	149	215	164	278
	13	Isoviolanthrone . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	59
	14	J-Acid area . .	28	(d;	4(d)	410	6	19	38	37
	15	Laurent acid . .	N.A.	(d)	(d)	N.A.	N.A.	N.A.	N.A.	N.A.
	16	*meta*-Phenylenediamine .	86	(d)	10+(d)	12	10	27	21	78
	17	*meta*-Tolylenedimine .	77	(d)	(d)	3	4	3	N.A.	2·1
	18	Nevile and Winther's acid (NW-Acid) . .	15	10	10	6	7	7	4	19
	19	2-Nitro-1-chlorobenzene-4-sulphonic acid-*meta*-methylamide . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	20	1,5-Naphthalene disulphonic acid . .	N.A.	12	12	4	10	10	5	14
	21	*para*-Aminoazobenzene .	N.A.	N.A.	(d)	N.A.	N.A.	N.A.	7 Manufactured as per demand	32

C. List of Other Intermediates—*Contd.*

1	2	3	4	5	6	7	8	9	10
22	4-Aminoazobenazene-4-sulphonic acid . .	N.A.	N.A.	30	N.A.	N.A.	N.A.	2	N.A.
23	*para*-Nitroanilide . . *para*-Nitroacetanilide	23	(d)	(d)	N.A.	1	N.A.	5	N.A.
24	*Para*-Nitroaniline . .	12	(d)	(d)	N.A.	1	7	N.A.	45
25	Sodium naphthionate .	242	120 +(d)	170 +(d)	261	247	266	200	254
26	1-(4-Sulphophenyl)-3-carboxy-5-pyrazolone .	204	6	6	N.A.	N.A.	5	15	25
27	Sulphanilic acid . .	300	141	150	70	174	201	263	206
28	Sodium phenate . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	TOTAL OF C-I .	1397	1573	1477	689	912	1261	1059	1803.1
II.	*New Items*								
29	Amido-G-acid (2-Naphthylamine-6, 8-disulphonic acid) . .	Nil	(d)	(d)	Nil	9	5	3	18
30	Aniline-2, 5-disulphonic acid	Nil	(d)	(d)	Nil	14	N.A.	N.A	12

31	2-Aminotoluene-4-sulphonic acid (*ortho*-toluidine-4-sulphonic acid) . . .	Nil	(d)	(d)	Nil	2	1	N.A.	3
32	2-Aminophenol-4-sulphonic acid . . .	Nil	10	10	Nil	1	4	N.A.	14
33	4-Aminoacetanilide-3-sulphonic acid . .	Nil	(d)	(d)	Nil	3	5	N A.	4
34	Azoxybenzene . .	Nil	60	60	Nil	N.A.	17	N.A.	N.A.
35	5-Aminosalicylic acid .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A	N.A.
36	Acetoacet-*meta*-xylidide .	N.A.	10	10	Nil	N.A.	2	Nil	5
37	Acetoacet-*ortho*-anisidide	Nil	10	10	Nil	N.A.	3	5	5
38	*beta*-Naphthol . .	Nil	1000	1000	Nil	N.A.	719	843	1579
39	Bromamine Acid (1-amino-4-bromoanthraquinone-2-sulphonic acid)	Nil	(d)	100+(d)	Nil	N.A.	1	7	59
40	Benzotrichloride . .	Nil	60	N.A.	Nil	N.A.	30	N.A.	N.A.
41	Benzoyl chloride . .	Nil	60	N.A.	Nil	N.A.	30	N.A.	65
42	Benzidine dihydrochloride	Nil	100	100	Nil	N.A.	Neg.	1	**
43	Cyanuric chloride . .	N.A.	300	300	246	165	180	190	434
44	6-Chloro-2-nitrophenol-4-sulphonic acid . .	Nil	(d)	(d)	Nil	N.A.	7	N.A.	N.A.
45	4-Chloronitrobenzene-3-sulphonic acid . .	Nil	(d)	(d)	Nil	7	7	N.A.	N.A.
46	6-Chloro-2-aminophenoal sulfonic acid . .	N.A.	N.A.	(d)	N.A.	N.A.	N.A.	3	6

C. List of Other Intermediates—*Contd.*

(Tonnes)

1	2	3	4	5	6	7	8	9	10
47	4-Chloro-2-nitrophenol .	Nil	(d)	(d)	Nil	27	24	37	N.A.
N 48	2-Chloro-*para*-xylene .	Nil	20	N.A.	Nil	N.A.	10	N.A.	N.A.
49	2,4-Dinitrochicrobenzene 6-sul-acid . . .	Nil	N.A.	(d)	Nil	N.A.	N.A.	10	N.A.
50	Dimethyl sulphate .	Nil	300	300	Nil	N.A.	87	61	200
51	1-Diazo-2-naphthol-4-sulphonic acid . .	Nil	(d)	(d)	Nil	6	7	6	N.A.
52	2, 5-Dimethoxyaniline/2, 5-diethoxyaniline .	Nil	(d)	(d)	Nil	N.A.	5	1	15
53	Dibenzy sulphanilic acid	N.A.	(d)	(d)	N.A.	13	13	3	12
54	Dibenzyl sulfo H-Acid ester	N.A.	N.A.	(d)	N.A.	N.A.	N.A.	1	N.A.
55	*meta*-phenylenediamine-4-sulphonic acid . .	N.A.	(d)	(d)	N.A.	2	14	N.A.	43
56	*meta*-Uredioanilinehydrochloride (m-aminophenyl urea) . . .	N.A.	(d)	(d)	N.A.	N.A.	3	3	7
N 57	Monochloro benzene .	N.A.	800	N.A.	N.A.	N.A.	400	N.A.	N.A.
58	M-Sulfophenyl pyrazolone	N.A.	8	8	N.A.	N.A.	N.A.	N.A.	N.A.
59	Methoxy aminozobenzene *meta* sul-acid .	N.A.	N.A.	(d)	N.A.	N.A.	N.A.	4	N.A.
N 60	Nitrobenzene . .	N.A.	500	N.A.	N.A.	N.A.	250	N.A.	1912
61	N-Acetyl-*ortho*-toluidine	N.A.	(d)	(d)	32	39	63	22	N.A.

62	*alpha*-Naphthalene sulphonic acid .	N.A.	(d)	(d)	1	N.A.	N.A.	1	N.A.
N 63	*beta*-Naphthalene sulphonic acid	N.A.	120	N.A.	N.A.	N.A.	60	N.A.	N.A.
64	2-Naphthylamine-1, 5-disulphonic acid .	N.A.	(d)	(d)	N.A.	2	16	6	N.A.
65	2-Naphthylamine-3, 6, 8-trisulphonic acid .	Nil	(d)	(d)	Nil	7	5	5	N.A.
66	2-Nitrophenol-4-sulphonic acid . .	Nil	(d)	(d)	Nil	3	7	N.A.	N.A.
67	4-Nitro-2-aminophenol-6- sulphonic acid .	Nil	(d)	(d)	Nil	N.A.	1	4	15
68	6-Nitro-1, 2, 4-acid diazo (6-nitro-1-diazo-2-naphthol-4-sulphonic acid)	Nil	(d)	(d)	Nil	N.A.	1	1	1
69	2-Nitrotoluene-4-sulphonic acid . . .	Nil	(d)	(d)	Nil	3	2	N.A.	N.A.
70	4-Nitroaniline-2-sulphonic acid . .	Nil	(d)	(d)	Nil	5	6	N.A.	N.A.
71	3-Nitro-*para*-cresol . .	Nil	(d)	(d)	Nil	N.A.	5	8	N.A.
72	4-Nitro-2-aminophenol .	Nil	(d)	(d)	Nil	5	6	N.A.	24
73	Nitroaminostilbene disulphonic acid (4-Nitro-4/-aminostilbene-2, 2'-disulphonic acid) . .	Nil	(d)	(d)	Nil	21	N.A.	N.A.	22
74	N-Benzoyl-H-acid. .	Nil	(d)	(d)	Nil	3	5	N.A.	8
75	N-Methyl-J-acid . .	Nil	(d)	(d)	Nil	N.A.	6	13	19
76	Oxy-Tobias acid . .	Nil	(d)	(d)	102	211	331	274	N.A.

C. List of Other Intermediates—*Concld.*

1	2	3	4	5	6	7	8	9	10
77	*ortho*-Aminoazobenzene	N.A.	24	24	15	3	7	8	N.A.
N 78	*ortho*-Dichlorobenzene .	Nil	400	N.A.	Nil	N.A.	200	N.A.	128
79	PAPAS acid . .	Nil	N.A.	(d)	Nil	N.A.	N.A.	9	N.A.
80	Phthalic anhydride .	N.A.	3000	3000	158	1938	2489	1811	2743
81	*para*-Tolyl-peri-acid .	N.A.	(d)	(d)	3	N.A.	N.A.	2	N.A.
82	*para*-Chloro-*ortho*-amino-phenol . . .	Nil	(d)	(d)	Nil	N.A.	13	19	N.A.
83	*para*-Cresidine (5-methyl-*ortho*-anisidine) .	Nil	(d)	(d)	Nil	6	3	5	24
84	*para*-Sulfophenyl methyl pyrazolone . .	Nil	8	8	Nil	N.A.	N.A.	N.A.	14
N 85	*para*-Dichlorobenzene .	Nil	400	N.A.	Nil	N.A.	200	N.A.	236
86	Resorcinol . . .	Nil	75	75	Nil	N.A.	27	29	4
87	Sulfo-J-acid (2-amino-5-naphthol-1, 7-disulphonic acid) . .	Nil	(d)	(d)	Nil	10	11	1	N.A.
88	5-Sulfoanthranilic acid .	Nil	(d)	(d)	Nil	7	7	N.A.	N.A.

N 89	Toluene-4-sulphonic acid	Nil	60	N.A.	Nil	Nil	30	N.A.	N.A.
	TOTAL OF 'C' II .	N.A.	7325	5005	557	2514	5330	3396	7631
	TOTAL OF 'C' I + II .	1397	8898	6482	1246	3426	6591	4455	9434.1

**Combined for benzidine sulphate (Sl. No. 3 of List B of Annexure VII) and benzidine dihydrochloride

Neg. 0.25 tonne.

(d) Combined capacity of M/s. Atul Products Ltd., for all Dye-Intermediates other than protected intermediates.

N. Small Scale Sectors figures for 1971 are not available.

D. LIST OF DYE-INTERMEDIATES FOR WHICH DUTY CONCESSION HAN BEEN ASKED FOR

(In Tonnes)

Sl. No.	Intermediates	Installed Capacity			Production				Requirements by 1973-74 [Development Council for Organic Chemicals (Dyer Panel)]
		1968	1970	1971	1968	1969	1970	1971	
1	3-amino-*para*-anisanilide (1-Methoxy-2-aminobenzene)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	14
2	Aminoazobenzene hydrocloride	Nil	Nil	Nil	Nil	Nil	Nil	Nil	32
3	Aniline	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1055
4	4-Chloro-2-nitrotoluene	Nil	Nil	Nil	Nil	Nil	Nil	Nil	47
5	4,4'-Di(6-methylbenzthiazyl) azobenzene	Nil	Nil	Nil	Nil	Nil	Nil	Nil	38
6	2,4'-Dinitrochlorobenzene (1-chloro-2, 4-dinitrobenzene)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1167
7	Ethylbenzylaniline	Nil	Nil	Nil	Nil	Nil	Nil	Nil	45
8	Michler Ketone [4,4'-*bis* (dimethylamino)-benzophenone]	Nil	Nil	Nil	Nil	Nil	Nil	Nil	28

9	*Para*-aminoacetanilide	Nil	Nil	(d)	Nil	Nil	Nil	3	15
10	*Para*-Chlorophenol	Nil	Nil	Nil	Nil	Nil	Nil	Nil	35
11	Phenyl-alphanaphthylamine	Nil	Nil	Nil	Nil	Nil	Nil	Nil	20
12	Phenylmethylpyrazolone (3-methyl-1-phenyl-5-pyrazolone)	Nil	Nil	150+@@	Nil	Nil	Nil	24	47
13	Phenyl hydrazine	Nil	Nil	Nil	Nil	Nil	Nil	Nil	35
14	Tetramothyl thiourea	Nil	Nil	Nil	Nil	Nil	Nil	Nil	22
	TOTAL 'D'	Nil	Nil	150	Nil	Nil	Nil	27	260
	GRAND TOTAL A+B+C+D	7904	17890	17569	5352	8659	14433	12144	

NOTE.—The correct names of the Intermediates along with the corresponding Chemical nomenclatures are given in Annexure XXV.

150+@@ Combined capacity of number of Intermediates of Sudarshan Chemical Industries *plus* 150.

ANNEXURE VIII

(*Vide* paragraph 6.2)

Capacity and production during 1968, 1969 *and* 1970 *and estimates of production of Coal Tar Primaries*

(Tonnes)

Name of products and manufacturers' name	Present Installed Capacity	Production			Estimates of Production			
		1968	1969	1970	1971	1972	1973	1974
1	2	3	4	5	6	7	8	9
1. *Motor Benzol :*								
1. Tata Iron & Steel Co. Ltd.	7619@	1877	1792	1767	923	980	1102	1059
2. Bararee Coke Co. Ltd.	68	18	24	35	35	40	44	48
3. Fertilizer Corporation of India	1198	473	298	275	316	311	315	309
TOTAL	8885	2368	2114	2077	1274	1331	1461	1416

2. *Benzol/Benzene* :

1. National Organic Chem. Ind. Ltd. (NOCIL) . .	14000	2473*	9070	10026	12764	12500	13000	13000
2. Tata Iron & Steel Co. Ltd.	2414	1526	802	532	1849	1963	2207	2121
3. Indian Iron & Steel Co. Ltd.	(a) 1062 (b) 716	979 729	1204 967	1035 906	1062 716	1062 716	1062 716	1062 716
4. Bhilai Steel Plant (HSL) .	(a) 35950	10800 (68-69)	9700 (69-70)	7600 (70-71)	11000 (71-72)	11600 (72-73)	11400 (73-74)	N.A.
5. Bararee Coke Co. Ltd. .	68	4	—	—	4	—	—	N.A.
6. Union Carbide India Ltd. (c)	—	3142	4644	4122	4144	5700	5700	570@
7. Durgapur Steel Plant (HSL) (a)	8527	2691	4083	3284	6176	6936	5891	6247
8. Fertilizer Corporation of India	1676	899	843	805	842	834	834	830
9. Hindustan Steel Ltd., Rourkela . . .	10150	4812	3286	2632	6500 (71-72)	5150 (72-73)	4000 (73-74)	N.A.
TOTAL .	74513	28055	34599	30942	45057	46461	44810	29676**

@ In case no benzene is produced.

* Production for 1968 is for April to December.

** Exclusive of Bhilai's and Rourkela out put which is not furnished.

(a) Relate to Benzene. (b) Relate to Benzol. (c) Future production will depend upon quality of Naphtha.

(Tonnes)

1	2	3	4	5	6	7	8	9
3. *Toluene* :								
1. Tata Iron & Steel Co. Ltd.	850	412	366	187	454	482	542	521
2. Indian Iron & Steel Co. Ltd.	290	277	294	268	290	290	290	290
3. Bhilai Steel Plant (HSL)	7000	1200 (68-69)	1100 (69-70)	1100 (70-71)	1300 (71-72)	1400 (72-73)	1400 (73-74)	N.A.
4. Bararee Coke Co. Ltd. .	87	18	30	33	33	35	39	43
5. Union Carbide Ltd. . .	—	1117	1424	1969	2360	2800	2800	2800
6. Fertlizer Corpn. of India .	377	115	73	34	35	35	35	35
7. Hindustan Steel Ltd., Rourkela	2175	959	746	557	1100 (71-72)	950 (72-73)	750 (73-74)	N.A.
8. Durgapur Steel Plant (HSL)	1257	607	887	886	1330	1494	1268	1342
TOTAL .	12036	4705	4920	5034	6902	7486	7124	*5031

4. *Xylene* :

1. Indian Petrochemicals Corpn. Ltd. . . .	2500@	—	—	—	—	500	2500	2500
2. Bhilai Steel Plant (HSL)	1700	100 (68-69)	100 (69-70)	100 (70-71)	200 (71-72)	200 (72-73)	200 (73-74)	N.A.
3. Bararee Coke Co. Ltd. .	17	—	—	—	—	—	—	—
4. Hindustan Steel Ltd., Rourkela	1100	237	129	27	240 (71-72)	130 (72-73)	100 (73-74)	N.A.
TOTAL .	5217	337	229	127	440	830	2800	*2500

*Exclusive of Bhilai's and Rourkela's production which was not furnished.

@Their Xylene will be Petrochemical based and not Coal based.

(Tonnes)

1	2	3	4	5	6	7	8	9
5. *Solvent Naphtha* :								
1. Tata Iron & Steel Co. Ltd.	465	283	198	122	137	146	164	157
2. Indian Iron & Steel Co. Ltd.	62	57	67	49	62	62	62	62
3. Bhilai Steel Plant Co. Ltd. (HSL)	8200	700 (68-6>)	700 (69-70)	600 (70-71)	4500 (71-72)	4600 (72-73)	4600 (73-74)	N.A
4. Bararee Coke Co. Ltd. .	31	13	15	22	22	26	26	18
5. Durgapur Steel Plant (HSL)	392	193	204	212	550	619	525	555
6. Fertilizer Corpn. of India Ltd.	98	82	54	30	30	30	30	3n
7. Hindustan Steel Ltd., Rourkela . . .	650	333	207	221	450 (71-72)	520 (72-73)	400 (73-74)	N.A.
TOTAL	9898	1661	1445	1256	5751	6003	5807	*832

6. *Naphthalene* (Hot pressed and Crude):								
1. Bhilai Steel Plant (HSL) .	8600	3100 (1968-69)	2900 (1969-70)	1700 (1970-71)	2000 (1971-72)	3000 (1972-73)	3000 (1973-74)	N.A.
2. Bengal Chemical & Pharmaceuticals Ltd. . .	360	9	—	—	@	@	@	@
3. Durgapur Steel Plant (HSL)	2400	1283	1564	1226	2140	2400	2040	2160
4. Fertilizer Corpn. of India	12	18	11	12	12	12	12	12
5. Hindustan Steel Ltd., Rourkela . . .	3960	933	1487	1153	2400 (1971-72)	2500 (1972-73)	2000 (1973-74)	N.A.
TOTAL .	15332	5343	5962	4091	6552	7912	7052	2172*

*Exclusive of Bhilai's and Rourkela's production.

@Due to very uncertain supply position of crude tar, future estimates are not possible.

(Tonnes)

1	2	3	4	5	6	7	8	9
7. *Anthracene* :								
1. Bhilai Steel Plant (HSL) .	4200	700 (68-69)	600 (69-70)	400 (70-71)	2000 (71-72)	3000 (72-73)	3000 (73-74)	N.A.
2. Bararee Coke Co. Ltd. .	408	263	240	332	111	121	121	125
3. Hindustan Steel Ltd., Rourkela . . .	2970	107	76	14	—	—	—	N.A.
TOTAL .	7578	1070	916	746	2111	3121	3121	125*
8. *Phenol/Sodium Phenate Cresol* :								
1. Herdillia Chemicals Ltd. .	10000@@	3388	6718	8088	9000	9700	10500	11300
2. Bhilai Steel Plant (HSL)†	3200	400 (68-69)	300 (69-70)	200 (70-71)	300 (71-72)	400 (72-73)	400 (73-74)	N.A.
3. Hindustan Steel Ltd., Rourkela . . .	350	59	64	13	80 (71-72)	60 (72-73)	60 (73-74)	N.A.
TOTAL	13550	3847	7082	8301	9380	10160	10960	@11300

9. *Cresol/Xylenol* :								
1. Hindustan Steel Ltd.	1050	146	133	47+ 22‡	160+80 **	130+60 ***	130+60 $	..
TOTAL	1050	146	133	69	240	190	190	N.A.

*Exclusive of Bhilai & Rourkela output.

@Exclusive of Bhailai & Rourkela production.

@@To be increased to 15000 in 1972.

†Figures relate to Phenol.

‡47 tonnes M.P. Cresol, 22 tonnes Cresylic acid.

**160 Cresylic acid, 80 M.P. Cresol.

***130 Cresylic acid, 60 M.P. Cresol.

$130 Cresylic acid, 60 M.P. Cresol.

ANNEXURE IX

(*Vide* Paragraph 6.3.4)

Indigenous and import prices (minimum and maximum) of Ancillary Chemicals

(Rs./per kg).

Sl. No.	Name of the Chemical	Indigenous Prices						Import Prices (Landed cost)					
		1969		1970		1971		1969		1970		1971	
		Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
1	2	3	4	5	6	7	8	9	10	11	12	13	14
	A. ORGANIC CHEMICAL :												
1.	Acetic acid	3.15	3.55	2.55	3.11	2.16	3.30	N.A.	N.A.	N.A.	N.A.	N.A.	N.A
2.	Acetic anhydride . . .	4.90	6.50	4.34	5.58	5.20	6.01	3.77	3.77	3.91	3.91	N.A.	N.A.
3.	Benzaldehyde	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	7.93	7.93	9.11	9.11	9.57	9.57
4.	Benzoyl chloride . . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	6.07	20.87	5.94	20.63	N.A.	N.A.
5.	Butyl acytate	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	7.30	7.30	7.33	7.33	N.A.	N A.
6.	Methanol	0.99	1.25	1.17	2.94	1.40	1.45	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
7.	Pyridine	11.91	31.07	32.05	33.29	24.00	33.01	16.82	16.82	16.28	16.28	17.05	17.05

B. INORGANIC CHEMICALS :

1	Aluminium chloride (Anhydrous)	3.15	3.16	3.36	3.36	4.07	4.20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2	Bromine	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	12.21	12.21	11.67	11.67	N.A.	N.A.
3	Caustic soda (A) (flakes)	1.25	1.25	1.45	1.45	1.38	3.15	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Caustic Soda (B) (solid)	1.25	1.25	1.75	1.75	1.50	2.90	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4	Chloro Sulphonic acid	1.10	1.18	0.91	1.11	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5	Cyanuric chloride	28.50	28.75	28.50	28.74	24.00	28.74	13.03	13.51	13.03	43.43	12.18	43.43
6	Molybdic acid	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	37.35	37.35	37.35	37.35	43.32	43.32
7	Nitric acid	0.82	5.13	0.81	5.93	0.92	6.35	N.A.	N.A.	N.A.	N.A	N.A.	N.A.
8	Sulphuric acid	0.27	2.00	0.27	2.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
9	Sodium nitrite	0.98	1.57	2.65	3.48	N.A.	N.A.	1.56	3.67	1.56	5.83	N.A.	N.A.
10	Soda ash	0.48	0.59	0.48	0.62	0.67	0.76	N.A.	N A.	N.A.	N.A.	N.A.	N.A.
11	Sodium hydrosulphite	9.75	9.75	12.10	12.10	11.08	12.00	N.A.	N.A.	1.51	1.51	N.A.	N.A.
12	Zinc dust	4.50	6.00	6.00	7.75	7.35	7.35	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

ANNEXURE X

(*Vide* Paragraph 6.4)

Indigenous and import prices (minimum and maximum) of some of the primary and secondary Dye-Intermediates.

(Rs./per kg.)

Sl. No.	Name of the Chemical	Indigenous prices						Import prices (Landed cost)					
		1969		1970		1971		1969		1970		1971	
		Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Acetoacetanilide	13.09	13.09	16.73	19.50	14.44	16.35	8.07	8.74	7.62	10.33	7.75	10.33
2.	Alpha-Naphthylamine	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	6.16	6.87	6.48	7.34	7.34	9.54
3.	Anthraquinone	17.00	17.00	17.50	17.50	17.50	17.50	12.02	12.02	11.94	11.94	12.02	12.82
4.	*beta*-Naphthol	5.64	5.64	9.67	9.67	7.00	7.00	4.18	4.77	4.35	5.04	4.58	5.09
5.	4,4'—Diaminostilbene 2,2'—Disulphonic acid (100%)	25.00	27.60	27.60	28.50	30.00	32.00	22.57	22.57	27.23	27.23	27.07	27.07
6.	2,5—Dichloronitrobenzene	N.A.	N.A.	7.50	7.50	7.00	7.00	4.58	6.98	5.06	6.98	5.11	5.11
7.	3,3'—Dichlorobenzidine (100%)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	19.08	22.71	19.07	19.70	21.18	23.71
8.	Diethyl sulphate	5.37	5.37	8.67	8.67	N.A.	N.A.	5.22	5.86	5.40	5.40	5.22	6.47

9. Dimethylaniline	N.A.	NA	N.A.	N.A.	N.A.	N.A.	4.09	5.25	4.85	1.86	4.85	6.62
10. Ethylacetoacetate . . .	N.A.	N.A	N.A.	N.A.	N.A.	N.A.	9.08	9.08	9.08	9.08	9.56	9.56
11. H-Acid(100%)	25.50	26.28	25.50	27.81	27.00	29.50	21.24	21.56	21.67	22.12	22.12	22.12
12. *meta*—Dinitrobenzene . . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	3.23	3.98	3.19	3.78	5.40	5.40
13. *meta*—Nitroaniline . .	N.A.	N.A.	16.00	16.00	17.00	17.00	21.67	21.67	13.72	13.72	21.01	21.01
14. *ortho*—Chtronitrobenzene . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1.57	1.88	1.75	2.31	2.31	2.31
15. *ortho*—Chloronitrotoluene . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	2.02	2.49	1.96	2.87	N.A.	N.A.
16. *ortho*—Toluidine . . .	N.A.	N.A.	6.50	6.50	5.50	7.50	5.33	5.33	5.33	5.33	6.63	6.63
17. *ortho*—Chloro-*ara*-nitroaniline .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	20.73	21.03	20.18	21.03	21.03	23.43
18. *para*—Toluidne	13.00	13.00	15.00	15.00	15.00	15.00	12.07	12.07	12.07	12.07	12.57	12.57
19. *para*—Nitotoluene . . .	N.A.	N.A.	12.36	12.36	N.A.	N.A.	4.01	4.69	4.43	5.02	4.85	4.85
20. Schaeff acid	16.00	16.00	16.00	16.00	16.00	16.00	12.87	12.87	12.87	12.87	20.13	20.13
21. Tobiasacid	18.81	19.57	18.81	20.18	18.81	20.21	9.88	19.48	11.60	19.48	12.69	21.21
22. 1,2,4—Trichlorobenzene . .	N.A.	N.A.	N.A.	N.A.	5.60	5.60	2.84	2.84	2.84	2.84	N.A.	N.A.

ANNEXURE-XI—A

(*Vide* Paragraphs 6.4 and 15.2)

Statement showing capacity, production, available supply, imports, landed cost, ex-duty, ex-works prices etc. of costed Dye-Intermediates.

Sl. No.	Intermediates	Capacity (Tonnes) 1970	Capacity (Tonnes) 1971	1970 Production (Tonnes)	1970 Imports (Tonnes)	1970 Available supply (Production + Imports. Exports (Tonnes)	1971 Production (Tonnes)	1971 Imports (Jan.-* Aug.) (Tonnes)	Estimated requirements by 1973 ***	Estimated requirements by 1973-74A	Fair Ex-works prices Rs./kg.	Landed cost ex-duty Rs./kg.	Difference between fa ; ex-works price & landed cost ex-duty as percentage of landed cost ex-duty	Existing rate of duty (%) Standard & Preferencial
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	EXISTING PROTECTED DYE-INTERMEDIATES :													
1	Acetoacetanilide	113	50+@@	66	254	320	6	49	426	104	17.62 29.90	4.88	261.1 512.7	60–50
2	Acetoacet-*ortho*-Chloroanilide	90	90+@@	46	134	180	14	78	240	77	29.57	8.65	241.8	60–50
3	Acetoacet-*ortho*-toluidide	40	40+@@	14	N.A.	14	28	N.A.	19	56	16.82 15.84	10.85	55.0 46.0	60–50

4	Amino-*iso*-G-Acid	180	180	172	NIL	172	207	NIL	229	252	17.93	15.49	15.8	60.50
5	1—Aminoanthraquinone	N.F	N.F.	113	4	117	93	Neg.	156	200	40.17	37.16	8.1	60.50
6	Anthraquinone	1,730	2,920	1,805	25	1,408	1,965	3	1,874	2,230	12.00	7.54	59.1	60.50
7	Anthraquinone-1-sulphonic acid-sodium salt	N.F.	N.F.	349	N.A.	349	262	N.A.	464	510	17.33	54.07	(—)67.9	60.50
8	Benzanthrone	408	361+**	368	NIL	308	295	NIL	410	592	53.70	57.87	(—)7.2	60.50
9	2—Aminoanthraquinone	772	500+**	319	NIL	288	327	1	384	364	49.0	N.A.	N.A.	60.50
10	2—Hydroxy-3-naphthoic acid (BON Acid)	800	800	1,182	NIL	1,029	1,343	Neg.	1,370	703	9.26	10.07	(—)8.0	60.50
11	Benzoyl-J-acid	5	5	N.A.	1	1	6	1	N.A.	N.A.	N.A.	39.36	N.A.	60.50
12	C-Acid(2-Chloro-5-toluidine-4-sulphonic acid or 6-chloro *meta*-toluidine-4-sulphonic acid).	140	80+@@	42	N.A.	42	63	N.A.	56	23	18.39	10.63	73.0	60.50
13	1 Chloroanthraquinone	N.F.	N.F.	99	NIL	99	43	NIL	132	145	30.37	38.04	(—)20.2	60.50
14	4 Chloro-2-nitroanisole	N.A.	N.A.	36	N.A.	36	23	N.A.	48	130	N.A.	14.45	N.A.	60.50
15	4 Chloro-2-nitroaniline	120	@@(bb)	45	N.A.	45	52	N.A.	60	80	14.89	9.67	54.0	100.90
16	5-Chloro-ortho-toluidine	60	60	45	N.A.	45	21	N.A.	60	86	30.63	23.17	32.2	60.50
17	*Meta*-Diethylaminophenol	180	195	56	57	113	43	35	150	82	44.49	23.71	87.6	100.90
18	2,6—Diaminoanthraquinone	22	22	29	NIL	29	38	NIL	38	42	64.87	92.41	(—)29.8	60.50
19	2,5-Dichloroaniline	N.A.	@	26	1	27	46	NIL	36	42	N.A.	N.A	N.A.	60.50
20	J—Acid	108	108	102	23	125	129	32	167	153	39.76	24.07	65.2	100.90
21	*meta*-Nitroaniline	120	120	62	16	78	69	28	103	94	22.62	13.16	71.9	60.50
22	*meta*-Nitro-*para*-toluidine	191	204+@@	107	N.A.	107	93	N.A.	143	130 @@@	27.79 26.01	13.45	106.6 93.4	60.50
	SUB-TOTAL	5,069	5,735	5,083	515	4,932	5,166	227	6,565	6,095				

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	B/F	15,069	5,735	5,083	515	4,932	5,166	227	6,565	6,095				
23	Metapilic Acid	139	193@	99	NIL	99	106	NIL	132	242	10.15	5.52	83.9	60–50
24	*meta*-Chloroaniline	N.A.	@	22	N.A.	22	53	N.A.	29	63	22.31	13.05	71.0	60–50
25	*ortho*-Anisidine	250	@@@	242	68	310	197	20	413	248	8.15	7.10	14.8	100–90
26	*ortho*-Nitroanisole	400	(b)	287	N.A.	287	226	N.A.	383	421	4.05	4.64	(—)12.7	60–50
27	*ortho*-Nitroaniline	30	(bb)	31	N.A.	31	33	N.A.	41	33	11.54	7.12	62.1	60–50
28	*ortho*-Aminoazotoluylene	N.A	N.A.	41	N.A.	41	45	N.A.	55	N.A.	Not manufactured			60–50
29	*ortho*-Toluidine	430	180@@@	255	226	481	188	85	640	270	6.03	3.35	80.0	100–90
30	Phenyl-J-acid	36	36	19	7	26	29	8	35	7	67.24	31.32	114.7	60–50
31	*para*-Chloroaniline	30	@	38	4	42	31	1	56	17	10.57	8.73	21.1	60–50
32	*para*-Nitroanisole	125	(b)	123	NIL	123	62	2	163	179	7.82	5.86	33.4	60–50
33	*para*-Toluidine-*meta*-Sulphonic acid.	60	@@	31	1	32	16	1	43	45(z)	26.01 23.62	6.62	292.9 256.8	60–50
34	Peri-acid	N.A.	N.A.	20	NIL	20	32	NIL	26	57	19.48	14.50	34.3	60–50
35	Phenyl-peri-acid	8	13	7	7	14	4	5	19	15	44.27	17.84	148.2	100–90
36	*para*-Anisidine	100	100	86	44	130	42	25	173	66	16.26	11.07	46.9	100–90
37	*para*-Toluidine	462	290 @@@	147	95	242	159	64	322	233	10.20	6.32	61.4	100–90
38	Quinizarin	52	22**	58	1	59	37	2	78	49	35.66	19.07	87.0	60–50
39	Tobias acid	340	300@@	278	45	323	254	Neg.	430	368	15.90	9.98	59.3	60–50

II. NEW INTERMEDIATES :

40 Acetoacetic (Methyl) ester	300	300	72	616	688	13	121	916	541	18.89	5.27	258.4	27½—17½
41 *beta*-Naphthol . . .	1,000	1,000	719	2,421	3,140	843	1,803	4,179	1,579	8.13	3.94	106.3	12—15 Counter vailing
42 Dimethyl Sulphate . .	300	300	87	151	238	61	130	317	200	5.06	3.58	41.3	60—50
43 Acetoacet-*meta*-xylidide .	10	10	2	N.A.	2	NIL	N.A.	3	5	33.47	16.80	99.2	60—50
44 Acetoacet-*ortho*-anisidide .	10	10	3	N.A.	3	5	N.A.	4	5	21.21	14.45	46.8	60—50
TOTAL OF A .	9,151	8,489(c)	7,750	4,201	11,285	7,602	2,494	15,022	10,738				

* Since imports are available for January—August 1971, available supply could not be worked out.

*** Figures represent projections built on 10 per cent linear growth per annum.

A As furnished by D. C. O. C. I. (Dyes Panel).

@@ Combined capacity of 1,068 tonnes of Sudarshan Chemical Industries Ltd., for 12 protected and 2 non-protected Intermediates.

** For captive use.

(bb) Combined capacity of 120 tonnes for Amar Dye-Chem for 4-chloro-2-nitroaniline and *ortho*-nitroaniline.

@@@ M/s. Hickson & Dadajee's estimates.

@ Combined capacity of 1000 tonnes of Amar Dye-chem for 10 protected Intermediates.

(b) Combined capacity of Amar Dye-Chem for *para*-nitroanisole and *ortho*-nitroanisole.

(c) Exclusive of combined capacities.

Z Sudarshan's estimate.

ANNEXURE XIB

(*Vide* Paragraphs 7.1, 7.2.1 and 15.2)

Statement showing capacity, production, available supply, imports, c. i. f. prices and ex-works costs as furnished by the producers of Dye-Intermediates.

Sl. No.	Intermediates	Capacity (Tonnes) 1970	Capacity (Tonnes) 1971	1970 Production (Tonnes)	1970 Imports (Tonnes)	1970 Available supply (Production + Imports - Exports) (Tonnes)	1971 Production (Tonnes)	1971 *Imports + (Jan.-Aug.) (Tonnes)	Estimated Requirements by 1973 ***	Estimated Requirements by 1973-74 A	Lowest ex-works cost	C.i.f prices Rs./kg.	Landed cost ex-duty Rs./kg.	Difference between lowest ex-works cost & landed cost ex-duty as percentage of landed cost ex-duty	Existing rate of duty (%) Standard/Preferential
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Existing Protected Intermediates															
1.	1-Amino-6-nitro-2-naphthol-4-sulphonic acid.	65	N.F.	5	N.A.	5	31	N.A.	8	12	49.12	20.66	20.73	137.0	60–50
2.	2-Naphthyl-thioglycolic acid.	30	30	21	N.A.	21	9	N.A.	28	2	67.99	29.39	29.46	130.8	60–50
3.	4-Chloro-2-anisidine .	150	150	22	N.A.	22	29	N.A.	29	100	21.83	N.A.	N.A.	N.A.	60–5o
4.	4-Chloro-*ortho*-toluidine	N.F.	@	14	N.A.	14	45	N.A.	19	44	28.90	15.00	15.07	91.8	60–50
5.	1,4'-Diaminostilbene-2,2'-disulphonic acid	367	484	316	N.A.	316	387	N.A.	421	304	32.80	13.50	13.57	141.7	100–90

6. 4,4'-Dinitrostilbene-2, 2'-disulphonic acid.	208	128	115	N.A.	115	157	N.A.	153	435	23.06	9.20	9.27	148.8	60—50
7. 1,5-Diaminoanthraquinone	29	29	24	N.A.	24	20	N.A.	32	35	81.19	61.05	61.12	32.8	60—50
8. 2,5-Dimethyl-4-chlorophenyl-thioglycolic acid.	36	36	29	N.A.	29	15	N.A.	39	13	67.16	68.40	68.47	(—)1.9	0—50
9. 1,4-Diaminoanthraquinone.	43	43	36	Neg.	36	17	1	48	53	56.83	58.00	58.07	(—)2.1	60—50
10. *ortho*-Chloroaniline .	N.A.	@	10	N.A.	10	32	N.A.	13	82	4.80	5.50	5.57	(—)13.8	60—50
11. *para*-Nitrosophenol .	14	14	7	N.A.	7	5	N.A.	10	N.A.	12.26	8.11	8.18	49.9	60—50
12. *para*-Nitrotoluene-*ortho*-sulphonic acid.	20	20 +(C)	195	53	248	171	22	330	286	7.40	5.59	5.66	30.7	60—50
13. R-Salt	9	16	5	NA.	5	Neg.	N.A.	7	12	24.11	16.50	16.57	45.5	60—50
14. Schaeffer acid . .	10	36	14	Nil	14	31	2	19	2	13.09	12.54	12.61	3.8	60—50
New Intermediate														
15. 2,5-Dichloronitrobenzene.	330+ (d)	90+ (d)	283	235	518	105	94	690	298	5.92	3.15	3.22	83.9	60—50
TOTAL .	1,311	1,070	1,096	288	1,384	1,054	119	1,846	1,678					

*** Figures represent projections built on 10 per cent linear growth per annum.

A As furnished by D. C. O. C. I. (Dyes Panel).

* Since imports are available for January—August, 1971, available supply could not be worked out.

(c) Refer to remark in Annexure VII-A.

(d) Refer to remark in Annexure VII- C

@ Refer to remark in Annex ure XI-A.

Summary of data contained in Annexures VII and XI

(In Tonnes)

Sl. No.	Particulars	1970			Estimated Requirements by	
		Capacity	Production	Available supply	1973**	1973/74@
I	Total of costed items . .	9,151	7,750	1,1285	15,022	10,738
II	Total of non-costed items . .	1,311	1,096	1,384	1,846	1,678
III	Total of Annexure VII-B excluding one item included in I above . .	180	90	4,205	5,598	3,991
IV	Total of Annexure VII-C excluding five items included in I and II above	7,248	5,497	11,433	15,217	7,347
V	Total of Annexure VII-D . .	NIL	NIL	NIL	NIL	2,600
	GRAND TOTAL	17,890	14,433	28,307	37,683	26,354

**Figures represent projections built on 10 per cent linear growth per annum.

@As furnished by D. C. O. C. I. (Dyes Panel).

ANNEXURE XII-A

(*Vide* paragraph 8.1)

Minutes of the first Meeting of the Standing Committee for Dyestuff Industry—development of

Following were present:

Chairman

1. Dr. B. D. Tilak, Director, NCL, Poona.

Members

2. Shri Joginder Singh, Industrial Adviser, DGTD, New Delhi.
3. Dr. K. I. Narasimhan, Director, Office of the Textile Commissioner, Post Box No. 10001, Bombay.
4. Shri J. H. Doshi, M/s. Amar Dye-Chem. Ltd., Bombay.
5. Shri H. C. Khatiwala, President, Dyestuff Manufacturers' Association, Bombay.
6. Shri M. K. Chitre, Director, DGSSI, New Delhi.

Invitees

7. Shri B. N. Banerji, Chairman, Tariff Commission, Bombay.
8. Shri F. H. Vallibhoy, Member, Tariff Commission, Bombay.
9. Shri Pramod Singh, Member, Tariff Commission, Bombay.
10. Shri S. J. Shah, M/s. Aniline Dyestuffs & Pharmaceuticals Ltd., Bombay.
11. Dr. Mitra, Dy. Director, NCL, Poona.
12. Shri S. V. Desai, M/s. Amar Dye-Chem. Ltd., Bombay.

Member Secretary

13. Shri G. S. Apte, Project Officer, Min. of P & C, New Delhi.

Dr. Tilak welcomed the Members of the Standing Committee and mentioned the terms of reference of the Committee as given in Para 2 of the Ministry of Petroleum and Chemicals letter regarding the appointment of the Committee. He requested Mr. Banerji to let the Committee have the benefit of his advice regarding the functioning of the Committee as envisaged by him and his colleagues in the Tariff Commission. Since the terms of reference were prepared in the context of the Tariff Commission recommendation suggesting the appointment of the Committee his advice in this context was felt useful.

2. Mr. Banerji stated that the periodic enquiries conducted by the Tariff Commission would not provide adequate protection for a complex industry like dyestuff in the light of the multiplicity of products, flexibility of production capacities and the continuously changing demand and supply position. In order to look after the working of the dyestuff industry and ensuring support from the governmental agencies in the form of protection, restriction/banning and permitting the imports of dyes and intermediates, a standing body would be more useful. Such a committee could meet periodically—initially every two months and thereafter every quarter and take stock of the position regarding the various problems of the industry. The committee may concentrate and advise the government regarding remedial measures necessary particularly on the following:

1. Price trends in the dyes and dyes intermediates.
2. An examination of the capacities installed, approved and the utilisation of these capacities.
3. The technological and productivity improvements that are taking place in the industry.
4. Distribution mechanism to ensure a smooth flow of the products.

3. He felt that the dyestuff industry had vast potential because of a large built-in market within the country and opening out of new markets outside India in the other developing countries where the textile production was coming up.

4. Mr. Banerji felt that the immediate assistance which the Tariff Commission wanted from the Standing Committee was in respect of classification of 53 intermediates which are protected at present, into 3-4 broad categories such as primary, secondary, tertiary so that the Tariff Commission could examine the possibility of recommending graded duty on these with the increasing level of processing. The Commission would also like to get the Committee's views on the list of 49 intermediates about which ICMA had made a representation for suitable protection.

5. Shri Vallibhoy mentioned that the Committee's deliberation would be useful to the Commission if comprehensive data regarding production and capacity both in the large and small sector could be compiled by the Committee in view of the inclusion of the members representing large and small dyestuff manufacturers. He also felt that Committee's views on a centralisation of R & D effort of the industry would be useful. The Committee may also consider the question of selective distribution control to ensure a development of the industry.

6. After a detailed discussion regarding various aspects of the working of the dyestuff industry and the functioning of the Standing Committee it was decided that in view of the request made by

the Chairman and the Members of the Tariff Commission, the Committee should immediately concentrate its attention to classification of the 53 protected intermediates into 4 categories. Similarly classification of the 48 intermediates for which protection has been claimed by ICMA may also be undertaken.

7. After detailed discussion a proforma was drawn up for collection of data regarding production, imports and price of indigenous and imported products. It was decided that ICMA, Dyes Manufacturers Association will fill up the proforma in respect of individual intermediate. There is considerable data required for completion of the proforma available with Tariff Commission. The Chairman, Tariff Commission agreed to make this available to ICMA. It was decided that ICMA will complete forms in respect of each intermediate so that they can be examined at the next meeting.

8. The Committee classified the 53 protected intermediates into 5 categories as under:

1. RM—Raw materials used for manufacture of intermediate.
2. P—Primary intermediates.
3. S—Secondary intermediates.
4. T—Tertiary intermediates.
5. D—Items in the list which are classified and duty charged as dyestuffs.

A similar classification of the list of intermediates in the ICMA representation was prepared.

It was decided that ICMA will send these lists I & II as classified by the Standing Committee to the manufacturers of Dye intermediates and get their comments. These comments will be examined in the next meeting and the recommendation to the Tariff Commission will be finalised.

9. It was decided that the next meeting will be held on 27th September in Bombay at Sasmira at 11 a.m.

ANNEXURE XII-B

(*Vide* paragraph 8.1)

Minutes of the Second Meeting of the Standing Committee for the Dyestuff Industry held on 12th November, 1971 in Bombay

Present

Chairman

Dr. B. D. Tilak, Director, National Chemical Laboratories, Poona.

Members

Shri Jastinder Singh, Development Officer (Dyes), D.G.T.D., New Delhi.

Shri M. K. Chitre, Director (Chemicals), D.C.S.S.I., New Delhi.

Shri K. I. Narasimhan, Director, Textile Commissioner's Office, Bombay.

Shri J. H. Doshi, M/s. Amar Dye Chem. Ltd., Rang Udyan, Sitaladevi Temple Road, Bombay-16.

Shri H. C. Khatiwala, President, Dyestuff Manufacturers Assocn., 296, Samuel Street, Vadgadi, Bombay-3-BR.

Member Secretary

Shri G. S. Apte, Project Officer, Min. of Petroleum & Chemicals.

Invitees

Dr. Mitra, Director, National Chemical Laboratories, Poona.

Shri F. H. Vallibhoy, Member, Tariff Commission, Bombay.

Shri Pramod Singh, Member, Tariff Commission, Bombay.

Shri Shivanand Shah, Chairman, Basic Chemicals Pharmaceuticals & Soaps, Export Promotion Council.

The draft minutes of the first meeting circulated to the Members and amended in the light of the comments received from the Members were approved by the Committee.

2. Following decisions were taken in respect of Agenda items Nos. 2, 3 & 5 of the First Meeting, which were not covered during the discussions held at the time of the First Meeting.

Agenda item No. 2 of the First Meeting

(a) *Import Export statistics*

Basic Chemicals Pharmaceuticals Export Promotion Council is collecting data in respect of import and export of dyes and they would be able to furnish these details in respect of both imports and exports during the last 3 years. The Secretary of the Standing Committee will address the Basic Export Promotion Council and the copy of this will be endorsed to ICMA. ICMA will assist in collection of this information.

(b) *Prices of Dyes and Dye-intermediates*

ICMA will furnish information in respect of prices of dyes and dye-intermediates to the Secretary of the Standing Committee. As far as dyes are concerned, they will give prices in each group of 8 to 10 important dyes (major items of production and sale) and in respect of intermediates information will be given for each intermediate.

(c) ICMA/Dyes Manufacturers Association will also supply information regarding demand estimates for each intermediate.

Agenda item No. 3 of First Meeting

(i) It was decided that the representations in respect of import export policy will be considered by the Standing Committee only when these are received through the Associations. Import Trade Control Policy provides individual representations being made to the CCI & E after furnishing information as required under the Import Trade Control Policy (Appendix XXVII). If, however, the Associations consider any specific suggestions either on their own or after considering representations received by the individual manufacturers, then these may be submitted for the examination of the Standing Committee and the Committee may make suitable recommendations to the Government after examining the data furnished by the Association.

(ii) The Import Policy for the next year will be considered sometime in January. It was, therefore, decided that ICMA and Dyes Manufacturers Association will prepare Memorandum regarding suggestions in the Import Trade Control Policy and these will be examined at the next meeting of the Standing Committee. It was also decided that Secretary may write to SASMA, ICMF, IWMF and Indian Paints Manufacturers Association and request them to suggest any changes that they may like to have in the Import Trade Control Policy. After these have been received, these will be submitted for the consideration of the Committee.

Agenda item No. 5 of First Meeting

This item was discussed in depth and Shri Vallibhoy and Shri Pramod Singh also participated during the discussion. Many participants felt that the Indian prices of dyes/dyes intermediates were on the high side. The actual quoted prices differed substantially from the prices indicated by the firms while applying for the Industrial Act Licence. It was felt necessary that the prices should be brought down and these products should be marketed at more economic level in the interest of the consumers, healthy growth of the industry and for larger exports. It was, however, felt that in a complex industry where the number of products is so large and where the production capacities are inter-changeable in respect of different products any control on prices would be very difficult. It may, therefore, be necessary to keep the prices down by having an excess of supplies with reference to demand so that adequate competition between the producers results in competitive prices. In some cases, the excess required may have to be ensured by permitting limited imports. The quantum of protection to be afforded by way of customs duties will, therefore, have also to take into account the desirability of maintaining fair prices within country. In this context, it was decided that the Standing Committee in association with National Chemical Laboratory may examine the data furnished by the Intermediate Manufacturers and assess reasonableness or otherwise of prices of indigenously marketed intermediates.

Item No. 3 *of the Agenda* (*2nd Meeting*)

It was noted that considerable work regarding demand for dyestuffs will be undertaken by the Development Council (Specially the Dyes Panel of the Council). It was, however, felt that the perspective plans to take into consideration new types of dyes that are likely to be developed and marketed in the country may not be available from the Development Council's deliberations. It may also not be possible to assess the impact of new technological developments like high pressure high temperature dyeing, requirements of dyes for newer synthetic fibres, etc., to be available from the general assessments. It was, therefore, felt that a small group of technologists could be asked to go into the perspective planning of the dyestuff manufacture during the next 10 years. Chairman of the Standing Committee will nominate this group.

Item No. 4

It was felt that the Technical Group to be appointed to look after the perspective planning may also examine the question of research and development. The Group may obtain an idea from the dyestuff manufacturers regarding the areas of R & D activities of individual manufacturers.

Item No. 5

(a) Letter dated 22nd September 1971 from the Secretary, Tariff Commission to the Secretary, Standing Committee was examined and discussed in detail. The following classification was agreed:—

(i) *Intermediates which have been released from GATT*

8 intermediates appearing in para 2 of the letter were classified as under:—

(i)	Amino Azo Benzene Hydrochloride	Cotegory 'S' (Secondary intermediates)
(ii)	Sulphanilic Acid	
(iii)	Naphthionic Acid/Sodium Naphthionate	
(iv)	Nevile and Winther's Acid	
(v)	Meta Phenylene Diamine	
(vi)	Meta Toluylene Diamine	
(vii)	Laurent's Acid	
(viii)	G-Acid Salt	

(ii) Intermediates in Annexure A of the letter were classified as under:—

Item No.	*Classification*
1. 3-Amino Anisic Acid Anilide	T
2. 1-Chloro 2:4-Dinitrobenzene	S
3. 2:4-Di-Chloro-Nitro Benzene	S
4. Ethyl Benzyl Aniline	S
5. Ortho-Nitro-4-Chloro Toluene	S
6. Michlers' Ketone	S
7. Para-Chloro-Phenol	S
8. Phenyl-Alpha-Naphthylamine	S
9. Phenyl Hydrazine	S
10. Tetramethyl Thio Urea	S
11. 4:4 Di (6-Methyl Benzthiazyl) azo benzene	T
12. Phenyl Methyl Pyrazolone	T
13. Aniline	P
14. Ortho-Dichloro Benzene and	P
15. Para Cresidine	S

It was decided that items in Annexure 'B' to the letter, classified at present, need not be classified since their requirement was small (less than 10 tonnes).

The representative of ICMA did not participate in the discussion as he and his Association did not agree to the classification of intermediates if they were to be used by the Tariff Commission as the basis for arriving at duty protection (*vide* also discussion on item 6).

(b) Letter received from M/s. Amar Dye-Chem. Ltd., was discussed and examined by the Committee. In respect of points (i) & (ii) it was felt that the imports are arising only basically out of exports and ICMA's suggestion that dyes will be supplied by the manufacturers to exporters at international prices against exports of finished products (coir, leather, etc.) deserved consideration. It was felt that this matter may be taken up further. ICMA may make this suggestion and Standing Committee will forward it to the Ministry of Foreign Trade. If ICMA came up with suitable proposals, these may be considered, in the next meeting for making recommendations for the next years import policy so that import of such dyes as are supplied at international prices is banned fully.

Item No. 6

The Committee considered comments of the Dyestuff Manufacturers Association and the ICMA regarding classification of intermediates into 4 categories. Letters written by ICMA's representative to the Tariff Commission were also examined. After detailed discussion it was agreed that classification of intermediates into 4 categories (RM, Primary, Secondary and Tertiary) would be useful though there may be a few hard cases which may have to be examined individually in order to avoid any serious hardships to manufacturers of such intermediates. The ICMA representative however stated categorically that his Association did not feel it right to use the classification now suggested for the purposes of determining the degree of protection in the form of customs duties. In his view the indigenous cost of production should be the criterion used for determination of quantum of duty protection to be given to each intermediate. These views of the ICMA were noted. It was, however, the opinion of all other participants that the classification would be useful to both the industry and the consumers and it will serve as a useful guide to the Government in determining tariff policies.

It was repeatedly stated both by the Chairman and the Tariff Commission Members that notwithstanding the classification proposed the industry would be still free to represent in individual hard cases. Further where the country's demand was fully met by indigenous production the normal restrictions for importing such products would prevail. With these safeguards the industry need have no apprehensions about the proposed classification of intermediates.

Item No. 7

Proforma received from the Dyestuff Manufacturers were circulated to the Members and they will be examined by National Chemical Laboratory to ascertain whether costs are reasonable and the extent to which protection is called for or required.

The meeting ended with a vote of thanks to the Chair.

ANNEXURE XIII

(*Vide* paragraph 8.2)

Classification of Dye-Intermediates into Primary, Secondary and Tertiary

A—53 PROTECTED DYE-INTERMEDIATES

Sl. No.	Intermediates	Classification as per Standing Committee	Classification as per Dyestuffs Mfrs. Association
1	2	3	4
1	Acetoacetanilide	T	S
2	Acetoacet-*ortho*-chloroanilide	T	S
3	Acetoacet-*ortho*-toluidide	T	S
4	Amino-iso-G-acid (2-naphthylamine-5, 7-disulphonic acid/amido-J-acid)	S	S
5	1-Amino-6-nitro-2-naphthol-4-sulphonic acid	T	T
6	1-Aminoanthraquinone	S	S
7	Anthraquinone	P	P
8	Anthraquinone-1-sulphonic acid sodium Salt	S	S
9	Benzanthrone	S	S
10	*beta*-Aminoanhtraquinone (2-aminoanthraquinone)	S	S
11	*beta*-Naphthalene thioglycolic acid (2-napththyl-thioglycolic acid)	T	T
12	BON Acid (2-hydroxy-3-naphthoic acid)	T	T
13	Benzoyl-J-acid (2-Benzoylamino-5-natphthol-7-sulphonic acid)	S	S
14	C-Acid (6-chloro-*meta*-toluidine-4-sulphonic acid)	T	T
15	1-Chloroanthraquinone	S	S
16	4-Chloro-2-anisidine	D	D
17	4-Chloro-2-nitroanisole	S	S
18	4-Chloro-2-nitroaniline	D	D

A—53 PROTECTED DYE-INTERMEDIATES—*Contd.*

1	2	3	4
19	4-Chloro-*ortho*-toluidine	D	D
20	5-Chloro-*ortho*-toluidine	D	D
21	Diethyl-M-aminophenol (*meta*-diethylaminophenol)	T	S
22	Diaminostilbene disulphonic acid (4,4′-diaminostilbene-2,2′disulphonic acid)	T	T
23	Dinitrostilbene disulphonic acid (4,4′-dinitrostilbene-2,2′-disulphonic acid)	S	S
24	1,4-Diaminoanthraquinone	D	D
25	1,5-Diaminoanthraquinone	S	S
26	2,6-Diaminoanthraquinone	S	S
27	2,5-Dichloroaniline	D	D
28	2,5-Dimethyl-4-chlorophenylthioglycolic acid	T	T
29	J-Acid (2-naphthylamine-5-hydroxy-7-Sulphonic acid)	S	S
30	*meta*-Nitroaniline	S	S
31	*meta*-Nitro-para-toluidine	D	D
32	Metanilic Acid	S	S
33	*meta*-Chloroaniline	D	D
34	*ortho*-Chloroaniline	D	D
35	*ortho*-Anisidine	S	S
36	*ortho*-Nitroaniline	D	D
37	*ortho*-Nitroanisole	S	S
38	*Ortho*-Aminoazotoluylene (2,3′-dimethyl-4-aminoazobenzene *or* 4-*ortho*-tolylazo-*ortho*-toluidine)	D	D
39	*ortho*-Toluidine	S	S
40	*para*-Anisidine	S	S
41	*para*-Chloroaniline	S	S
42	*para*-Nitroanisole	S	S
43	*para*-Nitrosophenol (1-hydroxy-4-nitrobenzene)	S	S
44	*para*-Nitrotoluene-*ortho*-sulphonic acid (toluene-4-nitro-2-sulphonic acid *or* benzene-1-methyl-4-nitro-2-sulphonic acid)	S	S
45	*para*-Toluidine	S	S

A—53 PROTECTED DYE-INTERMEDIATES—*Concld*

1	2	3	4
46	*para*-Toluidine-*meta*-sulphonic acid	S	S
47	Peri-acid (1-naphthylamine-8-sulphonic acid)	S	S
48	Phenyl-J-acid (2-phenylamino-5-naphthol-7-sulfonic acid or 2— phenylamino—5-hydroxy-naphthalene-7-sulfonic acid)	S	S
49	Phenyl-peri-acid (1-phenylamino naphthalene-8-sulfonic acid)	S	S
50	Quinizarin (1,4-dihydroxyanthraquinone)	S	S
51	R-salt (2-naphthol-3, 6-disulphonic acid sodium salt)	S	S
52	Schaeffer acid (2 naphthol-6-sulphonic acid)	S	S
53	Tobias acid (2-naphthylamine-1-sulphonic acid)	S	S

B—FIVE NEW ITEMS WHICH ARE CONSIDERED FOR PROTECTION

1	Acetoacet-*ortho*-anisidine	T	S
2	Acetoacet-*meta*-xylidide	T	S
3	Acetoacetic ester	S	P
4	*beta*-Naphthol	P	P
5	Dimethyl sulphate	N.F.	N.F.

C—SEVENTEEN ITEMS RECENTLY RELEASED FROM GATT BINDINGS

1	Aminoazobenzene hydrochloride	S	N.F.
2	Benzidine dihydrochloride	N.F.	N.F.
3	Chicago acid	S	S
4	Dinitrochlorobenzene**	S	S
5	G-Salt or G-acid	S	N.F.
6	Gamma-acid	S	S
7	H-Acid	S	S
8	J-Acid urea	S	S
9	Laurent acid	S	N.F.
10	*meta*-Toluylenediamine	S	N.F.
11	*meta*-Phenylenediamine	S	N.F.
12	Nevile and Wintner's acid (NW-acid)	S	N.F.
13	*para*-Nitroaniline	S	S

C—SEVENTEEN ITEMS RECENTLY RELEASED FROM GATT BINDINGS—*Contd.*

1	2	3	4
14	*para*-aminoacetanilide	N.F.	N.F.
15	Rhoduline acid/di-J-acid (6,6′-imino bis-1-naphthol-3-sulphonic acid)	S	S
16	Sulphanilic acid	S	N.F.
17	(a) Sodium naphthionate	S	N.F.
	(b) Naphthionic acid	S	N.F.
	D—FIFTEEN ITEMS FOR WHICH DUTY CONCESSION HAS BEEN ASKED FOR		
1	3-Amino anisic acid anilide	T	N.F.
2	1-Chloro-2, 4-dinitrobenzene**	S	N.F.
3	2,5-Dichloronitrobenzene	S	N.F.
4	Ethyl benzylaniline	S	N.F.
5	*ortho*-Nitro-4-chloro toluene	S	N.F.
6	Michler Ketone or 4,4′-bis (dimethylamino)-benzophenone	S	N.F.
7	*para*-chlorophenol	S	N.F.
8	Phenyl alphanaphthylamine	S	N.F.
9	Phenyl hydrazine	S	N.F.
10	Tetramethylthiourea	S	N.F.
11	4,4 Di (6-methylbenzthiazyl) azobenzene	T	N.F.
12	Phenylmethylpyrazolone (3-methyl-1-phenyl-5-pyrazolone)	T	S
13	Aniline	P	N.F.
14	*ortho*-Dichlorobenzene	P	N.F.
15	*para*-Cresidine	P	N.F.

**—This is also referred to as dinitrochlorobenzene at Sl. No. 4 under Annexure 'C.

P—Primary Intermediates.

S—Secondary Intermediates.

T—Tertiary Intermediates.

D—Items which are classified as Dyes.

N.F.—Not furnished.

ANNEXURE XIV

(*Vide* paragraph 9.1.1)

A list of 29 Standards published by Indian Standards Institution

IS:2741-1964	*beta*-Naphthol
IS:2744-1964	*alpha*-Naphthylamine
IS:2833-1964	Aniline, technical
IS:3229-1965	Naphthionic acid (sodium salt)
IS:3242-1965	*beta*-Oxy naphthoic acid (BON ACID)
IS:5299-1969	Methods of sampling and tests
IS:4334-1967	*o*-Chloroaniline
IS:4336-1967	*p*-Chloroaniline
IS:4335-1967	*m*-Chloroaniline
IS:4524-1968	Acetoacet-*o*-chloroanilide
IS:4523-1966	*o*-Aminoacetanilide
IS:4525-1968	*p*-Aminoacetanilide
IS:3562-1965	*p*-Nitrotoluene, technical
IS:2630-1964	Nitrobenzene, technical
IS:5045-1969	Metanilic acid, technical
IS:5438-1969	Nitrobenzene-*m*-sulphonic acid (sodium salt
IS:4425-1967	*p*-Nitrotoluene-*o*-sulphonic acid
IS:4528-1968	4,4′-Dinitrostilbene-2,2′-disulphonic acid (disodium salt)
IS:4255-1967	4,4′-diaminostilbene 2-2′-disulphonic aci
IS:2740-1964	Sulphanilic acid, technical
IS:4527-1968	2-Nitro-4-chlorotoluene
IS:4526-1968	2,5-dichloroaniline
IS:5044-1969	Benzanthrone
IS:5042-1969	1-Aminoanthraquinone
IS:5043-1969	2-Aminoanthraquinone
IS:5648-1970	*o*-Anisidine
IS:5646-1970	*p*-Anisidine
IS:5649-1970	*o*-Toluidine
IS:5647-1970	*p*-Toluidine

19—10 T. C. /B/ 72

ANNEXURE XV

(*Vide* paragraph 11.1)

List I, II and III of Appendix 24 of Red Book

A. DYE-INTERMEDIATES, BANNED FOR IMPORT AS GIVEN IN LIST I (ANNEXURE TO APPENDIX 24 OF THE RED BOOK)

1. Benzanthrone
2. 2-Aminoanthraquinone
3. *beta*-Naphthylamine (Fast Scarlet B base)
4. 2-Hydroxy-3-naphthoic acid (BON Acid)
5. 4, 4^1-Dinitrostilbene-2, 2^1-disulphonic acid
6. *para*-Nitrotoluene-*ortho*-sulphonic acid
7. Sulphanilic acid.

B. DYE-INTERMEDIATES, IMPORTS OF WHICH WERE PERMITTED FOR EXPORT PRODUCTION ONLY AS GIVEN IN LIST II, (ANNEXURE TO APPENDIX 24 OF THE RED BOOK)

1. 3-Carboxy-1-*para*-(p-sulphophenyl)-5-pyrazolone
2. 4, 4^1-Diaminostilbene-2, 2^1-disulphonic acid
3. Diethyl-*meta*-aminophenol
4. 1-(2, 5 Dichloro-4-sulphophenyl)-3-methyl-pyrazolone
5. Metanilic acid
6. phenylmethylpyrazolone (3-Methyl-1-phenyl-5-pyrazolone)
7. 1-(p-Sulphophenyl)-3-methyl-5-pyrazolone

C. IMPORTS OF DYE-INTERMEDIATES PERMITTED ON RESTRICTED BASIS AS PER LIST III (ANNEXURE TO APPENDIX 24 OF THE RED BOOK)

1. Acetoacetanilide
2. Acetoacet-*ortho*-chloroanilide
3. Acetoacet-*para*-chloroanilide
4. Acetoacet-*ortho*-toluidide
5. 1-Aminoanthraquinone
6. Amino-iso-Gamma-acid

ANNEXURE XV—*Contd.*

7. 1-Amino-2-naphthol-4-sulphonic acid
8. 1-Amino-6-nitro-2-naphthol-4-sulphonic acid
9. Anthraquinone
10. O-Anisidine (*ortho*-anisidine)
11. P-Anisidine (*para*-anisidine)
12. Benzoyl-J-acid
13. C-acid (2-chloro-5-toluidine-4-sulphonic acid/sodium salt)
14. Chicago acid
15. 1-Chloroanthraquinone
16. 1, 4-Diaminoanthraquinone
17. 1, 5-Diaminoanthraquinone
18. 2, 6-Diaminoanthraquinone
19. 1, 5-Dibenzoyl naphthalene
20. Di-J-acid
21. 2, 5-Dimethyl-4-chlorophenyl thioglycolic acid
22. Diphenylamine
23. G-Salt
24. Gamma acid
25. H-acid
26. J-Acid
27. J-acid urea
28. Laurent acid
29. N. W. Acid
30. Naphthionic acid/sodium naphthionate
31. 2-Naphthyl thioglycolic acid
32. *ortho*-Nitroanisole
33. *para*-Nitroanisole
34. P-Nitrosophenol (1-hydroxy-4-nitrobenzene)
35. Peri-acid
36. Phenyl-J-acid
37. Phenyl-peri-acid
38. Quinizarin (1, 4-dihydroxy anthraquinone)
39. Resorcinol
40. Rhoduline acid
41. Schaeffer acid
42. Tobias acid
43. *ortho*-Toluidine
44. *para*-Toluidine
45. *para*-Toluidine-5-sulphonic acid/sodium salt.

ANNEXURE XVI

(*Vide* paragraph 11.2)

A : Imports of 31 out of 53 Protected Dye-Intermediates

Sl. No.	Dye-Intermediates	1968		1969		1970		1971 (Jan.-Aug.)	
		Quantity Kgs.	Value Rs.	Quantity Kgs.	Value Rs.	Quantity Kgs.	Value Rs.	Quantity Kgs.	Value Rs.
1	2	3	4	5	6	7	8	9	10
1	Acetoacetanilide	70,498	3,69,043	1,52,107	8,81,795	2,54,201	13,00,260	48,602	2,49,806
2	Acetoacet-*ortho*-chloroanilide .	35,650	2,88,010	69,475	5,81,711	1,34,078	11,00,524	77,925	5,72,995
3	Amino-iso-G-acid(2-naphthylamine-5,7-disulphonic acid/amido-J acid)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	1-Aminoanthraquinone . .	3,781	1,05,997	NIL	NIL	3,584	1,29,612	247	10,840
5	Anthraquinone	5,33,546	15,28,445	45,444	2,66,679	25,025	1,92,396	2,955	1,23,328
6	Benzanthrone	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
7	Benzoyl-J-acid(2-benzoylamino-5-naphthol-7-sulphonic acid) .	1,152	30,836	449	14,992	910	22,766	848	25,162
8	*beta*-Aminoanthraquinone(2-amino-anthraquinone . . .	NIL	NIL	NIL	NIL	NIL	NIL	1,372	99,904

9	BON Acid (2-hydroxy-3-naphthoic acid)	NIL	NIL	NIL	NIL	NIL	NIL	400	18,327
10	1-Chloroanthraquinone	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
11	1,4-Diaminoanthraquinone	150	3,619	11	182	205	10,145	1,297	35,855
12	2,6-Diaminoanthraquinone	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
13	2,5-Dichloroiniline	NIL	NIL	NIL	NIL	1,000	16,493	NIL	NIL
14	Diethyl-M-aminophenel (*meta*-diethyl aminophenol)	6,592	1,47,992	5,761	1,18,718	56,944	14,16,895	34,534	8,55,189
15	J-Acid (2-naphthylamino-5-hydroxy-7-Sulphonic Acid)	18,431	3,55,462	13,405	2,46,905	22,666	4,60,296	31,969	6,32,721
16	Metanilic acid	10,930	50,263	NIL	NIL	NIL	NIL	NIL	NIL
17	*meta*-Nitroaniline	24,754	1,61,434	71,610	3,80,058	16,180	1,07,172	28,000	2,42,092
18	*ortho*-Anisidine	1,72,688	10.79,234	71,619	4,45,622	67,764	4,70,107	19,560	1,41,022
19	*ortho*-Toluidine	2,33,961	10,03,909	1,59,799	11,02,648	2,25,950	25,38,122	85,444	12,62,630
20	*para*-Chloroaniline	4,265	29,603	25,121	1,93,786	4,061	43,070	1,297	6,734
21	*para*-Nitroanisole	5,000	27,750	NIL	NIL	NIL	NIL	2,305	8,997
22	*para*-Nitrotoluene-*ortho*-sulphonic acid. (toluene-4-nitro-2-sulphonic acid or benzene-1-methyl-4-nitro-2-Sulphonic acid)	1,63,406	5,12,669	18,000	56,349	53,336	1,82,967	21,500	78,954
23	*para*-Toluidine-*meta*-sulphonic acid	NIL	NIL	NIL	NIL	1,410	17,831	1,080	17,225
24	Peri-acid (1-naphthylamino-8-Sulphonic acid)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
25	Phenyl-J-acid (2-phenylamino-5-naphthol-7-sulfonic acid or 2-phenl-amino-5-hydroxyna phthalene-7-sulfonic acid)	3,779	85,355	6,303	1,90,419	6,955	2,21,971	7,741	2,70,220
26	Phenylperi acid (1-phenylamino-naphthalene-8-sulphonic acid)	386	7,696	8,936	1,84,710	7,490	1,52,910	5,496	1,11,443

ANNEXURE XVI—*contd.*

1	2	3	4	5	6	7	8	9	10
27	*para*-Anisidine	33,446	5,02,951	34,064	2,32,563	44,280	3,03,753	25,449	2,24,110
28	*para*-Toluidine	2,54,708	11,73,124	53,109	2,56,270	94,740	5,14,475	64,345	2,96,[illegible]
29	Quinizarin(1,4-dihydroxyanthraquinone).	1,478	63,512	NIL	NIL	1,012	42,302	1,751	84,260
30	Schaeffer acid(2-naphthol-6-sulphonic (acid)	NIL	NIL	NIL	NIL	NIL	NIL	1,552	14,970
31	Tobias acid(2-naphthylamine-1-sulphonic acid)	5,226	50,645	21,845	2,02,515	45,380	4,46,558	444	9,792
	TOTAL .	17,27,890	133,77,549	7,58,288	56,75,940	10,67,171	96,90,625	4,66,113	53,92,962

Source : Monthly Statistics of the Foreign Trade of India.

B: Imports of 13 out of 18 Dye-Intermediates Enjoying Duty Concession

Sl. No.	Name of the Intermediate	1968 Quantity Kgs.	1968 Value Rs.	1969 Quantity Kgs.	1969 Value Rs.	1970 Quantity Kgs.	1970 Value Rs.	1971 (Jan.—Aug.) Quantity Kgs.	1971 (Jan.—Aug.) Value Rs.
1	2	3	4	5	6	7	8	9	10
1	Acetoacetic ester	1,03,207	5,95,624	3,71,304	20,56,066	6,15,591	34,65,229	1,20,987	6,94,618
2	dip α-Naphthylamine	2,66,208	11,33,965	2,83,500	14,35,213	3,53,297	17,76,359	2,10,542	11,19,747
3	2-Chloro-4-nitroaniline	18,200	2,05,308	16,150	1,90,201	17,860	2,31,066	15,572	1,98,234
4	3,3'-Dichlorobenzidine dihydro-chloride	75,075	5,84,741	1,33,238	17,51,556	2,21,591	35,26,550	1,80,153	18,73,460
5	Dimethylaniline	5,77,060	24,32,587	4,67,934	15,09,738	7,22,070	25,12,393	5,07,177	19,50,792
6	Diethylaniline	25,863	1,65,084	34,013	2,00,053	15,73,01	7,43,939	2,06,540	7,74,718
7	*meta*-Dinitrobenzene	80,992	2,03,464	1,40,970	4,17,415	86,752	2,34,803	1,20,541	4,78,217
8	meta-Nitrochlorobenzene	12,600	3,18,871	1,002,61	5,11,989	59,226	4,11,961	64,456	4,77,518
9	ort o-Nitrotoluene	1,63,730	1,83,978	2,72,405	3,01,812	7,46,856	11,15,486	3,92,435	6,13,697
10	*ortho*-Tolidine	1,74,825	9,42,204	78,897	4,76,240	63,650	9,36,396	1,35,978	18,31,537
11	*ortho*-Nitrochlorobenzene	2,88,346	3,31,852	3,39,549	4,75,876	4,98,315	6,59,901	3,86,902	6,40,188
12	*para*-Nitrochlorobenzene	25,140	53,544	82,000	2,20,500	3,38,290	10,06,337	1,82,000	7,77,070
13	*para*-Nitrotoluene	1,75,615	5,62,580	3,08,107	11,33,205	8,49,999	27,75,974	7,26,675	27,64,481
	Total	21,20,861	81,36,802	26,28,328	1,06,79,864	47,30,798	1,93,96,193	32,49,958	141,94,277

Source : Monthly Statistics of Foreign Trade of India.

C : Imports of 35 out of 89, Dye-Intermediates Other than-Protected

Sl. No.	Name of the Intermediates	1968 Quantity Kgs.	1968 Value Rs.	1969 Quantity Kgs.	1969 Value Rs.	1970 Quantity Kgs.	1970 Value Rs.	1971 (Jan.-Aug.) Quantity Kgs.	1971 (Jan.-Aug.) Value Rs.
1	1,2,4 Acid (1-Amino-2-naphthol-4-sulphonicacid)	3,000	36,300	17,700	2,01,985	1,762	30,812	6,66	1,04,973
2	3, Bromobenza nthrone.	20	1,078	Nil	Nil	Nil	Nil	Nil	Nil
3	Chicago acid	20,838	5,93,376	17,302	4,60,002	11,671	3,63,477	14,919	4,23,405
4	1,6-Cleve acid (1-naphthylamine-6-sulphonic acid)	104	4,415	703	12,741	3,160	52,320	958	13,165
5	Di-J-acid/rhoduline acid (6,6,/-imino.bis-1 naphthol 3-sulphonic acid)	3,738	1,40,924	823	36,202	2,301	71,558	3,926	1,92,371
6	2,5 Dichloronitrobenzene	1,62,374	4,47,012	1,73,340	5,32,616	2,34,733	7,40,527	93,667	3,46,271
7	3,9-Dibromobenzanthrone	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
8	G-salt or G-acid	Nil	Nil	2,000	35,000	Nil	Nil	Ni	Nil
9	Gamma-acid	38,557	4,44,070	29,694	3,52,059	31,498	4,23,156	24,895	3,76,715
10	H-Acid	1,44,191	14,44,812	1,42,216	14,51,676	1,60,809	18,15,369	2,15,112	28,49,719
11	J-Acid urea	25,070	3,65,455	11,318	1,94,021	21,099	4,52,515	51,984	8,03,360
12	Laurent acid	340	2 618	872	10,599	1,233	13,792	2,113	31,817
13	*meta* Phenylenediamine	37,548	2,64,372	11,973	97,831	57,285	6,36,007	36,946	4,61,226
14	*meta* Toluylenediamine	4,145	43,910	9,292	1,07,862	y0,640	1,14,764	5,000	57,500
15	Nevile and Winther's acid (NW acid)	6,890	82.535	1,131	23,018	2,919	40,760	3,327	59,977
16	1,5 Naphthalene disulphonic acid	7,628	33,374	9,255	56,291	8,889	76,763	Nil	Nil
17	*para* Aminoazobenzene	4,980	80,791	7,041	1,13,186	7,080	1,05,855	8,377	1,45,798

18	4-Aminoazobonzene 4./-sulphonic acid	Nil	Nil	Nil	Nil	1,000	17,160	Nil	Nil
19	*para* Nitraniline	37,473	2,36,480	78,551	4,78,103	35,738	2,22,609	56,414	4,00,243
20	Sodium naphthionate . . .	60,868	3,06,920	40,063	2,28,705	1,10,584	6,58,709	89,235	5,27,397
21	Sulphanilic acid	11,165	1,10,302	26,600	50,074	80,549	2,32,829	12,414	83,424
22	2-Aminophenol-1-sulphonic acid .	3,000	47,928	4,818	48,959	10,408	1,74,565	4,482	1,32,007
23	*beta*-Naphthol	13,59,654	45,15,563	17,54,343	58,17,957	24,21,123	87,02,202	18,03,783	72,08,664
24	Benzotrichloride	24,890	85,064	30,045	1,24,089	43,500	1,89,192	40,000	1,55,644
25	Benzoyl chloride	87,567	3,71,447	2,30 739	8,96,955	2,02,261	9,30,710	1,12,174	4,89,839
26	Benzidine dihydrochloride . .	8,43,262	40,65,146	2,73,846	28,64,790	3,72,546	37,11,909	2,29,776	5,06,728
27	Dimethyl sulphate	1,60,133	4,94,819	1,79,163	5,61,665	1,50,621	4,53,692	1,30,070	4,03,289
28	Monochlorobenzene . . .	1,23,654	2,21,692	52,239	1,75,022	15,280	30,063	14,000	1,91,600
29	Nitrobenzene	5,48,771	11,46,813	5,60,578	10,28,992	4,37,963	8,32,656	21,51,670	32,66,731
30	*ortho*-Dichlorobenzene . . .	10,010	22,245	6,968	1,12,500	58,147	1,55,847	1,223	16,906
31	Phathalic anhydride . . .	55,51,679	1,81,18,818	42,72,820	95,19,493	41,15,783	66,81,555	103,78,392	140,60,161
32	*para*-Toly-peri-acid . . .	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
33	*para*-Cresidine (5-Methyl-*or-ho*-anisidine)	5,752	1,33,339	11,078	2,62,752	13,362	3,22,261	10,998	2,61,393
34	*para*-Nitrotoluene-*ortho*-sulphonic acid	1,63,460	5,12,669	18,000	56,349	53,336	1,82,967	21,500	78,954
35	Resorcinol	83,469	8,27,271	92,390	8,93,427	64,941	11,58,854	25,395	3,73,712
	TOTAL .	97,43,230	3,52,01,558	80,66,901	2,68,04,921	87,42,221	2,94,85,455	155,49,416	340,22,989

Source : Monthly Statistics of the Foreign Trade of India.

ANNEXURE XVII

[*Vide* paragraph 11.15 and 15.2.9.1]

Statement showing installed capacity, production, imports, available supply, estimated requirements and selling prices of Dye-Intermediates released from GATT bindings.

Sl. No.	Name of the Intermediate	Installed Capacity		Production				Imports*				Available supply (production + imports—exports)			Estimated requirements@	Selling prices (Rs./Kg.)		
		1970 (Tonnes)	1971 (Tonnes)	1968 (Tonnes)	1969 (Tonnes)	1970 (Tonnes)	1971 (Tonnes)	1968 (Tonnes)	1969 (Tonnes)	1970 (Tonnes), (Jan-Aug)	1971 (Tonnes)	1968 (Tonnes)	1969 (Tonnes)	1970 (Tonnes)	1973-74 (Tonnes).	1968	1-1-71	1-1-72
1	Aminoazobenzene hydrochloride.	Nil	Nil	Nil	Nil	Nil	Nil	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	32	N.A.	N.A.	N.A.
2	Benzidine dihydrochloride	100	100	Nil	N.A.	Neg.	1	843	274	373	230	843	274	373	149	N.A.	N.A.	N.A.
3	Chicago acid	(+)200	(d)	15	14	11	19	21	17	12	15	36	31	23	25	58.80	59.00	59.00
4	Dinitrochlorobenzene	Nil	Nil	Nil	Nil	Nil	Nil	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1167	N.A.	N.A.	N.A.
5	G-Salt	160	60+(d)	102	138	119	131	Nil	2	Nil	Nil	102	140	119	162	10.30	12.00	16.00
6	Gamma acid	(+)	(d)	35	48	46	45	39	30	31	25	74	78	77	51	25.00	26.00	26.00
7	H-Acid	250	(d)	95	149	215	164	144	142	164	215	239	291	376	278	26.75	29.50	29.50

8	J-Acid urea	(+)	(d)	10	6	19	38	25	11	21	52	35	17	40	37	50.00	72.00	72.00
9	Laurant Acid . . .	(+)	(d)	N.A.	N.A.	N.A.	N.A.	1	1	1	2	1	1	1	N.A.	N.A.	N.A.	N.A.
10	*meta*-Toluylenediamine . .	(+)	(d)	3	4	3	N.A.	4	9	11	5	7	13	14	2	NA.	N.A.	N.A.
11	*meta*-Phenylenediamine . .	(+)	10+(d)	12	10	27	21	38	12	57	37	50	22	84	78	N.A.	N.A.	N.A.
12	Nevile and Winther s acid .	10	10	6	7	7	4	7	1	3	3	13	8	10	19	N.A.	40.00	41.00
13	*para*-Nitroaniline . . .	(+)	(d)	N.A.	1	7	N.A.	37	79	36	56	37	80	43	45	N.A.	N.A.	N.A.
14	*para*-Aninoacetanilide . .	N.A.	(d)	N.A.	N.A.	N.A.	3	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	15	N.A.	N.A.	N.A.
15	Rhoduline acid . . .	24	29	20	13	14	23	4	1	2	4	24	14	16	7	55.00	75.00	75.00
16	Sulphanilic acid . . .	141	150	70	174	201	263	11	27	81	12	81	201	282	206	N.A.	6.50	7.50
17	Sodium napthionate/ wap-hthionic acid	340	170+ (d)	261	247	266	200	61	40	111	89	322	287	377	254	10.00	12.50	12.5
		1225	529	629	811	935	912	1235	646	900	745	1864	1457	1835	2327			

(+) Combined capacity 200 Tonnes

@Figures furnished by D.C.O.C.I. (Dyes Panel)

(d) Combined capacity of Atul Products.

Neg. Negligible

*Since imports are for Jan-Aug. 1971, available supply could not be worked out,

ANNEXURE XVIII

(*Vide* paragraph 13.2)

Selling prices of protected Dye-Intermediates.

(Rs. per kg.)

Sl. No.	Name of Intermediate	Amar Dye Chem, Bombay			Atul Products, Bulsar			Atic Industries, Bulsar			Indian Dyestuff Industries, Bombay			Sudarshan, Poona			Colour Chem, Bombay		
		1968	1st Jan. 1971	1st Jan. 1972	1968	1st Jan. 1971	1st Jan. 1972	1968	1st Jan. 1971	1st Jan. 1972	1968	1st Jan. 1971	1st Jan. 1972	1968	1st Jan. 1971	1st Jan. 1972	1968	1st Jan. 1971	1st Jan. 1972
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	Acetoacetanilide	N.A.	20.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	18.00	18.00	N.A.	20.60 16.00 (w.e.f. 1-5-71)	16.00
2	Acetoacet-*ortho*-chloro anilid	N.A.	30.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	42.75	38.00	38.00	N.A.	38.00 36.00 (w.e.f. 1-5-71)	36.00
3	Acetoacet-*ortho*-toluidide	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	29.75	22.00	22.00	N.A.	25.00 21.00 (w.e.f. 1-5-71)	21.00
4	Amino-iso G-acid (2 naphthylamine 5,7 disulphonic acid/amido J-acid)	N.A.	N.A.	N.A.	N.A.	N.A.	20.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5	1-Amino-6-6 nitro-2-naphthol-4-sulphonic acid	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

6	1-Aminoanthraquinone	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	99.00	58.75	75.00 80.00 (w.e.f. 1-4-71)	80.00	N.A.	N.A.	N.A.	N.A.	N.A.	
7	Anthraquinone . . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	15.00	17.50	17.50	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
8	Anthraquinone-1-sulphonic acid, sodium salt . . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	30.00 (w.e.f. 1-4-71)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
9	Benzanthrone . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	55.00	48.50	65.00	60.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
10	*beta*-aminoanthraquinone (2-aminoanthraquinone)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	55.00	45.00	45.00	45.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
11	*beta*-Naphthalene thioglycoilc acid (2-naphthyl-thioglycolicacid)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
12	BONAcid(2-hydroxy-3-naphthoic-acid).	13.00	14.00	14.00	12.50	14.00	14.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
13	Benzoyl-J-acid (2-benzoylamino-5-naphthol-7-sulphonic acid)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
14	C-Acid (6-chloro-*meta*-toluidine-4-sulphonic acid)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	19.00	19.00	19.00	N.A.	N.A.	N.A.
15	1-Choroanthraquinone	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	38.20	55.00	55.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
16	4-Chloro-2-anisidine . .	N.A	N.A.	27.50	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
17	4-Chloro-2-nitroanisole	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
18	4-Chloro-2-nitroaniline	20.00	21.00	20.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A
19	4-Chloro-*ortho*-toluidine	N.A.	47.50	45.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
20	5-Chloro-*ortho*-toluidine	48.00	47.50	40.00	N.A.	N.A.	40.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
21	Diethyl-M-aminophenol (*meta*-diethylaminophenol) . . .	45.00	55.00	55.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

ANNEXURE XVIII—*Contd.*

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
22	Diaminostilbene disulphonic acid (4,4′-diaminostilbene-2,2′-disulphonic acid) .	N.A.	N.A.	N.A.	27.00	27.00	27.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
23	Dinitrostilbene disulphonic acid (4,4′-dinitrostilbene-2,2′-disulphonic acid) . .	N.A.	N.A.	N.A.	22.50	22.50	26.25	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
24	1,5-Diaminoanthraquinone . . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	114.00	120.00	120.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
25	2,6-Diaminoanthraquinone . . .	N.A.	N.A.	N.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	100.00	100.00	100.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A
26	2,5-Dichloroaniline .	N.A.	N.A.	17.50	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
27	2,5-Dimethyl-4-chlorophenyl-thioglycolic acid . . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
28	1,4-diaminoanthraquinone . . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	89.25	95.00	95.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
29	J-Acid(2-naphthylamine-5-hydroxy-7-Sulphonic acid) . .	N.A.	N.A.	N.A.	40.00	50.00	50.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
30	*meta*-Nitroaniline .	17.00	17.00	17.00	N.A.	N.A.	N.A.	29.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
31	*meta*-Nitro-*para*-toluidine	N.A.	N.A.	N.A.	33.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	25.00	25.00	30.00	N.A.	N.A.	N.A.
32	Metanilic acid . .	N.A.	N.A.	N.A.	13.00	12.00	12.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
33	*meta*-Chloroaniline . .	N.A.	36.50	35.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
34	*ortho*-Chloroaniline .	N.A.	21.00	19.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
35	*ortho*-Anisidine . .	14.00	14.50 13.00 (w.e.f. 11-11-1971)	13.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

36	*ortho*-Nitronisole .	7.50	8.00	8.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
37	*ortho*-Nitroaniline	20.00	21.00	18.50	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	18.40	N.A.	N.A.	N.A.
38	*ortho*-Aminoazotoluylene (2,3'-diamethy-4-aminoazobenzene) .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
39	*ortho*-Toludine . .	6.50	7.50 6.50 July, 1971 5.50 (w.e.f. Oct., 1971)	5.50	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	7.50	7.50
40	Phenyl-J-acid 2-phenyl-amino-5-naphthol-7-sulphonic acid) .	N.A.	N.A.	N.A.	55.00	60.00	60.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
41	*para*-Chloroaniline .	12.50	14.00	14.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
42	*para*-Nitroanisole .	12.00	12.00	12.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
43	*para*-Toluidine-*meta*-sulphonic acid . .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	24.00	24.00	N.A.	N.A.	N.A.
44	*para*-Nitrosophenol (1-hydroxy-4-nitrobenzene)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
45	Peri-acid (1-naphthylamino-8-sulphonic acid)	N.A.	N.A.	N.A.	25.00	25.00	25.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
46	*para*-Nitrotoluene-*ortho*-sulphonic acid (toluene-4-nitro-2-sulphonic acid or benzene-1-methyl-4-nitro-2-sulphonic acid or benzene-1-methyl-4-nitro-2-sulphonic acid)	N.A.	N.A.	N.A.	N.A.	N.A.	9.50	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
47	Phenyl peri-acid (1-phenylamino naphthalene-8-sulphonic acid)	N.A.	N.A.	N.A.	40.00	42.00	42.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
48	*para*-Anisidine .	20.00	21.50 20.00 (w.e.f. 1-7-71)	20.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

ANNEXURE XVIII—*Contd.*

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
49	*para*-Toluidine . .	14.00	15.00 12.00 (w.e.f. Oct. 1971)	12.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	13.25	N.A.	15.00	13.25
50	Quinizarin (1,4-dihydroxy-anthraquinone)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	38.85	50.00	50.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
51	R-salt(2-nap thol-3,6-disulphonic acid-di-sodium salt) . .	N.A.	N.A	N.A.	12.00	16.00	12.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
52	Schaeffer acid(2-naphthol-6-sulphonic acid)	N.A.	N.A.	N.A.	N.A.	10.00	11.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
53	Tobias acid(2-napthylamine-1-sulphonic acid) . . .	N.A.	N.A.	N.A.	16.00	19.00	19.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**These prices are related to Hickson & Dadajee.

N.A. Not available

*Octroi and Sales tax payable extra at the rates applicable.

***Price rebate of Re.0.50 per kg. was allowed on this item upto July, 1968,

ANNEXURE XIX—A

(*Vide* Paragraph 14.1.6)

Comparative statement showing the lowest fair ex-works prices of Costed Intermediates manufactured by the selected units and landed cost of imported product excluding duty according to the source of import

Sl. No.	Name of the Intermediates	Lowest Fair Ex-works price Rs. per kg.	Origin of Imports	C.I.F. Price Rs. per kg.	Landing charges Rs. per kg.	Landed Cost Ex-duty Rs. per kg.	Difference between Fair Ex-works price and landed cost Ex-duty (3-7) Rs. per kg.	Difference as % of landed cost Ex-duty	Rate of duty Standard / preferential (%)
1	2	3	4	5	6	7	8	9	10
	I. EXISTING PROTECTED INTERMEDIATES.								
1	Acetoacetanilide.	17.62 (1) 29.90	Japan	4.81	0.07	4.88	12.74 25.02	261.1 512.7	60—50
2	Acetoacet-*ortho*-chloroanilide.	29.57	Switzerland	8.58	0.07	8.65	20.92	241.8	60—50
3	Acetoacet-*ortho*-toluidide.	16.82 (2) 15.84	W. Germany	10.78	0.07	10.85	5.97 4.99	55.0 46.0	60—50

1	2	3	4	5	6	7	8	9	10
4	Amino-iso-G-acid .	17.93	W. Germany	15.42	0.07	15.49	2.44	15.8	60—50
5	l-Aminoanthraquirone	40.17	W. Germany	37.09	0.07	37.16	3.01	3.1	60—50
6	Anthraquinone . .	12.00	W. Germany	7.47	0.07	7.54	4.46	59.1	60—50
7	Anthraquirone-l-sulphonic acid, sodium salt.	17.33	U.K.	54.00	0.07	54.07(—)	36.74	(—)67.9	60—50
8	Benzanthrone . .	53·70	U.K.	57.80	0.07	57.87	(—)4.17	(—)7.2	60—50
9	2-Aminoanthraquinone	49.00	U.K.	N.A.	..	..	..	..	60—50
10	BON-Acid (2-hydroxy-3-naphthoic acid).	9.26	Japan	10.00	0.07	10.07	(—)0.81	(—) 8.0	60—50
11	'C' Acid (6-chloro-*meta* toluidine-4-sulphonic acid).	18.39	W. Germany	10.56	0.07	10.63	7.76	73.0	60—50
12	1-Chloroanthraquinone	30.37	W. Germany	37.97	0.07	38.04	7.76	(—)20.2	60—50
13	4-Chloro-2-nitroaniline	14.89	Italy	9.60	0.07	9.67	(—)5.22	54.0	100—90
14	5-Chloro-*ortho*-toluidine.	30.63	W. Germany	23.10	0.07	23.17	7.46	32.2	60—50
15	*Meta*-Diethylaminophenol.	44.49	W. Germany	23.64	0.07	23.71	20.78	87.6	100—90
16	2, 6-Diaminoanthra quinone.	64.87	N.A.	92.34	0.07	92.41	(—)27.54	(—)29.8	60—50
17	J-Acid (2-naphthylamine-5-hydroxy-7-sulphonic acid).	39.76	Czechoslvakia	24.00	0.07	24.07	15.69	65.2	100—90
18	*meta*-Nitroaniline	22.62	W. Germany	13.09	0.07	13.16	9.46	71.9	60—50
19	*meta*-Nitro-*para*-toluidine.	27.79 26.01	(3) Italy	13.38	0.07	13.45	14.34 12.56	106.6 93.4	60—50

20 Metanilic acid . .	10.15	Italy	5.45	0.07	5.52	4.63	83.9	60—50
21 *meta*-chloroaniline .	22.31	W. Germany	12.98	0.07	13.05	9.26	71.0	60—50
22 *Ortho-Anisidine* .	8.15	Italy	7.03	0.07	7.10	1.05	14.8	100—90
23 *Ortho*-Nitroanisole .	4.05	Italy	4.57	0.07	4.64	(—)0.59	(—)12.7	60—50
24 *Ortho*-Nitroaniline .	11.54	Italy	7.05	0.07	7.12	4.42	62.1	60—50
25 *Ortho*-Toluidine . .	6.03	U.K.	3.28	0.07	3.35	2.68	80.0	100—90
26 Phenyl-J-acid (2-phenylamino-5-naphthol-7-sulphonic acid or 2-phenylamino-5-hydroxynaphthalene-7-sulphonic acid).	67.24	W. Germany	31.25	0.07	31.32	35.92	114.7	60—50
27 *para*-Chloroaniline .	10.57	Italy	8.66	0.07	8.73	1.84	21.1	60—50
28 *para*-Nitroanisole .	7.82	W. Germany	5.79	0.07	5.86	1.96	33.4	60—50
29 *para*-Toluidine-*meta*-sulphonic acid.	26.01 23.62 (4)	Japan	6·55	0·07	6·62	19.39 17·00	292·9 256·8	60—50
30 Peri-acid (1-naphthalamine-8-Sulphonic acid).	19·46	W. Germany	14·43	0·07	14·50	4·98	34·3	60—50
31 Phenyl-peri-acid (phenylamino-naphthalene-8-Sulphonic acid)	44·27	Germany	17·77	0·07	17·84	26·43	148·2	100—90
32 *para*-Anisidine . .	16·26	W. Germany	11·00	0·07	11·07	5.19	46·9	100—90
33 *para*-Toluidine . .	10·20	Italy	6·25	0·07	6·32	3·88	61·4	100—90
34 Quinizarin (1, 4-dihydroxyan-thraquinone).	35·66	W. Germany	19·00	0·07	19·07	16·59	87·0	60—50
35 Tobias acid . .	15·90	..	9·91	0·07	9·98	5.92	59·3	60—50

1	2	3	4	5	6	7	8	9	10
	II NEW INTERMEDIATES.								
36	Acetoacetic (methyl) ester	18·89	U.K.	5·20	0·07	5·27	13·62	258·4	27½—17½
37	*beta*-Naphthol . .	8·11	U.S.S.R.	3·87	0·07	3·94	4·19	106·3	12
38	Dimethyl sulphate .	5·06	Switzerland	3·51	0·07	3·58	1·48	41·3	60—50
39	Acetoacet-*meta*-xylidide	33·47	U.K.	16·73	0·07	16·80	16·67	99·2	60—50
40	Acetoacet-*ortho*-anisidide.	21·21	U.K.	14·38	0·07	14·45	6·76	46·8	60—50

(1) *Acetoacetanilide* — The fair ex-works price of Rs. 17·62 is based on the input of 100% imported acetoacetic (methyl) ester, at the average imported rate of Rs. 7·80 per kg. for the costed year. At present, import of acetoacetic (Methyl) ester is at concessional rates of duty, but this intermediate is now being removed from the concessional list and brought under protection) (*vide* item 36 of the list.) For indigenous production of acetoacetic (Methyl) ester the fair ex-works price is Rs. 18·89 per kg. Substituting this price for inputs, the fair ex-works price of acetoacetanilide would be Rs. 29·90 per kg. and consequent disadvantage over landed cost ex-duty of imports, would be 512.7%.

(2) *Acetoacet*-ortho-*toluidide* — The fair ex-works price of Rs. 16·82 is based on usage of 100% imported *ortho*-toluidine, at average price of Rs. 7·49 per kg. during the costed period. *ortho*-toluidine is also a protected item for which recommended fair ex-works price works out to Rs. 6·03 per kg. *vide* item 25. Substituting this price for inputs, the fair ex-works price for acetoacet-*ortho*-toluidide would be Rs. 15.84 per kg. and consequent disadvantage over landed cost ex-duty of imports 46·0%.

(3) meta-*Nitro*-para toluidiue — In both these intermediates, the input of *para*) toluidine is valued at the average purchase rate of Rs. 12·88 per kg., whereas the fair ex-works price works out to Rs. 10·20 per kg.

(4) Para-*Toluidine* Meta sulphonic acid: — *Vide* item 33 substituting this price for inputs, the fair ex-works price of these two items would work to Rs. 26·01 and Rs. 23·62 per kg. and subsequent disadvantage over landed costy ex-duty of import at 93.4% and 256·8% respectively.

(5) Broad details of the lowest fair ex-work prices are given in Annexure **XIX-B.**

ANNEXURE XIX-B

(*Vide* Paragraph 14.1.6)

Break-up of lowest fair-ex-works prices of the Costed Intermediates (Reference : Col. 3 of the Annexure XIX-A)

(Rs./per kg.)

Sl. No.	Name of the Intermediates	Total Material Cost	Conversion charges including Minimum Bonus	Packing charges	Estimated Ex-Works Cost	Return	Fair Ex-works price
1	2	3	4	5	6	7	8
1	Acetoacetanilide	11.90	4.39	0.12	16.41	1.21	17.62
		23.45	3.39	0.12	27.96	1.94	29.90
2	Acetoacet-*ortho*-chloroanilide . .	23.30	3.70	0.25	27.25	2.32	29.57
3	Acetoacet-*ortho*-toluidide . . .	11.17	3.80	0.25	15.22	1.60	16.82
		10.26	3.80	0.25	14.31	1.53	15.84
4	Amino-iso-G-acid . . .	13.37	25.16	..	15.53	2.40	17.93

1	2	3	4	5	6	5	8
5	1-Aminoanthraquinone	33.18	2.57	0.65	36.40	3.77	40.97
6	Anthraquinone	9.75	0.65	0.65	11.05	0.95	12.00
7	Anthraquinone-sulphonic acid, sodium salt.	12.93	2.28	0.65	15.86	1.47	17.33
8	Benzanthrone	40.69	5.76	..	46.45	7.25	53.70
9	2-Aminoanthraquinone	38.96	2.58	..	41.54	7.46	49.00
10	BON Acid (2-hydroxy-3-naphthoic acid).	6.29	2.03	0.12	8.44	0.82	9.26
11	C-Acid (6-chloro-*meta*-toluidine-4-sulphonic acid).	7.91	8.67	0.18	16.76	1.63	18.39
12	1-Chloroanthraquinone	23.70	3.20	0.65	27.55	2.82	30.37
13	4-Chloro-2-nitroaniline	8.85	4.51	0.42	13.78	1.11	14.89
14	5-Chloro-*ortho*-toluidine	20.36	7.27	0.42	28.05	2.58	30.63
15	*meta*-Diethylaminophenol	34.31	6.82	0.42	41.55	2.94	44.49
16	2,6-Diaminoanthraquinone	50.61	7.48	0.65	58.74	6.13	64.87
17	J-Acid (2-naphthylamine-5-hydroxy-7-sulphonic acid).	29.70	3.94	0.97	34.61	5.15	39.76
18	*meta*-Nitroaniline	12.18	8.40	0.42	21.00	1.62	22.62
19	*meta*-Nitro-*para*-toluidine	{19.79 18.11	6.07 6.07	0.12 0.12	25.98 24.30	1.81 1.71	27.79 26.01
20	Metanilic Acid	5.15	3.51	0.12	8.78	1.37	10.15
21	*meta*-Chloroaniline	18.85	1.67	0.42	20.95	1.37	22.31
22	*ortho*-Anisidine	5.26	1.55	0.42	7.23	0.92	8.15

23	*ortho*-Nitroanisole	2.56	0.79	0.42	3.77	0.28	4.05
24	*ortho*-Nitroaniline	2.91	7.17	0.42	10.50	1.04	11.54
25	*ortho*-Toluidine	3.56	1.62	0.42	5.60	0.43	6.03
26	Phenyl-J-acid (2-phenylamino-5-naphthol-7-sulphonic acid or 2-phenylamino-5-hydroxynaphthalene-7-sulphonic acid).	42.61	13.28	0.65	56.54	10.70	67.24
27	*para*-Chloroaniline	7.40	2.03	0.42	9.85	0.72	10.57
28	*para*-Nitroanisole	5.85	1.05	0.42	7.32	0.50	7.82
29	*para*-Toluidine-*meta*-sulphonic acid .	13.66 11.41	9.44 9.44	0.18 0.18	23.28 21.03	2.73 2.59	26.01 23.62
30	Peri acid (1-naphthalamine-8-sulphonic acid).	8.30	8.38	..	16.68	2.80	19.48
31	Phenyl-peri-acid (1-phenylaminonaphthalene-8-sulphonic acid).	21.78	13.59	0.89	36.26	8.01	44.27
32	*para*-Anisidine	11.78	2.33	0.42	14.53	1.73	16.26
33	*para*-Toluidine	7.12	1.98	0.42	9.52	0.68	10.2
34	Quinizarin (1,4-dihydroxyanthraquinone).	16.21	13.56	..	29.77	5.89	35.6
35	Tobias acid	11.17	2.74	0.12	14.03	1.87	15.90
36	Acetoacetic (methyl) ester . .	13.40	3.19	0.75	17.34	1.55	18.89
37	*beta*-Naphthol	4.54	2.56	0.09	7.19	0.94	8.13
38	Dimethyl sulphate	2.28	1.88	0.50	4.66	0.40	5.06
39	Acetoacet-*meta*-xylidide . . .	26.98	3.65	0.25	30.88	2.59	33.47
40	Acetoacet-*ortho*-anisidide . . .	15.49	3.62	0.25	19.36	1.85	21.21

ANNEXURE—XX

(*Vide* Paragraph 13.2.2)

Comparative Statement showing the Lowest fair ex-works prices of Intermediates, estimated by the Commission and their selling prices (*July* 1971)

(Rs./per kg.)

Sl. No.	Name of the Intermediate	Lowest fair ex-works price (Ref. Col. 3 of Annexure XIX-A)	Selling price in July 1971	Difference between selling price and Est. fair ex-works price	Difference as % of lowest fair ex-works price
1	2	3	4	5	6
1	Acetoacetanilide	17.62 29.90 } (a)	18.00	0.38 (—)11.90	2.2 (—)39.8
2	Acetoacet-*ortho*-chloroanilide	29.57	35.00	6.43	21.7
3	Acetoacet-*ortho*-toluidide	16.82 15.84 }	21.00	4.18 5.16	24.9 32.6
4	Amino-iso-G-acid	17.93	..	..	..
5	1-Aminoanthraquinone	40.17	80.00	39.83	99.2
6	Anthraquinone	12.00	17.50	5.50	45.8

7	Anthraquinone-1-sulphonic acid, sodium salt	17.33	30.00	12.67	73.1
8	Benzanthrone	53.70	..	..	..
9	2-Aminoanthraquinone	49.00	..	..	..
10	BON acid (2 hydroxy-3-naphthoic acid)	9.26	12.50	3.24	35.0
11	C-Acid (6-chloro-*meta*-toluidine-4-sulphonic acid)	18.39	19.00	0.61	3.3
12	1-Chloroanthraquinone	30.37	55.00	24.63	81.1
13	4-Chloro-2-nitroaniline	14.89	20.00	5.11	34.3
14	5-Chloro-*ortho*-toluidine	30.63	47.50	16.87	55.08
15	*meta*-Diethylaminophenol	44.49	55.00	10.51	23.6
16	2, 6 Diaminoanthraquinone	64.87	100.00	35.13	54.2
17	J-Acid (2-naphthylamine-5-hydroxy-7-sulphonic acid).	39.76	50.00	10.24	25.8
18	*meta*-Nitroaniline	22.62 (a)	17.00	(—)5.62	(—)24.8
19	*meta*-Nitro-*para*-toluidine	27.79 26.01 } (a)	25.00	(—)2.79 (—)1.01	(—)10.0 (—) 3.9
20	Metanilic acid	10.15	12.00	1.85	18.2
21	*meta*-Chloroaniline	22.31	36.50	14.19	63.6
22	*ortho*-Anisidine	8.15	14.50	6.35	77.9
23	*ortho*-Nitroanisole	4.05	8.00	3.95	97.5
24	*ortho*-Nitroaniline	11.54	21.00	9.46	82.0
25	*ortho*-Toluidine	6.03	6.50	0.47	7.0
26	Phenyl-J-acid (2-phenylamino-5-naphthol-7-sulphonic acid *or* 2-phenylamino-5-hydroxynaphthalene-7-sulphonic acid).	67.24(a)	60.00	(—)7.24	(—)10.8

1	2	3	4	5	6
27	*para*-Chloroaniline	10.57	14.00	3.43	32.5
28	*para*-Nitroanisole	7.82	12.00	4.18	53.5
29	*para*-Toluidine-*meta*-sulphonic acid	26.01 (a) 23.62 (a)	24.00	(—)2.01 0.38	(—) 7.7 1.6
30	Peri Acid (1-naphthalamine-8-sulphonic acid)	19.48	25.00	5.52	28.3
31	Phenyl-peri-acid) 1-phenylamino-napthalene-8-sulphonic acid)	44.27 (a)	42.00	(—)2.27	(—)5.1
32	*para*-Anisidine	16.26	20.00	3.74	23.0
33	*para*-Toluidine	10.20	13.50	3.30	32.4
34	Quinizarin (1, 4-dihydroxyanthraquinone)	35.66	..	..	..
35	Tobias acid	15.90	19.00	3.10	19.5
36	Acetoacetic-(methyl) ester	18.89(a)	15.80	(—)3.09	(—)16.4
37	*beta*-Naphthol	8.13(a)	7.00	(—)1.13	(—)13.9
38	Dimethyl sulphate	5.06	6.50	1.44	28.5
39	Acetoacet-*meta*-xylidide	33.47	N.A.	..	..
40	Acetoacet-*ortho*-anisidide	21.21	30.60	9.39	44.3

NOTE.—It is observed that the selling prices of the intermediates marked (a) are lower than their estimated lowest fair ex-works prices.

ANNEXURE—XXI (vide paragraph 15.1.1)

Protected Dye-Intermediates—Existing Rates of Duty

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rate of duty
				The United Kingdom	A British colony	Burma	
1	2	3	4	5	6	7	8
28(35)	2-amino-anthraquinone—						
	(a) of British manufacture	Protective	50 per cent ad valorem	..	..	..	Dec. 31st, 1971
	(b) not of British manufacture	Protective	60 per cent ad valorem	..	..	..	Dec. 31st, 1971
28(36)	Benzanthrone—						
	(a) Of British manufacture	Protective	50 per cent ad valorem	..	..	..	Dec. 31st, 1971
	(b) not of British manufacture	Protective	60 per cent ad valorem	..	..	..	Dec. 31st, 1971

1	2	3	4	5	6	7	8
28(37)	beta-Oxynapththoic acid						
	(a) Of British manufacture . . .	Protective	50 per cent ad valorem	..	—	..	Dec. 31st, 1971
	(b) not of British manufacture . .	Protective	60 per cent ad valorem	..	—	..	Dec. 31st, 1971
28(38)	The following Dye/Intermediates, namely :—						
	1. *ortho*-Anisidine						
	2. Phenyl-peri-acid						
	3. J. Acid						
	4. *ortho*-Toluidine						
	5. 4-Chloro-2-nitroaniline						
	6. Diethyl-*meta*-amino phenol						
	7. *para*-Anisidine						
	8. *para*-toluidine						
	9. Diaminostilbene di-sulphonic acid						
	(a) of British manufacture . . .	Protective	90 per cent ad valorem	..	..	..	Dec. 31st, 1971
	(b) not of British manufacture . .	Protective	100 per cent ad valorem	..	..	—	Dec. 31st, 1971
28(39)	The following Dye Intermediates, namely :—						
	1. Anthraquinone						
	2. Acetoacetanilide						

3. Acetoacet-*ortho*-toluidide
4. Tobias acid
5. Acetoacet-*ortho*-chloroanilide
6. C-Acid (2-chloro-5-toluidine-4-sulphonic acid or 6-chloro-*meta*-toluidine-4-sulphonic acid)

(a) of British manufacture . . .	Protective	50 percent ad valorem	..	..	..	Dec. 31st, 1971
(b) not of British manufacture . .	Protective	60 per cent ad valorem	..	..	..	Dec. 31st, 1971

28(40) The following Dye Intermediates, namely :—

1. *meta*-Nitroaniline
2. *meta*-Nitro-*para*-toluidine (MNPT)
3. Metanilic acid
4. 1-amino-anthraquinone
5. Phenyl-J-acid
6. 1, 5-diaminoanthraquinone
7. 2, 6-diaminoantkraquinone
8. Quinizarin
9. Schaeffer acid
10. *meta*-Chroloaniline

1	2	3	4	5	6	7	8
11. *ortho*-Chloroaniline							
12. *para*-Chloroaniline							
13. 2, 5 dichloroaniline							
14. 4-Chloro-2-anisidine							
15. *ortho*-Nitro anisole							
16. *para*-Nitro anisole							
17. 4-Chloro-2-nitroanisole							
18. 5-Chloro-*ortho*-toluidine							
19. *ortho*-Nitroaniline							
20. *para*-Toluidine-*meta*-sulphonic acid							
21. *ortho*-Aminoazotoluylene							
22. 1,4-Diaminoanthraquinone							
23. 1-Chloroanthraquinone							
24. R-salt							
25. Benzoyl-J-acid							
26. *para*-Nitrosophenol							
27. Dinitrostilbene disulphonic acid							
28 Peri-acid							

29. 2, 5-Dimethyl-4-chlorophenyl thioglycolic acid.						
30. *beta*-Naphthalene thioglycolic acid						
31. 4-Chloro-*ortho*-toluidine						
32. Amino-iso-G-acid						
33. 1-Amino-6-nitro-2-naphthol-4-sulphonic acid.						
34. *para*-Nitrotoluenesulphonic acid						
35. Anthraquinone-1-sulphonic acid sodium salt.						
(a) of British manufacture . . .	Protective	50 per cent ad valorem	..	..	..	Dec. 31st, 1971
(b) not of British manufacture . .	Protective	60 per cent ad valorem	..	..	..	Dec. 31st, 1971

NOTE : 1. The articles specified in Items Nos. 28(35), 28(36), 28(37), 28(38), 28(39) and 28(40) manufactured in a British Colony shall be deemed to be of British Manufacture.

2. The period of protection has been extended upto 31st December 1972, by the Indian Tariff (Amendment) Act, 1971.

ANNEXURE XXII

(*vide* paragraph 15.1.4.1.)

TARIFF COMMISSION
GOVERNMENT OF INDIA

TELEGRAM: 'TARICOMIN'
TELEPHONE: 291121

C. G. O. Building,
101, Queen's Road,
Bombay-20.

9th July, 1970.

No. TC/RD/87/69-70

To,

The Secretary to the Government of India,
Ministry of Foreign Trade,
New Delhi.

SUBJECT:—*Customs Notification No.* 148/*F. No.* 17/4/69-*Cus.I, dated* 15-11-69 *regarding concessional duty on certain dye-intermediates.*

Sir,

I am directed to invite a reference to the Ministry's letter No. 14(4)-Tar/69, dated the 12th February, 1970 forwarding a copy of letter No. ADP/AC/91/1965, dated 23-1-1970 from Aniline Dyestuffs and Pharmaceuticals Pvt. Ltd., Bombay and inviting the views of the Commission on certain amendments suggested by the company in the Customs Notification No. 148/F. No. 17/4/69-Cus.I, dated 15-11-1969.

2. The company has requested for deletion of (i) the word "penultimate" from "penultimate dye-intermediates" occurring in the Notification on the ground that the Dyestuff Industry requires secondary intermediates also and (ii) the bond requirement under the plea that, apart from expense and delay in the execution of the bond and its subsequent cancellation, the guarantee facility limit granted to the importer by the Banker being inadequate, it is very difficult and financially strenuous to get the facility increased to the required sizeable limit. These issues were considered by the Commission in consultation with the representatives of the Textile Commissioner, Joint Chief Controller of Imports and Exports and the Collector of Customs, Bombay and its views are given in the following paragraphs.

3. As regards the first issue relating to deletion of the word "penultimate", the Commission considers it difficult to define precisely the term "penultimate intermediate" as it is a relative term and refers to the stage of manufacture, each stage being penultimate to the next stage, and accordingly favours the deletion of the words "penultimate Dye-intermediates" so as to make the concessional rates of duty applicable only to those listed raw materials when proved to have been used "directly or indirectly" in the manufacture of dyes.

4. The Commission has examined the question of deletion of the bond requirement from the point of view of administrative convenience and the difficulties alleged to have been experienced by the contracting parties. The Commission holds the view that: —

(i) specific intermediates as well as other intermediates whose predominant use (say, 85% to 90%) is in the dyestuff industry, should be granted unqualified duty concession and thus freed from the operation of Bond restrictions;

(ii) *per contra* those intermediates whose predominant use (say, 85% to 90%) is in industries, other than dyestuff, should be totally removed from the duty concession list; and

(iii) those intermediates which do not belong to either of the above two groups but whose incidence of cost on the cost of production of finished dyestuff is significant, may continue to enjoy the duty concession subject to the execution of Bond by the importer.

5. The Collectorate of Customs has been requested to draw up a list of intermediates falling within the first two categories. The list when received from them would be forwarded to the Ministry. In case Government is favourably inclined to this aforesaid suggestion, it may wish in the meantime, to consult other Collectors and/or D.G.T.D. with a view to subdividing the existing list of intermediates entitled to concession on the foregoing lines based on the known nature of predominant use under existing Indian conditions. Such classification, if and when made, would require periodic review so as to readjust these to changing patterns of utilisation.

6. In cases where the Bond is required to be executed, the Commission suggests grant of facility for the execution of a continuing bond for a reasonable amount instead of a separate bond for each and every consignment of import.

7. Kindly acknowledge receipt of this letter.

Yours faithfully,

Sd/-

(P. V. GUNISHASTRI)
Secretary.

ANNEXURE XXIII

(*Vide* paragraph 15.2.12)

TARIFF COMMISSION

GOVERNMENT OF INDIA

TELEGRAM: 'TARICOMIN'

TELEPHONE: 291121

C.G.O. Building.
101, M. K. Marg,
BOMBAY-20.

No. TC/RD/E-87/SC/69

12th December, 1969.

To,

The Secretary to the Government of India,
Ministry of Foreign Trade & Supply,
(Department of Foreign Trade),
Government of India,
NEW DELHI.

SUBJECT:—*Dyestuff Industry—Request of Sudarshan Chemicals, Poona for revision of protective rates of duty on five intermediates.*

Sir,

I am directed to refer to the correspondence resting with the D.O. letter No. 6(12)/68/Ch.III, dated 28-12-1968, from Shri N. Ramakrishnayya, Joint Secretary in the Ministry of Petroleum and Chemicals requesting the Commission to review the rates of duties on five intermediates produced by Sudarshan Chemical Industries Pvt. Ltd., Poona. (copy enclosed). The company, also made representation to the Commission by its letters dated 11-1-1969 and 19-2-1969 for enhancement of the protective duty on the five intermediates, namely, (1) Para Toluidine Meta Sulphonic acid, (2) C. Acid (2-Chloro-5-Toluidine-4-Sulphonic Acid), (3) Aceto-Acet-Anilide, (4) Aceto-Acet-Ortho-Toluidide and (5) Aceto-Acet-Ortho-Chloro-Anilide, produced by it.

2. The issues were examined by the Commission and its views and recommendations are briefly given below:—

(i) the existing rates of protective duty appears to be more than adequate to protect Para Toluidine Meta Sulphonic Acid. As regards the other four intermediates, namely, C. Acid (2-Chloro-5-Toluidine-4-Sulphonic Acid), Aceto-Acet-Anilide, Aceto-Acet-Ortho-Toluidide and Aceto-Acet-Ortho-Chloro-Anilide, the price disadvantage suffered by them is well above 100 per cent but it seems obviously impracticable to increase the protective duty to the levels indicated by the cost comparison, as it might severely affect the interests of the consumers. However, with a view to encouraging indigenous production, the Commission recommends that the protective duty on these four intermediates should be raised to 100 per cent *ad valorem* standard and 90 per cent *ad valorem* preferential from the present levels of 60 per cent and 50 per cent respectively.

(ii) The real problem of the industry is that of ensuring adequate supplies of raw materials at reasonable prices. The Commission, therefore, has reiterated the recommendation made by it in this regard in paragraph 3.18 of its 1968 Report on the continuance of protection to the Dyestuff Industry.

(iii) The D.G.T.D. should keep a watch on the pricing policy and supply of three of the raw materials required by Sudarshan Chemicals, which are manufactured by Amar Dye-Chem. and are in the protected list. These raw materials are Para Toluidine, Ortho-Chloro-Aniline and Ortho Toluidine. The D.G.T.D. should also take effective steps to meet the requirements of Sudarshan Chemicals regarding the fourth raw material, namely, Aceto-Acetic Ester from indigenous sources.

(iv) Sudarshan Chemicals' selling prices are considerably higher than the c.i.f. prices of the corresponding imported products. As its production has increased recently, the Company should pass on a fair portion of such benefits to consumers in the form of lower prices.

3. Kindly acknowledge receipt of this letter.

Yours faithfully,

Sd/-.

(P. V. GUNISHASTRI)
Secretary.

Encl: *As above.*

Copy forwarded for information to:

Shri M. Ramakrishnayya,

Joint Secretary

Ministry of Petroleum & Chemicals and
Mines and Metals,

(Department of Petroleum and Chemicals),

New Delhi.

ANNEXURE XXIII—*Contd.*

(COPY)

D.O. No. 6(12)/68-Ch.III

M. Ramakrishnayya,
Joint Secretary.

Ministry of Petroleum & Chemicals,
New Delhi,
December 28, 1968.

Dear Shri Banerji,

Please refer to your letter No. C/131/68, dated the 7th November 1968 regarding the representation of M/s. Sudarshan Chemical Industries, Poona for increase in customs duty on certain intermediates manufactured by them.

We feel that the Tariff Commission may enquire into the matter in terms of the recommendations contained in para 10.25 of the Report (1968) on the continuance of protection to Dyestuff Industry in view of the Government's resolution on the Report which has since been issued.

With regards,

Yours Sincerely,
Sd./-
(M. RAMAKRISHNAYYA)

Shri B. N. Banerji,
Chairman,
Tariff Commission,
101, Queen's Road,
Bombay-1.

ANNEXURE XXIV

(*Vide* paragraph 15.2.10.8)

Twenty-nine new items for which duty concession is used for

Sl No.	Name of the Intermediate	Reqire-ment 1973/74 (Tonnes)
1.	3-Amino anisic acid anilide (3-anino-*para*-anisanilide)	14
2.	2, 4-Dinitrochlorobenzene	1167
3.	2, 5-Dichloronitrobenzene	298
4.	Ethylbenzylaniline	45
5.	4-Chloro-*ortho*-nitrotoluene (4-Chloro-2-nitrotoluene)	47
6.	Michler ketone [4, 4'-bis (dimethylamino)—benzo-phenone]	28
7.	*para*-Chlorophenol	35
8.	Phenyl-*alpha*-naphthylamine	20
9.	Phenyl hydrazine	35
10.	Tetramethylthiourea	22
11.	4, 4'-Di (6-methylbenzthiazyl) azobenzene	38
12.	Phenylmethylpyrazolone (3-Methyl-1-phenyl-5 Pyra-zolone)	47
13.	Aniline	1055
14.	*ortho*-Dichlorobenzene	128
15.	*para*-Cresidine (5-methyl-*ortho*-anisidine)	24
16.	2-Acetylamino-3-chloroanthraquinone	N.A.

1	2	3
17.	2-Amino-3-hydroxyanthraquinone	N.A.
18.	Anthraflavic acid/Caledon salt Af 20% Paste . .	N.A.
19.	1, 2-Dichloro-4-nitrobenzene	N.A.
20.	1, 1-Dinaphthyl-8, 8-dicarboxylic acid . . .	N.A.
21.	*meta*-Toluidine	N.A.
22.	*meta*-Xylidine	5
23.	Molybdic acid	N.A.
24.	*ortho*-Sulphanilic acid	4
25.	1, 9-Pyrazolanthrone	3
26.	2, 4, 5-Trichloroaniline	9
27.	Dehydrothio-*para*-toluidine-sulphonic acid . .	N.A.
28.	2, 5-Xylidine	5
29.	2-Amino-3, 5-xylene sulphonic acid . . .	N.A.

ANNEXURE XXV

Names of Dye-Intermediates and their Chemical nomenclatures

List I relating to Annexure VII-A

1. Acetoacetanilide (Acetyl acetanilide; Acetoacetic anilide)
2. Acetoacet-*ortho*-chloroanilide (*ortho*-chloro-acetoacetanilide; 2-chloro-acetoacetanilide)
3. Acetoacet-*ortho*-toluidide (*ortho*-acetoaceto toluidide)
4. Amino-iso-G-acid (amido-J-acid; amino-J-acid; 2-naphthylamine-5:7-disulphonic acid; 6-amino-1:3-naphthalene disulphonic acid)
5. 1-Amino-6-nitro-2-naphthol-4-sulphonic acid
6. 1-Amino-anthraquinone (*alpha*-aminoanthraquinone)
7. Anthraquinone (9:10-Dioxoanthracene)
8. Anthraquinone-1-sulphonic acid and sodium salt.
   Although separated as the sodium salt, the free sulphonic acid stated to be marketed for dye synthesis.
9. Benzanthrone
10. 2-Aminoanthraquinone (*beta*-aminoanthraquinone)
11. *beta*-naphthalene thioglycolic acid (2-naphthyl-thioglycolic acid; 2-naphthyl mercaptoacetic acid)
12. BON Acid (*beta*-oxynaphthoic acid; 2-hydroxy-3-naphthoic acid; 3-hydroxy-2-naphthoic acid)
13. Benzoyl-J-acid (6-benzamido-1-naphthol-3-sulphonic acid; N-benzoyl-J-acid; 2-benzoylamino-5-naphthol-7-sulphonic acid)
14. C-Acid (Cassella's acid, 2-napthylamine-4, 8-disulphonic acid; 3-amino-1:5-naphthalene-disulphonic acid; 6-chloro-*meta*-toluidine-4-sulphonic acid; 2-chloro-5-toluidine-4-sulphonic acid)
15. 1-Chloro-anthraquinone (*alpha*-chloroanthraquinone)
16. 4-Chloro-2-anisidine (2-amino-4-chloroanisole; 2-amino-4-chloro-1-methoxy benzene; 5-chloro-*ortho*-anisidine)
17. 4-Chloro-2-nitroanisole (4-chloro-2-nitro-1-methoxy benzene)

18. 4-Chloro-2-nitroaniline (4-chloro-2-nitro-1-aminobenzene; *ortho*-nitro-*para*-chloroaniline; *para*-chloro-o-nitroaniline, Fast Red 3 GL base).

19. 4-Chloro-*ortho*-toluidine (1-methyl-2-amino-5-chlorobenzene; 2-amino-5-chloro-toluene; Fast Red TR oil)

20. 5-Chloro-*ortho*-toluidine (1-methyl-2-amino-4-chlorobenzene; 2-amino-4-chloro-toluene, Fast Red KB oil; Red TR Base)

21. Diethyl-*meta*-aminophenol (*meta*-diethylaminophenol; 3-diethyl-amino-1-hydroxybenzene)

22. Diaminostilbene disulphonic acid (DAS; 4, 4'-diamino-2, 2'-stilbene disulphonic acid; 4, 4'-diamine stilbene-2, 2'-disulphonic acid)

23. Dinitrostilbenedisulphonic acid (4, 4'-dinitro-2, 2'-stilbene-disulphonic acid; 4, 4'-dinitro-stilbene-2, 2'disulphonic acid)

24. 1, 4-Diaminoanthraquinone (1:4-Diamino-anthracene quinone)

25. 1, 5-Diamino anthraquinone (1:5-Diamino-anthracene quinone)

26. 2, 6-Diamino anthraquinone (2:6-Diamino-anthracene quinone)

27. 2, 5-Dichloroaniline (2:5-dichloro-1-amino-benzene; scarlet G/GGS or GGH Base)

28. 2, 5-Dimethyl-4-chlorophenylthioglycolic acid (2 : 5-dimethy-4-chlorophenyl mercapto-acetic acid)

29. J-Acid (6-amino-1-naphthol-3-sulphonic acid, 2-naphthylamine-5-hydroxy-7-sulphonic acid and 2-amino-5-naphthol-7-sulphonic acid; 7-amino-4-hydroxy naphthalene-2-sulphonic acid) and its alkali salts.

30. *meta*-Nitroaniline (1-amino-3-nitrobenzene; 1-nitro-3-aminobenzene)

31. *meta*-nitro-*para*-toluidine (1-methyl-4-amino-3-nitrobenzene; 2-nitro-*para*-toluidine, when counted from amino group)

32. Metanilic acid (1-aminobenzene-3-sulphonic acid; Aniline-3-sulphonic acid, or Aniline-*meta*-sulphonic acid)

33. *meta*-Chloroaniline (3-chloro-1-aminobenzene-3-chloroaniline)

34. *ortho*-chloroaniline (2-chloro-1-aminobenzene; 2-chloro-aniline)

35. *ortho*-Anisidine (2-amino-1-methoxy benzene ; *ortho*-amino-anisole or *ortho*-methoxy aniline)

36. *ortho*-Nitroaniline (2-nitroaniline ; 1-amino-2-nitrobenzene)

37. *ortho*-Nitroanisole (2-nitroanisole ; 2-nitro-1-methoxy benzene)

38. *ortho*-Aminoazotoluene (4-amino-2, 3'-dimethylazobenzene, *ortho*-toluene azo-*ortho*-toluidine, 4-*ortho*-toluylazo-*ortho*-toluidine, 2, 3'-dimethyl-4-aminoazo benzene or Garnet GB/GBC Base

39. *ortho*-Toluidine (1-methyl 2-aminobenzene ; 2-amino toluene ; *ortho*-tolyl amine)

40. *para*-Anisidine (4-amino-methoxybenzene ; *para*-methoxy aniline ; *para*-amino anisole)

41. *para*-Chloroaniline (4-chloroaniline ; 4-chloro-1-amino benzene)

42. *para*-Nitroanisole (4-nitroanisole ; 4-nitro-1'-methoxy benzene)

43. *para*-Nitrosophenol (P-benzo quinonemonoxime ; 1-hydroxy-4-nitrobenzene)
(If *para nitrophenol* is intended alternate name is 1-hydroxy-4-*nitrobenzene*)

44. *para*-Nitrotoluene-*ortho*-sulphonic acid (Toluene-4-nitro-2-sulphonic acid ; 1-methyl-4-nitrobenzene-2-sulphonic acid or benzene-1-methyl-4-nitro-2-sulphonic acid)

45. *para*-Toluidine (4-aminotoluene-(or) 1-methyl-4-aminobenzene)

46. (a) *para*-Toluidine-*meta*-sulphonic acid (1-methyl-4-amino-benzene-3-sulphonic acid (or) 4-amino-toluene-3-sulphonic acid (Me=1))

    (b) *para*-Toluidine-*ortho*-sulphonic acid (1-methyl-4-amino-benzene-2-sulphonic acid or 4-aminotoluene 2-sulphonic acid ; 4-aminotoluene 2-sulphonic acid (Me=1))

47. Peri acid : (1-naphthylamine-8-sulphonic acid; 8-amino naphthalene-1-sulphonic acid ; *alpha*-naphthylamino-8-sulphonic acid Schollkopf acid)

48. Phenyl J-acid (6-aniline-1-naphthol-3-sulphonic acid; 2-phenylamino-or-phenyl-2-amino-5-naphthol-7-sulphonic acid, phenyl-2-amino-5-hydroxy-naphthalene-7-sulphonic acid (or) 7-aniline-4-hydroxy naphthalene-2-sulphonic acid ; 6-phenylamino-1-naphthol-3-sulfonic acid)

49. Phenyl-peri acid (1-phenylamino-naphthalene-8-sulphonic acid or N-phenyl-peri acid)

50. Quinizarin (1, 4-dihydroxyanthraquinone)

51. R-salt (2-naphthol-3, 6-disulphonic acid, disodium salt) Sometimes 2-amino 3-naphthol 6-sulphonic acid is also known as R-acid; its sodium salt is also known.

52. Schaeffer acid (2-naphthol-6-sulphonic acid; available as sodium salt also), (*beta*-naphthol sulphonic acid-S)

53. Tobias acid: (2-napthylamine-1-sulphonic acid; 2-amino-napthalene-1-sulphonic acid) (also occurs as sodium salt)

List II relating to Annexure VII-B

1. Acetoacetic ester (a. ethyl acetoacetate; acetoacetic acidethyl ester)

   (b. acetoacetic acid, methyl ester)

2. *alpha*-Naphthylamine (1-naphthylamine; 1-aminonaphthalene)

3. Benzidine sulphate (4-4′-diamine-di-phenyl disulphate; 4, 4'-diamino biphenyl sulphate)

4. 2-Chloro-4-nitroaniline (2-chloro-4-nitro-1-aminobenzene)

5. 3, 3'-Dichlorobenzidine (4, 4'-diamino-3-3'-dichloro biphenyl)

6. Dimethylaniline (N-dimethylaniline; N, N-dimethylaniline)

7. Di-ethylaniline (N-diethylaniline; N, N-diethylaniline)

8. 3, 3'-Dichlorobenzidine dihydrochloride (dihydrochloride of 4, 4'-diamino-biphenyl)

9. *meta*-Dinitrobenzene (1:3-dinitrobenzene)

10. *meta*-Nitrochlorobenzene (1-chloro-3-nitrobenzene)

11. Monochloro-*para*-xylene (1-chloro-2, 5-dimethylbenzene; 2-chloro-1, 4-dimethyl benzene; 2-chloro-*para*-xylene).

12. *ortho*-Nitrotoluene (2-nitro-toluene or 1-methyl-2-nitrobenzene)

13. *ortho*-Tolidine (4, 4'-Diamino-3, 3'-dimethyl biphenyl; 4, 4'-Diamino-3-3'-ditolyl; P-P'-diamino-m,-m'-ditolyl).

14. *ortho*-Nitrochlorobenzene (1-chloro-2-nitrobenzene (or) 1-nitro-2-chlorobenzene)

15. *para*-Nitrotoluene (4-nitrotoluene or 1-methyl-4-nitrobenzene)

16. *para*-Toluidine-*ortho*-sulphonic acid. (1-methyl-4-aminobenzene-2-sulphonic acid, (Me=1) 5-amino-*ortho*-toluene sulphonic acid, (So3H=1) 4-aminotoluene-2-sulphonic acid (Me=1))

17. *para*-Nitrochlorobenzene (4-nitrochlorobenzene ; 4-nitro-1-chlorobenzene)

18. Trichlorobenzene (1, 2, 4-trichlorobenzene) (a liquid mixture of 85% 1, 2, 4-trichlorobenzene, 7.3% 1, 2, 3-trichlorobenzene and small amount of 1, 3, 5-trichloro as well as Di & Tetra chlorobenzene is also sold under this name and used as solvent for oil soluble dyes and vats)

List III relating to Annexure VII-C

1. 1, 2, 4-acid (1-amino-2-naphthol-4-sulphonic acid ; 4-amino 3-hydroxy naphthalene-1-sulphonic acid)
2. 3-Bromobenzanthrone (BZ-1-bromobenzanthrone)
3. Chicago acid (8-amino-1-naphthol-5, 7-disulphonic acid sodium and potassium salt. S : S acid; 2-S acid, 1-amino-8-naphthol-2, 4-disulphonic acid ; 4-amino-5-hydroxy naphthalene-1, 3-disulphonic acid).
4. Chloroaminophenol. (There is more than one compound ; 2-amino-4-chlorophenol, 5-amino-2-chlorophenol are used as dye intermediates)
5. 6-Chloro-2-aminophenol-4-sulphonic acid (6-chloro-*ortho*-aminophenol-4-sulphonic acid)
6. 1, 6-Cleve acid (1-naphthylamine-6-sulphonic acid)
7. 1, 7-Cleve acid (1-naphthylamine-7-sulphonic acid)
8. Di-J-acid / rhoduline acid (6, 6'-imino *bis*-1-naphthol-3-sulphonic acid Rhoduline acid ; also marketed as mono and di-sodium salts)
9. 2, 5-Dichloronitrobenzene (2, 5-dichloro-1-nitrobenzene ; 1, 4-dichloro-2-nitrobenzene)
10. Dibenzyl sulfo-H-acid ester (o-benzene sulfo-H-acid ; 1-amino-8-benzenesulfo-oxy-naphthalene-3, 6-disulphonic acid)
11. 3, 9-Dibromobenzanthrone
12. 2. 4-Dinitrochlorobenzene-6-sul acid (2, 4-dinitro-6-sulfo-chlorobenzene)
13. G-salt, G-acid (2-naphthol-6, 8-disulphonic acid and its potassium salt)
14. Gamma acid
15. H-Acid (8-amino-1-naphthol-3, 6-disulphonic acid ; 1-amino-8-naphthol-3, 6-disulphonic acid ; 4-amino, 5-hydroxy naphthalene-2 : 7-disulphonic acid ; also marketed as salt).

16. Isoviolanthrone (Iso dibenzanthrone ; Indanthrene Violet R)

17. J-Acid urea (6, 6'-Carbamido-*bis*-1-naphthol-3-sulphonic acid ; 6, 6'-Urilene-*bis*-1-naphthol-3-sulphonic acid)

18. Laurent acid (L-acid ; 1-naphthylamine-5-sulphonic acid ; *alpha*-naphthylamine-5-sulphonic acid ; 5-amino-1-napthalene sulphonic acid)

19. *meta*-phenylenediamine (*meta*-Diaminobenzene ; 1, 3-Diaminobenzene)

20. *meta*-Toluylenediamine (Toluene-2, 4-diamine ; 2, 4-diamino-toluene ; 1-methyl-2, 4-diaminobenzene)

21. Methoxy aminoazobenzene-*meta*-sul acid ; (3-sulfo-3'-methoxy-4'-aminoazobenzene)

22. Nevile and Winther's acid (N-W acid ; 1-naphthol-4-sulphonic acid, *alpha*-naphthol-4-sulphonic acid)

23. 2-nitro-1-chlorobenzene-4-sulphonic acid-*meta*-methylamide (Methylamide of 4-chloro-3-nitrobenzene sulphonic acid ; Methylamide of *ortho*-chloronitrobenzene-*para* sulphonic acid)

24. 1, 5-Naphthalene disulphonic acid (Naphthalene 1, 5-disulphonic acid ; Armstrong's acid)

25. PAPAS Acid (4-amino-4'-hydroxy-3'-carboxy azobenzene)

26. *para*-Aminoazobenzene (Aniline yellow ; phenyl-azo-aniline) (marketed also as hydro chloride).

27. 4-aminoazobenzene-4'-sulphonic acid (aminoazobenzene mono-sulphonic acid)

28. *para*-Nitroanilide-4-nitroanilide-*para*-nitroacetanilide (4-nitroacetanilide)

29. *para*-Nitroaniline (*para*-nitraniline ; 1-amino-4-nitrobenzene 4-amino-nitrobenzene).

30. Sodium naphthionate (sodium salt of 1-aminonaphthalene-4-sulphonic acid ; Sodium salt of the 1-naphthylamine-4-sulphonic acid ; sodium salt of 4-amino-1-naphthalene sulphonic acid) salt of 4-amino-1-naphthalene sulphonic acid)

31. 1-(4-sulphophenyl)-3-carboxy-5-pyrazolone. [1-(*para*-sulphophenyl)-3-carboxy-5-pyrazolone ; 2-pyrazoline-3-carboxylic acid-5-oxo-1 (*para*-sulphophenyl)]

32. Sulphanilic acid (*para*-aminobenzene sulphonic acid ; *para*-aniline sulphonic acid ; 1-aminobenzene-4-sulphonic acid)

33. Sodium phenate (Sodium salt of phenol ; Sodium salt of monohydroxy benzene)

34. Amido-G-acid (amino-G-acid ; 2-naphthylamine-6, 8-disulphonic acid ; 7-amino-1, 3-naphthalene disulphonic acid)

35. Aniline-2, 5-disulphonic acid (2-amino-*para*-benzene-disulphonic acid ; 1-aminobenzene 2, 5-disulphonic acid)

36. 2-Aminotoluene-4-sulphonic acid (*ortho*-methylaniline, 5-sulphonic acid ; *ortho*-toluidine-5-sulphonic acid ; *ortho*-toluidine-4-sulphonic acid)

37. 2-Aminophenol-4-sulphonic acid (2-amino-1-phenol-4-sulphonic acid ; *ortho*-aminophenol-*para*-sulphonic acid ; 2-amino-1-hydroxybenzene-4-sulphonic acid)

38. 4-Aminoacetanilide-3-sulphonic acid (2-amino-5-acetylaminobenzene sulphonic acid)

39. Azoxybenzene (Azoxybenzide)

40. 5-amino-salicylic acid (*meta*-aminosalicylic acid ; 5-amino-2-hydroxy benzoic acid ; 5-amino-2-hydroxybenzene-1-carboxylic acid)

41. Acetoacet-*meta* xylidide (AAMX ; 2, 4-acetoacetoxylide)

42. Acetoacet-*ortho*-anisidide (acetoacetate of *ortho*-anisidine)

43. *beta*-Naphthol (2-naphthol ; 2-hydroxy naphthalene)

44. Bromamine acid (1-amino-4-bromo-2-anthraquinone-sulphonic acid ; 1-amino-4-bromo-anthraquinone-2-sulphonic acid)

45. Benzotrichloride (toluene trichloride ; benzenyl trichloride ; benzoic trichloride ; phenyl chloroform)

46. Benzoyl chloride (Acid chloride of benzoic acid)

47. Benzidine dihydrochloride (*para*-diamino-diphenyl-dihydrochloride)

48. Cyanuric chloride (2, 4, 6-trichloro-1, 3, 5-triazine)

49. 6-chloro-2-nitrophenol-4-sulphonic acid (2-chloro-6-nitrophenol-4-sulphonic acid)

50. 4-chloronitrobenzene-3-sulphonic acid (2-chloro-5-nitrobenzene sulphonic acid ($So_3H=1$))

51. 4-chloro-2-nitrophenol (4-chloro-2-nitro-1-hydroxybenzene)

52. 2-chloro-*para*-xylene (2-chloro-1, 4-dimethylbenzene ; Monochloro-*para*-xylene)

53. Dimethyl sulphate (methyl sulphate)

54. 1-Diazo-2-naphthol-4-sulphonic acid (diazo compound of 1-amino-2-naphthol-4-sulphonic acid)

55. (a) 2, 5-Dimethoxyaniline (2-amino-1, 4-dimethoxybenzene)

    (b) 2, 5-Diethoxyaniline (2-amino-1, 4-diethoxybenzene)

56. Dibenzyl sulphanilic acid (N, N'-dibenzyl sulphanilic acid ; 1-dibenzylaminobenzene-4-sulphonic acid)

57. *meta*-phenylene-diamine-4-sulphonic acid (2, 4-diaminobenzene sulphonic acid)

58. *meta*-Ureidoamilinehydrochloride (*meta*-aminophenyl urea)

59. Monochlorobenzene (chlorobenzene)

60. M-sulphophenyl pyrazolone [1-(3'-sulphophenyl)-5-pyrazolone]

61. Nitrobenzene

62. N-acetyl-*ortho*-toluidine (1-methyl-2-acetamidobenzene)

63. *alpha*-Naphthalene sulphonic acid (naphthalene-1-sulphonic acid)

64. *beta*-Naphthalene sulphonic acid (naphthalene-*beta* sulphonic acid ; naphthalene-2-sulphonic acid)

65. 2-Naphthylamine-1, 5-disulphonic acid (2-aminonaphthalene-1, 5-disulphonic acid)

66. 2-Naphthylamino-3, 6, 8-trisulphonic acid (7-aminonaphthalene-1, 3, 6-trisulphonic acid)

67. 2-Nitrophenol-4-sulphonic acid (*ortho*-nitrophenol-4-sulphonic acid ; 4-hydroxy-3-nitrobenzene sulphonic acid)

68. 4-nitro-2-aminophenol-6-sulphonic acid (2-hydroxy-3-amino-5-nitrobenzene sulphonic acid ; 2-hydroxy-5-nitroaniline-3-sulphonic acid ; 3-nitro-6-hydroxyaniline-5-sulphonic acid)

69. 6-Nitro-1, 2, 4-acid diazo (6-nitro-1-diazo-2-naphthol-4-sulphonic acid)

70. 2-Nitrotoluene-4-sulphonic acid (2-nitro-*para*-toluene sulphonic acid ; 1-methyl-2-nitrobenzene-4-sulphonic acid)

71. 4-Nitroaniline-2-sulphonic acid (*para*-nitroaniline-*ortho*-sulphonic acid ; 1-amino-4-nitrobenzene-2-sulphonic acid)

72. 3-Nitro-*para*-cresol (2-nitro-4-hydroxy-toluene ; 1-methyl-4-hydroxy-2-nitrobenzene)

73. 4-Nitro-2-aminophenol (3-nitro-6-hydroxy-aniline ; 5-nitro-2-hydroxy-aniline)

74. Nitroaminostilbene disulphonic acid (4-amino-4'-nitrostilbene-2, 2'-disulphonic acid)

75. N-Benzoyl-H-acid (8-Benzamido-1-naphthol-3, 6-disulphonic acid) also as sodium salt.

76. N-methyl-J-acid (6-methylamino-1-naphthol-3-sulphonic acid

77. Oxy-Tobias acid (2-naphthol-1-sulphonic acid; Stebbin's acid)

78. *ortho*-Aminoazobenzene (2-aminoazobenzene)

79. *ortho*-Dichlorobenzene (1, 2-Dichlorobenzene)

80. Phthalic anhydride (anhydride of *ortho*-phthalic acid)

81. *para*-Tolyl-peri-acid (N-P-tolyl-peri-acid; N-tolyl-1-naphthylamine-8-sulphonic acid; 8-P-toluidine-1-naphthalene sulphonic acid N-tolyl-8-amino-1-naphthalene sulphonic acid)

82. *para*-Chloro-*ortho*-aminophenol (2-amino-4-chlorophenol)

83. *para*-Cresidine (2-amino-4-methyl-1-methoxybenzene; 4-methyl-*ortho*-anisidine; 3-amino-4-methoxy-toluene; 5-methyl-*ortho*-anisidine)

84. *para*-Sulphophenyl methyl pyrazolone (*para*-3-methyl-5-oxo-2-pyrazolinlyl benzene sulphonic acid; 3-methyl-1-*para*-sulphophenyl-5-pyrazolone)

85. *para*-Dichlorobenzene (1, 4-dichlorobenzene)

86. Resorcinol (*meta*-dihydroxybenzene; 1, 3-dihydroxybenzene)

87. Sulpho-J-acid (sulfo-J-acid; 6-amino-1-naphthol-3, 5-disulphonic acid; 7-amino-4-hydroxynaphthalene-2, 8-disulphonic acid; 2-amino-5-naphthol-1, 7-disulphonic acid)

88. 5-sulfo-anthranilic acid (2-amino-5-sulphobenzoic acid; 5-sulpho-*ortho*-aminobenzoic acid)

89. Toluene-*para*-sulphonic acid (toluene-4-sulphonic acid; 1-methylbenzene-4-sulphonic acid)

List IV Relating to Annexure VII-D.

1. 3-Amino-*para*-anisanilide (1-methoxy-2-amino-benzene-4-carboxylic acid anilide; 3-Amino anisic acid anilide)

2. Aminoazobenzene hydrochloride (*para*-aminoazobenzene hydrochloride; aminoazobenzene salt)

3. Aniline (1-aminobenzene)

4. 4-Chloro-2-nitrotoluene (1-methyl-2-nitro-4-chlorobenzene)

5. 4, 4'-Di (6-methyl benzthiazyl) azobenzene.

6. 2, 4-Dinitrochlorobenzene (2, 4-dinitro-1-chlorobenzene)

7. Ethylbenzylaniline (N, N-ethylbezylaniline ; 1-ethyl-1-benzy laniline)

8. Michler ketone (tetramethyldiaminobenzophenone , 4, 4'-b (dimethylamino)-benzophenone)

9. *para*-Aminoacetanilide (Mono-acetyl-*para*-phenylenediamine)

10. *para*-Chlorophenol (4-chlorophenol-1, 4-chlorohydroxyben zene)

11. Phenyl-*alpha*-Naphthylamine (N-phenyl-1-naphthylamine)

12. Phenylmethylpyrazolone (1-phenyl-3-methyl-5-pyrazolone ;

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