

GOVERNMENT OF INDIA
TARIFF COMMISSION



REPORT
ON THE
CONTINUANCE OF PROTECTION
TO THE
STARCH INDUSTRY

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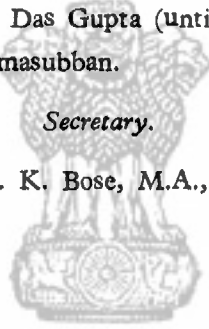
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CONTENTS

PARA

PAGE

1. Origin of the case	1—2
2. Method of inquiry	2—3
3. Scope of the inquiry	3—
4. Present position of the industry	3—5
5. Rated capacity and production	5—6
6. Different kinds of starches	6—7
7. Estimated demand	—8
8. Supply position and price of maize	8—9
9. By-products and derivatives	9—10
10. Quality of the indigenous product	10—11
11. Imports and import control policy	11—
12. Existing rates of duty	2—
13. C. I. F. prices and landed costs of starch and sago flour	12—13
14. Selling prices and selling arrangements	13—15
15. Cost of production and fair ex-works prices of indigenous starch*	16—17
16. Comparison of fair ex-works price of indigenous starch with the landed costs ex-duty of the foreign products	17—
17. Question of continuance of protection†	17—18
18. Summary of conclusions and recommendations	18—19
19. Acknowledgements	—

APPENDICES

I. List of persons or bodies to whom the Commission's questionnaires were issued and from whom replies or memoranda were received	20—21
II. List of persons who attended the Commission's public inquiry on 29th April, 1955	22—23
III. Statement showing the quantity and value of imports of (i) Starch, (ii) farina and potato flour, (iii) sago flour and (iv) dextrine into India during the years 1949-50 to 1954-55 (April 1954 to February 1955)	24—25

REPORT ON THE CONTINUANCE OF PROTECTION TO THE STARCH INDUSTRY

1.1. *Origin of the case.*—The starch industry was granted protection for the first time by the Government of India, Ministry of Commerce, Resolution No. 218-T(18)/47, dated 12th April, 1948. The scheme of protection embodied in the Resolution was, briefly, as follows:—

A protective duty of 18 per cent. *ad valorem* on starch was levied for the period upto 31st March, 1950. Provision was, however, made for revision of the protective duty under Section 4(1) of the Tariff Act in the event of the price of maize varying from Rs. 190 per ton on which the fair selling price of Rs. 35 per cwt. of starch was based, or the landed cost of imported starch falling below Rs. 25 per cwt. It was also provided that if the landed cost of imported pink sago flour fell below Rs. 25 per cwt. or that of white lingga below Rs. 30 per cwt., a duty would be imposed on sago flour (which was then duty free) so as to restore its landed costs to these figures. Further, Government agreed to consider the question of allocating about 50,000 tons of maize to the starch industry in order to enable the factories to work at least upto half of their rated capacity until such time as the food position improved. Government also proposed to foster research and development work on non-edible products like tamarind kernel powder to ascertain their potentialities as substitutes for maize starch.

1.2. In March and April, 1949, the Tariff Board received an application from the industry for revision of the protective duty on the grounds that (a) the landed costs of pink sago and white sago had fallen below Rs. 25 per cwt. and Rs. 30 per cwt. respectively, (b) the cost of production and fair selling price of starch had risen above Rs. 35 per cwt. as a result of the rise in price of maize to Rs. 250 per ton and (c) indigenous starch had been meeting with severe competition from imported farina as well as imported starch. These issues were examined by the Tariff Board and on their recommendation, protection to the industry was continued for a further period of two years ending 31st March, 1952.—The protective duty on starch was increased to 20 per cent. *ad valorem*, the duty on farina was raised from 18 to 20 per cent. *ad valorem*, and was converted into a protective duty, and a protective duty of 20 per cent. *ad valorem* was imposed on sago flour, imports of which were, till then allowed free of duty. It was also decided that if the price of maize varied significantly from Rs. 200 per ton, the fair selling price of indigenous starch should be re-estimated and the quantum of protection suitably revised.

1.3. In May and June, 1951 the Tariff Board received representations from the All-India Starch Manufacturer's Association, Bombay that the cost of manufacture and fair selling price of indigenous starch had increased by Rs. 20 per swt. as a result of an increase

in the landed cost of imported maize, while the landed cost of the imported products like maize starch, sago flour and farina had increased much less, with the result that the quantum of protection to the industry had diminished and the industry was faced with severe competition from imports. The Tariff Board conducted an investigation under Section 4(1) of the Tariff Act, 1934 and recommended to Government in its Report, dated 4th October, 1951 that (a) so long as the import control policy then in force was continued there was no need to increase the duties on maize starch, farina or sago flour, (b) it was desirable that protection to the industry should be continued and that all other assistance such as reasonable allocation of maize and facilities for importation of machinery should continue to be given, (c) the textile industry should utilise all available supplies of indigenous starch and (d) Government should encourage research and developmental work on tamarind Kernel powder and take steps to enlist the co-operation of the textile industry to popularise its use as a sizing agent. Government accepted the recommendations and with the concurrence of the Tariff Commission increased the protective duties on starch, farina and sago to 30 per cent. *ad valorem* exclusive of surcharge. Protection to the industry was continued for a further period of three years, i.e., upto 31st December, 1954. As regards tamarind kernel powder, Government announced that suitable measures would be taken within six months to ensure the compulsory use of the powder upto 50 per cent. of the total quantity of sizing material used, sold or manufactured except for any special varieties exempted for the purpose. In 1953 a Notification was issued by the Government of India compelling textile mills to use at least 33½ per cent. of tamarind kernel powder for the purpose of sizing. This order was, however, withdrawn towards the end of 1954 when maize was freely available and there was a marked decline in the price of maize starch.

1.4. The protective duties imposed in 1951 were due to expire on 31st December, 1954, but they were continued on the recommendation of the Tariff Commission, for a further period of one year, i.e., upto 31st December, 1955, by the Indian Tariff (Third Amendment) Act of 1954. The present inquiry has been undertaken under Section 11(e) read with Section 13 of the Tariff Commission Act, 1951 in order to decide whether the protection granted to this industry should be continued, modified or withdrawn.

2. *Method of inquiry.*—On 31st January, 1955 the Commission issued a press note inviting persons and associations interested in the starch industry or in industries dependent on the use of starch to obtain copies of the relevant questionnaires from the office of the Commission and to submit replies thereto. A list of those to whom questionnaires were issued and of those from whom replies or memoranda were received is given in Appendix I. The Collectors of Customs and leading importers were requested to furnish information regarding the c.i.f. prices and landed costs of maize starch, sago flour and farina. India's Commercial Representatives in London, New York, The Hague and Indonesia were requested to furnish f.o.b. prices of starch, farina and tapioca flour in the respective countries. The Textile Commissioner, Government of India, was requested to furnish a detailed memorandum on the present position of the starch industry. Shri R. Sundaram, Cost Accounts Officer, visited

the factory of Anil Starch Products Ltd., Ahmedabad, on 11th February, 1955, and examined the cost of production of starch manufactured at that factory. Shri A. K. Gopalan, Assistant Cost Accounts Officer, examined the accounts of Bharat Starch and Chemicals Ltd. at their Head Office in Calcutta on 26th March, 1955, and obtained data regarding the cost of production of starch manufactured by them. Shri S. S. Mehta, Technical Director (Chemicals), visited Anil Starch Products Ltd. and Maize Products Ltd., both at Ahmedabad, on 11th February, 1955, Sukhjit Starch and Chemicals Ltd., Phagwara, on 18th February, 1955, and Bharat Starch and Chemicals Ltd., Jamnanagar, on 23rd February, 1955. A public inquiry was held on the 29th April, 1955, at the Commission's office in Bombay. A list of persons who attended the inquiry is given in Appendix II.

3. *Scope of the inquiry.*—The organised section of the industry mainly produces maize starch; some quantities of tapioca starch are also produced in factories and on a cottage industry basis. Indigenous starch in these and other factories has to compete with starch, sago flour and farina imported from abroad. The scope of the inquiry, therefore, includes sago flour and farina as well as starch.

4.1. *Present position of the industry.*—According to the information supplied by the Textile Commissioner, the following eleven factories were engaged in the production of maize starch during the period 1952—1954:

- (i) Anil Starch Products Ltd., Ahmedabad
- (ii) Maize Products Ltd., Ahmedabad
- (iii) Bharat Starch & Chemicals Ltd., Jamnanagar
- (iv) Gwalior Maize Products Ltd., Mandsaur
- (v) Sukhjit Starch & Chemicals Ltd., Phagwara
- (vi) Shree Narendrasinghji Industrial Corporation, Sanjeli
- (vii) Jaipur Maize Products Ltd., Jaipur
- (viii) Pearl Products Co. Ltd., Kanpur
- (ix) Rampur Maize Products Ltd., Rampur
- (x) Narang Industries, Nawabganj
- (xi) India Starch & Chemicals Ltd., Kalol.

The first six factories are stated to be in regular production. It is understood that Rampur Maize Products Ltd., have gone into liquidation, India Starch and Chemicals Ltd., Kalol, are reported to be in financial difficulties and are out of production and Narang Industries have not been in production since March, 1954. No replies to our questionnaires were received from Jaipur Maize Products Ltd. and Pearl Products Co. Ltd., Kanpur. Brief particulars of the other six units are given below:

4.2. *Anil Starch Products Ltd., Ahmedabad*, is a public limited company registered in 1939 with an authorised capital of Rs. 100 lakhs, and a paid-up capital of Rs. 19.73 lakhs. The Managing Agents are Messrs. Kasturbhai Lalbhai & Co. The company is engaged in the production of heavy chemicals, fertilizers, starch and glucose. Production of starch was commenced in the factory in 1941. The original value of the fixed assets employed in the production of starch is estimated by the Company at Rs. 31.68 lakhs. We understand that there is a research department attached to the factory where work is being carried on to standardise conditions for preparing corn steep liquor suitable for penicillin manufacture and to develop the production of food yeast, calcium gluconate and other derivatives and by-products. The Company claims to have up-to-date machinery for the manufacture of starch. The number of workers employed in the manufacture of starch was 248 in 1954.

4.3. *Maize Products Ltd., Ahmedabad*, is a public limited company which was registered in Baroda State in 1941 in the name of Hindustan Colour Chemicals and Manufacturing Co. Ltd. The name of the Company was changed to Maize Products Ltd. in 1953. The Managing Agents of the Company are Messrs. Chinubhai & Brother. The factory is located outside Ahmedabad where the Company manufactures artificial silk fabrics and starch. The authorised capital of the Company is Rs. 50 lakhs and the paid-up capital Rs. 17 lakhs. The original value of the fixed assets utilised for the manufacture of starch is estimated by the company at Rs. 56.14 lakhs. The number of workers employed in the manufacture of starch was 334 in 1954.

4.4. *Bharat Starch and Chemicals Ltd., Jamnagar (East Punjab)*, is a public limited company registered at Calcutta in 1937. The factory is located at Jamnagar along with the paper, soap and vanaspati factories of the Managing Agents Messrs. Karam Chand Thapar & Bros. Ltd. The Starch factory shares some common services with the other three factories. The authorised capital of the Company is Rs. 20 lakhs of which the paid-up capital is Rs. 10 lakhs. The original value of the fixed assets has been estimated by the Company at Rs. 30.38 lakhs. Owing to lack of orders and consequent accumulation of large stocks, the factory has not been in production since October, 1954. The number of workers employed in the factory during 1954 was 65.

4.5. *Gwalior Maize Products Ltd., Mandsaur*, is a public limited company registered in Gwalior State in 1943. It started production of starch in July, 1944. The authorised capital of the Company is Rs. 10 lakhs and the paid-up capital Rs. 9.93 lakhs. The factory is in the possession of the Trustees of the Debenture Holders who have leased it to Messrs. Shivkarandas Rajaram. The original value of the fixed assets is stated to be Rs. 11.5 lakhs. The factory was in intermittent production till 1952 and out of production during 1953 and 1954, initially owing to want of raw materials and subsequently owing to lack of orders. Fresh machinery to increase efficiency is reported to be under installation. The average number of workers employed at present is 200.

4.6. *Sukhjit Starch and Chemicals Ltd., Phagwara (Pepsu)*, is a public limited company registered at Kapurthala in 1944. Till the end of 1954 the Company was managed by Managing Agents, but in January 1955 the management was taken over by the Directors. The authorised capital of the Company is Rs. 25 lakhs and the paid-up capital Rs. 8.99 lakhs. The original value of the fixed assets is stated to be about Rs. 9.7 lakhs. The number of workers employed in the factory during 1954 was 186.

4.7. *Shree Narendrasinghji Industrial Corporation Ltd., Sanjeli*, is a private limited company registered in 1947 in Sanjeli State which is now merged in Bombay State. It is managed by Messrs. M. L. Shah & Co. The authorised capital of the Company is Rs. 3 lakhs and the paid-up capital Rs. 1.997 lakhs. The original value of the fixed assets is stated to be Rs. 2.85 lakhs. The number of workers employed during 1954 was 14.

4.8. There are also a few small factories in Salem District of Madras State, and in Travancore-Cochin State producing tapioca starch about which we have very little data. Among the factories in Travancore-Cochin State the Lakshmi Starch Factory Ltd. in Kundara is a public limited company with a paid-up capital of Rs. 10 lakhs and fixed assets of Rs. 13.35 lakhs. This factory employs 183 workers at present. We also understand that a new unit called the Agricultural and Industrial Uplift Central Co-operative Society Ltd. has been set up in Quilon for manufacture of tapioca starch.

5.1. *Rated capacity and production.*—The following table shows the rated capacity on three-shift basis of each of the eight maize starch factories which are reported to be in production:—

	Capacity in tons
1. Anil Starch Products Ltd.	21,000
2. Maize Products Ltd.	25,000
3. Bharat Starch and Chemicals	13,800
4. Gwalior Maize Products Ltd.	3,000
5. Sukhjit Starch and Chemicals Ltd.	4,300
6. Shree Narendrasinghji Industrial Corporation Ltd.	1,500
7. Jaipur Maize Products Ltd.	2,100
8. Pearl Products Co., Ltd.	900
TOTAL	71,600

We were informed at the public inquiry that before the end of this year, Anil Starch Products Ltd. will increase their capacity to 25,000 tons and Maize Products Ltd. to 32,000 tons.

5.2. Production of maize starch during the years 1952, 1953 and 1954 and the first quarter of 1955 according to the figures furnished by the Textile Commissioner was as follows:—

(In Tons.)

	1952	1953	1954	1955 (Jan.—Mar.)
Anil Starch Products Ltd.	2,154	6,860	11,283	3,172
Maize Products Ltd.	1,657	7,255	13,238	3,821
Bharat Starch and Chemicals Ltd.	1,415	4,506	6,439	24
Gwalior Maize Products Ltd.	573	..	..	N.A.
Sukhjit Starch and Chemicals Ltd. . . . .	..	665	3,844	731
Shree Narendrasinghji Industrial Corporation Ltd.	29	178	849	362
Jaipur Maize Products Ltd.	159	..	128	N.A.
Pearl Products Co. Ltd.	8	98	30	N.A.
Rampur Maize Products Ltd.	1,334	..	..	..
Narang Industries	183	..	..	..
Indian Starch and Chemicals Ltd.	162	..	..	..
TOTAL	7,674	19,562	35,811	8,110

5.3. We have very little data regarding the capacity for the production of tapioca starch or its actual production, as it is carried on mostly on a cottage industry basis. The Lakshmi Starch Factory Ltd., Kundara, has an annual rated capacity of 3,000 tons and according to the figures supplied by the Textile Commissioner, it produced 200 tons of tapioca starch in 1951, 88 tons in 1952, 539 tons in 1953 and 1,061 tons in 1954. The Agricultural and Industrial Uplift Central Co-operative Society Ltd., Quilon, which also produces tapioca starch is reported to have an annual capacity of 3,000 tons, but no information is available about its actual production.

6.1. Different kinds of starches.—During the last three years, imports of sago flour were banned, except for the small quantities required for manufacture of kumkum, and the textile industry has consequently been using only maize starch, tapioca starch and tamarind kernel powder. In its memorandum to the Commission, the Ahmedabad Textile Industry's Research Association has expressed the view that the preference which sago flour enjoyed before the war was more due to its long use than to its intrinsic superiority over maize starch. Maize starch is more uniform in quality than the other starches and has good adhesive and sizing qualities. Its main drawback is its harsher feel, but this can be overcome by using a suitable softener. The textile industry in the U.S.A. mostly uses maize starch for sizing purposes. Tapioca starch has a lower viscosity than maize starch, and the viscosity falls rapidly on heating and stirring. This is a serious disadvantage since sizing requires uniform viscosity. Tamarind kernel powder is cheaper than maize or tapioca starch but its colour is unattractive and it is not available in standardised quality. The consumer's preference for these three

materials is largely governed by their relative prices. Tamarind kernel powder, for example, which is the cheapest, is used by the handloom industry to a large extent.

6.2. One of the largest consumers of tapioca starch is the Buckingham and Carnatic Mills of Madras who have been using it extensively during 1953 and 1954. The Tapioca starch industry is located only in South India and is at a disadvantage as compared with the maize starch industry on account of its distance from the large centres of textile production such as Bombay and Ahmedabad. Till recently, it also suffered from inadequate supplies of tapioca tubers owing to the restrictions imposed by the Travancore-Cochin Government. These restrictions have now been removed by the State Government who are reported to be anxious to develop industries for the manufacture of starch, glucose and other products from tapioca and to stabilise the prices of tapioca of which there is extensive cultivation in the State. The production of tapioca in Travancore-Cochin State during 1953-54 was 17.6 lakhs tons, while the consumption was estimated at 11.5 lakhs tons, so that over 6 lakhs tons are available for industrial purposes. The price of tapioca per maund of 82.2/7 lbs. was as high as Rs. 5/- in certain months of 1953, Rs. 4/3 in early 1954, but fell steadily to Rs. 1/1 in March, 1955. As stated earlier, a new unit called the Agricultural and Industrial Uplift Central Co-operative Society Ltd., is now producing starch in Quilon with an annual capacity of 3,000 tons. It seems, therefore, that the maize starch industry may hereafter meet with keener competition from tapioca starch. The Travancore-Cochin Government have pointed out that the existing railway freight charges place tapioca starch at a disadvantage as compared with maize starch. We suggest that the Travancore-Cochin State Government should take up this matter with the Railway authorities.

6.3. The tamarind kernel powder industry has not made appreciable progress despite the order issued by the Textile Commissioner in 1953 that at least one-third of the sizing material used by textile mills should consist of this powder. The industry was unable to obtain adequate supplies of tamarind kernel at reasonable prices and the mills also were dissatisfied with its product owing to lack of uniformity in quality. We understand, however, that a unit called the Pectin Manufacturing Co. has recently been set up at Bhandup, Bombay for the manufacture of "Pectin" from tamarind kernel and the outlook for this industry will improve considerably if the new product is suitable for sizing purposes.

7.1. *Estimated demand.*—In its first report on the starch industry (1947) the Tariff Board estimated the demand for starch at 50,000 tons per annum, after taking into account the restriction on the use of starch for sizing purposes. The Board stated, however, that if and when the Sizing Control Order was withdrawn the consumption of different kinds of starch excluding wheat starch would probably increase to 75,000 to 80,000 tons per annum. In its second report on the industry (1949) the Board estimated the demand at 55,000 tons per annum, while in its third report (1951) the demand was estimated at 45,000 to 50,000 tons per annum.

7.2. We have received varying estimates of demand in connection with the present inquiry. The estimates received from the producers mostly range from 30,000 tons to 40,000 tons per annum. The Ahmedabad Millowners' Association estimate the requirements of the textile industry at about 50,000 tons per annum. Corn Products Co. (India) Ltd. who are leading importers of starch estimate the total demand at about 42,000 tons made up of 36,000 tons for production of textiles, 5,000 tons for production of dry cell batteries and other miscellaneous industrial uses, 750 tons for edible purposes and 250 tons for production of confectionery and biscuits. The Textile Commissioner has estimated the demand for all kinds of starch at about 55,000 tons of which 85 per cent. is for textiles.

7.3. Domestic production of maize starch in the country and imports of starch of all kinds (maize, farina and sago) during the last six years were as follows:—

Production				Imports			
(Tons)				(Tons)			
1949	.	.	3,600	1949-50	.	.	30,768
1950	.	.	910	1950-51	.	.	47,462
1951	.	.	8,533	1951-52	.	.	36,257
1952	.	.	7,674	1952-53	.	.	510
1953	.	.	19,562	1953-54	.	.	1,021
1954	.	.	35,811	1954-55	.	.	885
							(estimated)
			76,090				117,303
Average for six years.			12,682	19,550			
(Average) TOTAL				32,232 tons.			

The figures given above include neither tapioca starch nor tamarind kernel powder for which no figures are available.

7.4. After a careful consideration of the evidence received by us and the views expressed at the public inquiry we estimate the current demand for starch of all kinds at about 45,000 tons, made up of 36,000 tons of maize starch, 3,000 tons of tapioca starch and 6,000 tons of tamarind kernel powder. In addition, substantial quantities of unprocessed sizing materials such as wheat flour, rice flour and tapioca flour are used by handloom weavers and dhobies mainly because of the relatively high prices of maize starch. Some of the textile mills are also reported to be using these materials in sizing mixtures. We feel that if the price of starch goes down further, there will probably be an all round increase in its consumption.

8. Supply position and price of maize.—Until the end of 1953 the starch industry was dependent mainly on imports of maize, but thereafter the domestic supply position eased and indigenous maize became available at substantially lower prices. The current price

at the principal maize-producing centres range from Rs. 150 to Rs. 175 per ton as compared with prices of Rs. 300 or above ruling prior to 1954. The changeover from imported maize to indigenous maize is clearly brought out in the following statement which shows the quantities purchased by two important manufacturers of starch:—

(In tons.)

Name of manufacturer	1951		1952		1953		1954	
	Im- ported	Indi- genous	Im- ported	Indi- genous	Im- ported	Indi- genous	Im- ported	Indi- genous
Anil Starch Products Ltd.	5,387	..	3,728	19	15,669	984	2,880	16,005
Maize Products Ltd.	6,943	..	..	..	15,516	698	1,989	16,257

9.1. *By-products—By-products and derivatives.*—The by-products recovered during the process of manufacture of maize starch are (i) steep liquor, (ii) maize oil, (iii) maize oil-cake, (iv) maize husk and grit and (v) gluten. Steep liquor is an evaporated concentrate of the water (mixed with a small percentage of sulphur dioxide gas) in which the maize grains are steeped as a first step for the manufacture of maize starch. It finds use as a medium for the manufacture of penicillin and as a constituent for mixed gluten feed. When maize grains are macerated, the “germs” which contain the oil are separated, dried and crushed for extracting maize oil which is utilised in India partly for edible purposes, but mainly in the manufacture of soap. The residue from the oil extraction process is maize oil-cake which is sold mainly as cattle fodder. The macerated grains, after separation from the germ, are crushed, suspended in water and passed over a series of screens when coarse materials containing husk and grit are removed. Husk and grit are also used as cattle fodder and sold either in wet form or after drying. The finer material suspended in water is separated by tabling or by centrifugal separators into gluten and starch. Gluten is filtered and dried and finds use as cattle fodder or as starting material for plastics, amino acids etc.

9.2. The manufacture of steep liquor has not yet been undertaken in the country. Maize Products Ltd., Ahmedabad, have installed a plant for its production. Anil Starch Products have also ordered a plant for the purpose and envisage that recovery of this by-product, which is used for the manufacture of penicillin, will result in a credit of about Rs. 8/10/- per ton of starch. Most of the other by-products are recovered by all the manufacturers, but the quantities recovered and sold are higher in the larger factories

than in the smaller ones. Anil Starch Products and Maize Products have plans for installation of additional equipment with a view to increasing the recovery of the by-products and improving their quality. It has been stated by all the producers that they are at a disadvantage as compared with their foreign competitors because the domestic market for these by-products is limited and there are also various impediments in the way of their exports. Exports of maize oil-cake, bran and husk have been banned and although the ban on exports of maize oil has been removed, there is now a duty of Rs. 300 per ton on the exports of this by-product. Since we have not been able to examine the domestic demand and supply position of maize oil-cake, bran and husk and the prices available for maize oil in foreign markets, we suggest that the starch manufacturers should address their representations in the matter to Government direct, address their representations in the matter to Government direct.

9.3. *Derivatives.*—The principal derivatives of starch are dextrine, thin boiling starch, liquid glucose, dextrose etc. Except dextrose, the other products are being manufactured in the country although not to a significant extent. The position regarding glucose will be dealt with in our Report on the continuance of protection to that industry.

10. *Quality of the indigenous product.*—The majority of consumers who have replied to the Commission's questionnaire have described the quality of indigenous maize starch as generally satisfactory. Complaints regarding percentage of fibre, viscosity and gelatinising properties which were made by consumers to one or two units are reported to have been satisfactorily attended to. The Bombay Millowners' Association, however, have stated that the quality of indigenous maize starch is not consistent in respect of its adhesive properties and colour (which varies from good white to light cream) and that the material often contains foreign matter. The industry attributes some of the defects, especially the variation in colour, to the quality of Indian maize, but avers that indigenous starch is of adequate and acceptable standard for non-edible industrial applications. This statement has been supported by Corn Products Co. (India) Ltd., who have been dealing in imported starch for the past several years. The Ahmedabad Millowners' Association are also of the view that the quality of indigenous starch is as good as that of foreign starch. The representatives of the industry who were present at the public inquiry maintained that, generally speaking, the quality of Indian starch compared very favourably with foreign starch and that most of them were making efforts, through quality control and otherwise, to progressively improve the product. There are no Indian Standard specifications for maize starch, but the producers have been following British Pharmacopoea standards. As regards edible starch, the producers claim that although adherence to B.P. standards is sufficient for all practical purposes, they have also been endeavouring to reach the higher standards which have been in vogue in other countries. Two of the producers have been supplying pharmaceutical companies like Glaxo Laboratories Ltd. and the British Drug House with their grades of edible and pharmaceutical starch and these companies have accepted the supplies and are satisfied with them. Corn Products Co. (India) Ltd. have not, however, approved of the indigenous starch for their own

manufacture of edible products. We recommend that the Indian Standards Institution should formulate standard specifications for indigenous starch for industrial, pharmaceutical and edible purposes as early as possible.

11.1. *Imports and import control policy.*—The import control policy relating to the period from 1st January, 1952 to 30th June, 1955 is summarised as follows:—

11.1.1. *January-June, 1952.*—No licences for the import of starch and farina, sago flour or tapioca flour were granted. Established importers were allowed to import tapioca only to the extent of the amount licensed for the period, July-December, 1951, or upto 100 per cent. of one half of their best year's imports if they claimed a licence on fresh documents. The policy for tapioca for the licensing period, July-December, 1951, was that imports were allowed from Indonesia only to the extent of 100 per cent. of one half of their best year's imports in the case of established importers and six months' requirements in the case of actual users.

11.1.2. *July-December, 1952, January-June, 1953 and July-December, 1953.*—During these licensing periods, no licences were granted for imports of starch, farina, sago flour, tapioca or tapioca flour.

11.1.3. *January-June, 1954, July-December, 1954 and January-June, 1955.*—Established importers were not granted any licences for the imports of starch, farina, sago flour, tapioca or tapioca flour. Applications from manufacturers of kumkum for imports of sago flour were considered *ad hoc*.

11.2 Between 1st January, 1953 and 31st December, 1954 actual users licenses were issued for edible corn flour to actual users having approved packing facilities only. These licences were granted against "starch and farina" which is item No. 4 of Part V of the Import Trade Control Schedule. The above policy continued during the licensing period for January-June 1955.

11.3. The All-India Importers' Association has stated that imports of sago flour for kumkum manufacturers have been large amounting to 1,200 tons during 1953, but this contention has not been borne out by the statistics of imports. The Association has also stated that cheaper indigenous products like tapioca flour are quite suitable for the purpose, and there is no need to permit the import of foreign sago flour. We are unable to make any recommendation in this matter, since we have received no evidence regarding the requirements of kumkum manufacturers.

11.4. We have given in Appendix III a statement showing the quantity and value of imports of (i) starch, (ii) farina and potato flour, (iii) sago flour and (iv) dextrine during the years 1949-50 to 1953-54 and during the period April, 1954 to February, 1955:—

12. *Existing rates of duty.*—The following extract from the First Scheduled to the Indian Customs Tariff (Thirty-ninth Issue) gives the existing rates of duty on imported starch:—

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty
				The U.K.	A British Colony	Burma	
II (2)	Sago Flour	Protective	31½% <i>ad valorem</i>.	..	..	..	December 31st, 1954.*
II (4)	Starch	Do.	31½% <i>ad valorem</i>.	..	..	..	December 31st, 1954.*
II (5)	Farina	Do.	31½% <i>ad valorem</i>.	..	..	..	December 31st 1954.*

13.1. *C.I.F. prices and landed costs of starch and sago flour.*—No imports of industrial starch and sago have been allowed since 1952 with the exception of small quantities of sago flour for kumkum manufacture and corn flour for edible purposes. The c.i.f. prices of actual imports as obtained from the Collectors of Customs are given in the following statement:—

(Per cwt.)

			Port	Origin of import	Date of import	C.I.F. price	Landed cost
						Rs. a. p.	Rs. a. p.
1.	Sago Flour White	Calcutta	Malaya	7-1-54	24 0 0	31 14 0	
2.	Sago Flour Pink	Bombay	Malaya	18-1-54	22 14 0	30 6 0	
3.	Sago Flour White	Bombay	Malaya	19-1-54	23 8 0	30 14 0	
	Lingga.						
4.	Sago Pink No. 1	Bombay	Malaya	20-1-54	23 0 0	30 8 0	
5.	Sago Horn Pink	Bombay	Malaya	25-1-54	22 10 0	30 3 0	
6.	Sago Flour Pink	Madras	Malaya	4-3-54	24 12 0	32 14 0	
7.	White Lingga	Madras	Malaya	6-3-54	25 0 0	33 3 0	
8.	Maize Powdered	Madras	Holland	12-3-54	32 11 6	43 2 6	
	Starch.						
9.	Linga Sago Flour	Madras	Malaya	10-6-54	22 8 0	29 9 0	
10.	Sago Flour Pink	Bombay	Singapore	14-6-54	20 8 0	27 3 0	
11.	Sago Flour	Bombay	Singapore	9-9-54	21 8 0	28 4 0	

* The Protection was extended to 31st December, 1955 by the Indian Tariff (Third Amendment) Act, 1954.

Information obtained from India's Consular representatives abroad, and from Corn Products Co. (India) Ltd. regarding quotations of f.o.b. and c.i.f. prices of starch in certain foreign countries is given in the statement below:—

(Per cwt.)

Source of information	Description of item	Source of supply	F.O.B. price	C.I.F. price
			Rs. a. p.	Rs. a. p.
1. Corn Products Co. (India) Ltd.	Farina	Holland	..	36 2 0
	Maize Starch	Holland	..	31 9 0
	Sago Flour : Linga quality	Singapore	..	22 10 0
	Siak quality	Singapore	..	21 10 0
2. The High Commission of India, London.	Powdered maize starch.	U.K.	30 10 8	
3. Consulate General of India, New York.	Corn (Maize)	U.S.A.	30 1 3	
	Wheat (Farina)	U.S.A.	40 4 3 to 41 9 7	
	Sago Flour Raw	U.S.A.	34 10 8	
	Sago Flour refined	U.S.A.	42 10 8	
	Tapioca Flour (Brazilian). . . .	U.S.A.	42 10 8	
	Tapioca Flour (Siamese). . . .	U.S.A.	40 0 0	
4. Embassy of India, The Hague.	Maize Starch	Holland	37 4 0	40 15 7
	Farina	Holland	35 3 6	38 15 1
5. Embassy of India, Djakarta.	Tapioca Starch : 3-A Superior	Indonesia	24 12 6	
	3-A	Indonesia	22 13 8	
	2-A	Indonesia	20 15 3	
	1-A	Indonesia	19 0 9	

13.2. For assessing the measure of protection, if any, required by the domestic industry a comparison of the fair ex-works price of indigenous starch with the landed costs of the competitive foreign products is necessary. For this purpose we have chosen the undermentioned c.i.f. prices from the two lists given above, in agreement with the representatives of the different interests present at the public inquiry.

	Rs. a. p.
Sago Flour (Singapore)	20 8 0
Farina (Holland)	36 2 0
Maize Starch (Holland)	31 9 0

14.1. *Selling prices and selling arrangements.*—Maize Products Ltd., Ahmedabad, have stated that most of their products are sold by their sole selling agent for the whole country. The agent sells certain products direct to consumer while small quantities of starch and entire quantities of by-products are sold by them through

brokers. Generally a commission of $2\frac{1}{2}$ per cent. is given on sales while in certain products a small brokerage is given which varies according to the product, quantity sold etc.

14.2. Gwalior Maize Products Ltd. sell their products through Messrs. Corn Products Co. (India) Ltd., Bombay, at 4 per cent. commission at the price of Rs. 22/- per cwt. f.o.r. Mandsaur.

14.3. Anil Starch Products also sell their products through selling agents who are paid a commission of $2\frac{1}{2}$ per cent. on sales of starch and 5 per cent. on sales of dextrine. The price of starch includes free delivery at clients' premises in the principal consuming centres of Bombay and Ahmedabad. For other up-country clients the price includes delivery f.o.r. Ahmedabad.

14.4. The following statement shows the maximum and minimum selling prices of maize starch charged by Anil Starch Products Ltd., and Maize Products Ltd., Ahmedabad from quarter ending March, 1953 to quarter ending December, 1954:—



Name of manufacturer	Quarter ending March, 1953												Quarter ending March, 1954												Quarter ending Sept., 1954												Quarter ending Dec., 1954																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
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NOTE.—The above prices are f.o.r. Ahmedabad.

15.1. *Cost of production and fair ex-works prices of indigenous starch.*—The cost of production and fair ex-works prices of maize starch manufactured by Anil Starch Products Ltd (Ahmedabad), and Bharat Starch and Chemicals Ltd. (Jagadhri, Punjab) were examined by our Cost Accounts Officers, the former from the books maintained at the factory, and the latter from the books maintained by the Managing Agents at Calcutta. These two units have had a fair volume of production in the near past and are situated in different zones. Their cost data reflect the varying conditions relating to labour, supplies and prices of raw materials and other factors affecting their cost of production. The actual costs of production and fair ex-works prices of maize starch produced by these two units during the period mentioned against each were as follows:—

	Anil Year ended 31-12-1954 Rs.	Bharat Year ended 31-1-1954 Rs.
Material cost	534.0	632.20
Conversion cost	121.8	154.10
	565.8	786.30
Less credit for by-products	90.2	68.28
	565.6	718.02
Depreciation	7.4	33.07
Interest on working capital	13.2	11.08
Return on block	17.4	40.69
Packing charges	19.6	20.80
Per ton	623.2	823.66
Per cwt.	31.16	41.18

The above figures relate to a production of 11,440 tons in the case of Anil and 5038 tons in the case of Bharat. The consumption of maize per ton of starch was 1.629 tons in the case of Anil and 1.67 tons in the case of Bharat; the prices per ton of maize were Rs. 327.7 and Rs. 378.66 respectively.

15.2. On the basis of the data furnished by our Cost Accounts Officers we have estimated the fair ex-works prices of starch for the two units as follows:—

Estimated annual output	Anil Starch Products Ltd. 15,000 tons Rs.	Bharat Starch and Chemicals Ltd. 7,500 tons Rs.
Material cost	326.00	326.00
Conversion cost	114.66	118.80
	440.66	444.80
Less credit for by-products	92.15	85.00
	348.51	359.80
Depreciation	9.52	16.90
Interest on working capital	8.28	8.55
Return on block	18.48	27.33
Packing charges	19.60	20.00
Per ton	404.39	432.58
Per cwt.	20.22	21.63

15.3. After discussion with the representatives of the two units, and in agreement with them, the price of maize has been taken at Rs. 200 per ton (at factory site), and the consumption per ton of starch at 1.63 tons of maize. The credit for by-products has been assumed at the rates actually obtainable at the centres of production and for quantities expected to be disposed of by the respective units. The additional plant required for increasing the level and efficiency of production has been taken into account in calculating return on block and depreciation. Interest on working capital has been allowed at $4\frac{1}{2}$ per cent. on an amount equal to six months' cost of production and the return at 10 per cent. on the gross block.

15.4. For the purpose of determining the fair ex-works price of indigenous maize starch for the industry as a whole, we have taken the average of the two prices given in para 15.2 above viz., Rs. 20.22 and Rs. 21.63 per cwt. The fair ex-works price of starch so arrived at is Rs. 20-14-9 per cwt.

15.5. The reports of the Cost Accounts Officers, which are of a confidential nature are forwarded separately as enclosures to this report.

16.1. *Comparison of fair ex-works price of indigenous starch with the landed costs ex-duty of the foreign products.*—The following table gives a comparison of the landed costs, ex-duty, of maize starch, farina and sago flour (*vide* paragraph 13.2) with the fair ex-works price of indigenous maize starch:—

	Per cwt.					
	Maize Starch		Farina		Sago flour	
	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.
1. C.i.f. price per Cwt.	31	9 0	36	2 0	20	8 0
2. Duty at $31\frac{1}{2}$ %	9	15 0	11	6 0	6	7 4
3. Clearing charges	0	3 8	0	3 8	0	3 8
	41	11 8	47	11 8	27	3 0
Landed cost ex-duty	31	12 8	36	5 8	20	11 8
Fair ex-works price	20	14 9	20	14 9	20	14 9

16.2. It will be seen from the above table that the fair ex-works price of indigenous maize starch is very much less than the landed cost ex-duty of imported maize starch and farina and is higher than the landed cost ex-duty of sago flour only by 0.94 per cent. of the c.i.f. price.

17.1. *Question of continuance of protection.*—It should be clear from the data given above that the indigenous maize starch is at present at no disadvantage in comparison with imported starch or sago flour in point of price, quality or consumers' preference. No cost data are available for tapioca starch or tamarind kernel powder, but these products are cheaper than maize starch. The

producers, however, have stated that the danger of foreign competition still persists because there is a large international combine controlling a number of starch manufacturing units in different parts of the world and has over 50 years of technical experience. As this organization deals in a wide range of starch products and has a number of subsidiaries well established in the distribution trade, the indigenous industry is afraid of the possibility of unfair foreign competition arising at any moment in future. We consider, however, that a system of tariff protection need not be maintained merely to provide against the possibility of dumping. There is no evidence of dumping at present and, if it takes place in future, the industry can bring it to the attention of Government and the Commission for suitable action under Section 11(c) of the Tariff Commission Act. Under that Section, read with Section 13, the Commission can take up the necessary investigation *suo moto*. Further, the fall in the domestic prices of maize and the improvement in its supply position has removed one of the main disadvantages which the domestic maize starch industry was suffering from ever since its inception and, in view of the current trend of agricultural prices, this position is likely to continue for some time. Starch is an essential material for the textile industry and it is, therefore, desirable that its cost should be maintained at as low a level as possible. The domestic industry has also ample capacity to meet the domestic requirements, and there is enough internal competition to ensure that the prices of this product are maintained in fair relation to costs. In the circumstances, any threat of foreign competition should properly be dealt with by regulation of imports instead of by high tariffs. Imports of starch and sago flour have been severely restricted since 1952, and we recommend that the present policy of import control over starch and sago flour should be maintained to ensure continued development of the domestic industry.

17.2. After a careful examination of all the factors mentioned above, we are of the opinion that protection to the starch industry need not be continued beyond 31st December, 1955. If as a result of a relative decline in the prices of maize in foreign countries or any other factor, the industry finds itself unable to meet foreign competition, it may apply to Government for a review of its case. Any instance of dumping by foreign suppliers of starch or sago flour may be brought to the notice of the Commission direct.

18. *Summary of conclusions and recommendations.*—Our conclusions and recommendations are summarised below:—

- (i) The domestic demand for starch of all kinds is estimated at about 45,000 tons, made up of 36,000 tons of maize starch, 3,000 tons of tapioca starch and 6,000 tons of tamarind kernel powder.

[Paragraph 7.4]

- (ii) The quality of indigenous maize starch is generally satisfactory.

[Paragraph 10]

- (iii) The Indian Standards Institution should formulate standard specifications for indigenous starch for industrial, pharmaceutical and edible purposes as early as possible.

[Paragraph 10]

- (iv) The present policy of import control over starch and sago flour should be maintained to ensure continued development of the domestic starch industry. The interests of the consuming industries will not be adversely affected by continuance of import control since the starch industry has ample capacity to meet domestic requirements and there is enough internal competition to ensure that the prices of this product are maintained in fair relation to costs.

[Paragraph 17.1]

- (v) Protection to the starch industry need not be continued beyond 31st December, 1955 when the present period of protection expires. If as a result of a relative decline in prices of maize in foreign countries or any other factor, the industry finds itself unable to meet foreign competition, it may apply to Government for a review of its case. Any instance of dumping by foreign suppliers of starch or sago flour may be brought to the notice of the Commission direct.

[Paragraph 17.2]

19. *Acknowledgments.*—We wish to express our thanks to the representatives of manufacturers, importers and consumers of starch and the Millowners' Associations at Bombay and Ahmedabad for their co-operation. Our thanks are also due to Dr. S. R. Ramachandran, Deputy Director, Office of the Textile Commissioner Bombay for his assistance in connection with this inquiry. Shri M. D. Bhat, Chairman, and Shri B. N. Das Gupta, Member, served on this Panel until 16th and 31st May, 1955 respectively on which dates they relinquished charge of their posts.

B. N. ADARKAR,

Member.

C. RAMASUBBAN,

Member.

S. K. BOSE,

Secretary.

BOMBAY;

Dated 7th July, 1955.

APPENDIX I

(vide paragraph 2)

LIST OF PERSONS OR BODIES TO WHOM THE COMMISSION'S QUESTIONNAIRES WERE ISSUED AND FROM WHOM REPLIES OR MEMORANDA WERE RECEIVED.

(*) Indicates those who have sent detailed replies to the questionnaire or sent memoranda.

Producers

- * 1. Anil Starch Products Ltd., Railwaypura Post, Ahmedabad
- * 2. Bharat Starch & Chemicals Ltd., 5, Royal Exchange Place Calcutta.
- * 3. Gwalior Maize Products Ltd., Mandsaur, Madhya Bharat. W. Rly.
- * 4. India Starch & Chemicals Ltd., Kalol, (North Gujarat).
5. Jaipur Maize Products Co., Ghelot Bhuvan, New Colony, Jaipur. (Rajasthan).
- * 6. Laxmi Starch Factory, Kundara, Travancore-Cochin State.
- * 7. Maize Products Ltd., Post Box No. 1072, Ahmedabad.
8. Narang Industries Ltd., Nawabganj, (Dist. Gonda), U.P.
9. Pearl Products Co. Ltd., Industrial Area, Kalpi Road, Kanpur.
- 10. Rampur Maize Products Ltd., Rampur. (U.P.)
- 11. Shree Narendrasinghji Industrial Corporation, P. O. Sanjeli, (Via) Dohad, W. Rly.
- * 12. Sukhjit Starch & Chemicals Ltd., Phagwara, (PEPSU).

Producers' Associations

- * 1. All India Starch Manufacturers' Association, Post Box No. 1206, Bombay 1.
- * 2. Tamarind Powder Manufacturers' Association, Meadows Street, Bombay 1.

Importers

- 1. Bhupendra Vadilal & Co., 322, Kharek Bazar, Bombay.
- * 2. Corn Products Co. Ltd., Post Box No. 994, Bombay 1.
- 3. The New Standard Chemicals Co. Ltd., 281, Samuel Street, Bombay.
- 4. The Sizing Materials Co. Ltd., Jeroo Building, Mahatma Gandhi Road, Bombay 1.
- 5. Union Chemical Agency, 231, Samuel Street, Bombay 3.
- 6. Vasav & Company, Vadgadi, Bombay 3.
- 7. Waghji Lakhmidas & Co., 82, Kazi Sayed Street, Mandvi, Bombay 3.

Importers' Associations.

- * 1. All India Importers' Association, Churchgate House, Veer Nariman Road, Bombay 1.
- * 2. Sago Importers' & Dealers' Association, 222-A, Samuel Street, Bombay 3.

Consumers.

- * 1. Ahmedabad Millowners' Association, Lal Dharwaja, Ahmedabad.
- * 2. Bombay Millowners' Association, Elphinstone Circle, Bombay 1.
- 3. Century Spinning & Weaving Co. Ltd., Prescott Road, Bombay 1.
- * 4. Estrela Batteries Ltd., Yusuf Bldg., Churchgate Street, Bombay.
- 5. Indian Jute Mills' Association, Royal Exchange Place, Calcutta.
- 6. Indian Paper Mills' Association 23-B, Netaji Subhas Road, Calcutta 1.
- 7. Kamala Mills Ltd., 45-47, Apollo Street, Bombay 1.
- * 8. The Buckingham & Carnatic Co. Ltd., Post Box No. 66, Madras.
- 9. The Khatau Makanji Spg. & Wvg. Co. Ltd., Laxmi Building, Ballard Estate, Bombay.

Government Departments and others

- * 1. The Secretary to the Government of India, Ministry of Food & Agriculture, New Delhi.
- * 2. The Textile Commissioner, Government of India, Wittet Road, Ballard Estate, Bombay 1.
- * 3. The Director of Industries, Old Customs House Yard, Bombay 1.
- 4. The Director of Industries, Madras.
- * 5. The Director of Industries, Trivandrum, Travancore-Cochin.
- 6. The Director of Industries, Pepsu.
- 7. The Director of Industries, Chandigarh, Punjab.
- * 8. The Director of Industries, Madhya Bharat.
- 9. The Director of Industries, United Provinces.
- * 10. The Ahmedabad Textile Industries Research Association, Ahmedabad.

APPENDIX II

(Vide paragraph 2)

LIST OF PERSONS WHO ATTENDED THE COMMISSION'S PUBLIC INQUIRY ON
29TH APRIL, 1955.

Producers

1. Shri Chinubhai Manibhai	}	Representing	Anil Starch Products Ltd.
2. Shri M. Dutt			Ahmedabad.
3. Shri K. Gopaldaswami		Do.	Maize Products Ltd., Ahmedabad.
4. Shri M. L. Shah		Do.	Narendrasinghji Indus- trial Corporation, Sanjeli and Jaipur Maize Products Co., Jaipur.
5. Shri J. M. Thapar		Do.	Bharat Starch and Che- micals Ltd., Calcutta.
6. Shri K. L. Sardana		Do.	Sukhjit Starch and Chemicals Ltd., Phag- wara.
7. Shri M.R. Engineer	}	Do.	Laxmi Starch Factory, Kundara, T.C. State.
8. Shri H. M. Baxi			
9. Shri Narotamdas Popatlal	}	Do.	Pectin Mfg. Co., Bombay
10. Dr. G.R. Savur			
11. Shri S.B. Sethi			Hon. Secretary, All India Starch Mfrs. Association, Bombay.

Importers

12. Mr. W. Briggs	}	Do.	Corn Products Co. (India) Ltd., Bombay.
13. Shri I.G. Gopalakrishna Iyer			
14. Shri S. M. Shah	}	Do.	All India Importers' Association. Bombay
15. Shri C. C. Javeri			
16. Shri C. J. Mehta			
17. Shri S. G. Shah	}	Do.	Sago Floor Importers' and and Dealers' Associa- tion, Bombay.
18. Shri M. M. Raval			

Consumers

19. Shri H. M. Vyas . . .	Representing	Millowners' Association, Bombay.
20. Shri Jayakrishna Harivallabhdas	} Do.	Ahmedabad Millowners' Association, Ahmeda- bad.
21. Shri H. G. Acharya		
22. Shri D. M. Shah . . .	Do.	Estrela Batteries Ltd., Bombay.

Government Officials

23.	Shri C. R. Bhadran .	Do.	Ministry of Food and Agriculture, New Delhi.
24.	Dr. S. R. Ramachandran	Do.	Textile Commissioner's Office, Bombay.
25.	Shri J. S. Joshi .	} Do.	Director of Industries, Bombay.
26.	Shri M. V. Pandit .		
27.	Shri T.V. Punnoose .	Do.	Director of Industries, Travancore-Cochin State.



APPENDIX

(vide Paragraph

Statement showing the quantity and value of imports of (i) Starch (ii) Farina
years 1949-50 to 1954-55

Name of the product and the country of origin	1949-50		1950-51	
	Quantity (Tons)	Value (Rs.)	Quantity (Tons)	Value (Rs.)
(i) Starch				
United Kingdom	48	34,381	375	2,73,943
Australia	55	49,076	27	23,216
Netherlands	2,116	14,25,482	3,392	22,17,935
France . . . . .	..	..	250	1,74,756
Burma	661	4,35,947	589	3,25,076
U.S.A.	136	78,726	193	1,50,879
Other countries	69	55,212	74	53,214
TOTAL	3,085	20,78,824	4,900	32,18,999
(ii) Farina and Potato Flour				
Australia	164	1,36,950	..	..
Netherlands	980	5,81,238	1,888	11,20,149
Other countries . . . . .	..	..	47	25,593
TOTAL	1,144	7,18,188	1,935	11,45,742
(iii) Sago Flour				
Singapore	26,217	1,03,47,162	38,728	2,02,50,411
Malaya	3	1,318	274	1,39,048
Other countries	12	4,950	679	4,04,453
TOTAL	26,232	1,03,53,430	39,682	2,07,93,912
(iv) Dextrine				
United Kingdom	2	2,738	70	50,592
Netherlands	231	1,72,998	875	6,47,983
Other countries	74	48,150
TOTAL	307	2,23,886	945	6,98,575
GRAND TOTAL	30,768	1,33,74,328	47,462	2,58,57,228

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and potato flour: (iii) Sago flour and (iv) Dextrine into India during the (April, 1954 to February, 1955).

1951-52		1952-53		1953-54		1954-55 (April, 1954 to February, 1955)	
Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
(Tons)	(Rs.)	(Tons)	(Rs.)	(Tons)	(Rs.)	(Tons)	(Rs.)
286	2,75,359	25	29,946	4	9,500	27	28,142
85	80,153	..	..	..	..	..	..
2,880	24,54,578	548	4,38,177	100	1,34,697	83	64,957
225	1,83,081	..	..	..	..	..	..
..
192	1,79,675	106	99,789	28	25,908	120	1,07,777
473	3,92,794	1	1,446	..	862	..	1,051
4,141	35,65,640	680	5,69,358	132	1,70,967	230	2,01,927
..
1,598	11,86,849	12	10,392	4	2,903	916	13,469
33	25,839	..	..	..	37	4'0	9,420
1,631	12,12,688	12	10,392	4	2,940	13'6	22,889
29,202	174,72,380	47	21,471	492	2,32,772	411'3	1,82,629
299	2,14,317	..	..	..	..	75'5	29,834
137	1,14,346	5	2,649	3	1,724	..	..
29,638	1,78,01,043	52	24,120	495	2,34,496	486'8	2,12,463
108	1,15,685						
735	6,85,110						
4	3,022						
847	8,03,817						
36,257	2,33,83,188	744	6,03,870	631	4,08,403	720'4	4,37,279



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[To be Published in Part I, Section 1 of the Gazette of India
Extraordinary dated the 12th November 1955.]

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY

RESOLUTION

TARIFFS

New Delhi the 12th November 1955.

No. 12 (2) TB. 55.—The Tariff Commission has submitted its Report on the continuance of protection to the Starch Industry.

Its recommendations are as follows :—

- (1) Protection to the Starch Industry need not be continued beyond 31st December, 1955, when the present period of protection expires. If as a result of a relative decline in prices of maize in foreign countries or any other factor, the industry finds itself unable to meet foreign competition, it may apply to Government for a review of its case. Any instance of dumping by foreign suppliers of starch or sago flour may be brought to the notice of the Commission direct.
 - (2) The present policy of Import Control over starch and sago flour should be maintained to ensure continued development of the domestic starch industry. The interests of the consuming industries will not be adversely affected by continuance of Import Control since the starch industry has ample capacity to meet domestic requirements and there is enough internal competition to ensure that the prices of this product are maintained in fair relation to costs.
 - (3) The Indian Standards Institution should formulate standard specifications for indigenous starch for industrial, pharmaceutical and edible purposes as early as possible.
2. Government accept recommendation (1) and will take suitable action to implement it in due course. Attention of the industry is invited to the latter part of the recommendation.
3. As regards recommendation (2), Government has taken note of the Commission's views which will be taken into account, along with other relevant considerations, while framing the import policy from time to time.
4. Government accept recommendation (3) and will take steps to implement it as far as possible.

ORDER

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

(Sd.) K. B. LALL,
Joint Secretary to the Government of India.