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TO BE PUBLISHED IN SUB-SECTION (ii) OF SECTION 3 OF PART II  
OF THE GAZETTE OF INDIA.

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE AND INDUSTRY.

.....  
New Delhi, the 15th February, 1958.

NOTIFICATION  
( TEA CONTROL )

S.O...../12(2)Plant(A)/57/- In pursuance of section 19 of the Tea Act, 1953 (29 of 1953), the Central Government hereby declares that the export allotment of tea for the financial year 1957-58 shall be 460.96 million pounds avoirdupois.

*P. V. Ramaswamy*  
(P.V. RAMASWAMY)

Under Secretary to the Government of India.

To

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The Manager,  
Government of India Press,  
New Delhi.

No.12(2)Plant(A)/57. *file  
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Copy to:-

1. The Secretary, Tea Board, 27 & 29, Brabourne Road, Calcutta.
2. All State Governments of Assam, West Bengal, Madras, Kerala, Mysore, Punjab, Uttar Pradesh and Bihar.
3. The Union Territories of Tripura and Himachal Pradesh.
4. The Collectors of Customs of Bombay, Calcutta, Madras, Cochin and Pondicherry.
5. The Ministry of Finance, Department of Revenue, New Delhi.
6. The Ministry of Finance (C I & RA Divn), New Delhi.
- 10-  
20g. \*7. The Minister (Economic), High Commission of India, India House, Aldwych, London W.C.2.
8. The Indian Tea Association, Post Box No. 280, Royal Exchange, Calcutta.
9. The Indian Tea Planters' Association, Post Box No. 74, Jalpaiguri.

Contd....2.

1. The Tripura Tea Association, 6, Mangoe Lane, Calcutta-1.
2. The Bharatiya Cha Parishad, 63, Ballygunge Circular Road, Calcutta-19.
3. The Tea Association of India, India Exchange, Calcutta-1.
4. The United Planters' Association of Southern India, Glenview, Coonoor, Nilgiris, Madras State.
5. The Association of Planters of Travancore, Kottayam, Kerala State.
6. The Assam Tea Planters' Association, P/8, Mission Row Extension, Calcutta.
7. The Surma Valley Indian Tea Planters' Association, B-3, Clive Building, Calcutta.
8. The Terai Indian Tea Planters' Association, Simulbarie, Darjeeling.
9. The Calcutta Tea Merchants' Association, 'India Exchange', Calcutta-1.
10. The Calcutta Tea Traders' Association, Royal Exchange, Calcutta.
11. The Tea Trade Association of Cochin, P.O.Box No.84, Fort Cochin.
12. The Federation of Indian Chamber of Commerce and Industry, 28, Ferozshah Road, New Delhi.
13. The Associated Chamber of Commerce of India, 2, Netaji Subhas Road, Calcutta.
14. The Indian National Trade Union Congress, 17, Janp ti, New Delhi.
15. The All-India Trade Union Congress, Pahwa Mansion, Kamla Market, Asaf Ali Road, New Delhi.
16. The Hind Mazdoor Sabha, Servants of India Society' Home, Sandhurst Road, Bombay-4.
17. The Director General of Commercial Intelligence and Statistics, 1, Council House Street, Calcutta.
18. Publications Branch.

*P. V. Ramaswamy*

(P.V. RAMASWAMY)

Under Secretary to the Government of India.

GOVERNMENT OF INDIA  
MINISTRY OF LAW



THE INDUSTRIES  
(DEVELOPMENT AND REGULATION)  
ACT, 1951

(ACT No. 65 OF 1951)

*(As modified up to the 1st June, 1957)*

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## LIST OF AMENDING ACTS

1. The Industries (Development and Regulation) Amendment Act, 1953 (26 of 1953).
2. The Industries (Development and Regulation) Amendment Act, 1956 (71 of 1956).

## LIST OF ABBREVIATIONS USED

Cl. ....	for	Clause.
Ins .....	”	Inserted.
P. ....	”	Page.
Pt. ....	”	Part.
S. ....	”	Section.
Subs. ....	”	Substituted.
w.e.f. ....	”	with effect from.

# THE INDUSTRIES (DEVELOPMENT AND REGULATION) ACT, 1951

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THE INDUSTRIES (DEVELOPMENT AND  
REGULATION) ACT, 1951

ACT No. 65 OF 1951<sup>1</sup>

An Act to provide for the development and regulation of certain industries.

[31st October, 1951.]

BE it enacted by Parliament as follows :—

CHAPTER I

PRELIMINARY

**1. Short title, extent and commencement.**—(1) This Act may be called the Industries (Development and Regulation) Act, 1951.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force on such date<sup>2</sup> as the Central Government may, by notification in the Official Gazette, appoint.

**2. Declaration as to expediency of control by the Union.**—It is hereby declared that it is expedient in the public interest that the Union should take under its control the industries specified in the First Schedule.

**3. Definitions.**—In this Act, unless the context otherwise requires,—

(a) “Advisory Council” means the Central Advisory Council established under section 5 ;

(b) “Development Council” means a Development Council established under section 6 ;

<sup>3</sup>[(bb) “existing industrial undertaking” means—

(a) in the case of an industrial undertaking pertaining to any of the industries specified in the First Schedule as originally enacted, an industrial undertaking which was in existence on the commencement of this Act or for the establishment of which effective steps had been taken before such commencement, and

<sup>1</sup> For Statement of Objects and Reasons, see Gazette of India, 1949, Pt. V, p. 156; and for Report of Select Committee see *ibid.*, 1950, Pt. V, pp. 103 to 112 and *ibid.*, 1951, Pt. II, Section 2, pp. 709 to 713.

<sup>2</sup> 8th May, 1952, *vide* Notification No. S.R.O. 811, dated the 8th May, 1952, Gazette of India, Extraordinary, Pt. II, Section 3, p. 539.

<sup>3</sup> Ins. by Act 26 of 1953, s. 2 (w.e.f. 1-10-1953).

- (b) in the case of an industrial undertaking pertaining to any of the industries added to the First Schedule by an amendment thereof, an industrial undertaking which is in existence on the coming into force of such amendment or for the establishment of which effective steps had been taken before the coming into force of such amendment ;]
- (c) “factory” means any premises, including the precincts thereof, in any part of which a manufacturing process is being carried on or is ordinarily so carried on—
- (i) with the aid of power, provided that fifty or more workers are working or were working thereon on any day of the preceding twelve months ; or
- (ii) without the aid of power, provided that one hundred or more workers are working or were working thereon on any day of the preceding twelve months and provided further that in no part of such premises any manufacturing process is being carried on with the aid of power ;
- (d) “industrial undertaking” means any undertaking pertaining to a scheduled industry carried on in one or more factories by any person or authority including Government ;
- <sup>1</sup>[(dd) “new article”, in relation to an industrial undertaking which is registered or in respect of which a licence or permission has been issued under this Act, means—
- (a) any article which falls under an item in the First Schedule other than the item under which articles ordinarily manufactured or produced in the industrial undertaking at the date of registration or issue of the licence or permission, as the case may be, fall ;
- (b) any article which bears a mark as defined in the Trade Marks Act, 1940 (5 of 1940), or which is the subject of a patent, if at the date of registration or issue of the licence or permission, as the case may be, the industrial undertaking was not manufacturing or producing such article bearing that mark or which is the subject of that patent ;]
- (e) “notified order” means an order notified in the Official Gazette ;
- (f) “owner”, in relation to an industrial undertaking, means the person who, or the authority which, has the ultimate control over the affairs of the undertaking, and, where the said affairs are entrusted to a manager, managing director or managing agent, such manager, managing director or managing agent shall be deemed to be the owner of the undertaking ;
- (g) “prescribed” means prescribed by rules made under this Act ;

<sup>1</sup> Ins. by Act 26 of 1953, s. 2 (w.e.f. 1-10-1953).



- (h) "Schedule" means a Schedule to this Act ;
- (i) "scheduled industry" means any of the industries specified in the First Schedule.

4. [Saving.] Omitted by the Industries (Development and Regulation) Amendment Act, 1953 (26 of 1953), s. 3 (w.e.f., 1-10-1953).

## CHAPTER II

### THE CENTRAL ADVISORY COUNCIL AND DEVELOPMENT COUNCILS

**5. Establishment and constitution of Central Advisory Council and its functions.**—(1) For the purpose of advising it on matters concerning the development and regulation of scheduled industries, the Central Government may, by notified order, establish a Council to be called the Central Advisory Council.

(2) The Advisory Council shall consist of a Chairman and such other members, not exceeding thirty in number, all of whom shall be appointed by the Central Government from among persons who are in its opinion capable of representing the interests of —

- (a) owners of industrial undertakings in scheduled industries ;
- (b) persons employed in industrial undertakings in scheduled industries ;
- (c) consumers of goods manufactured or produced by scheduled industries ;
- (d) such other class of persons including primary producers, as in the opinion of the Central Government, ought to be represented on the Advisory Council.

(3) The term of office of, the procedure to be followed in the discharge of their functions by, and the manner of filling casual vacancies among, members of the Advisory Council, shall be such as may be prescribed.

(4) The Central Government shall consult the Advisory Council in regard to—

- (a) the making of any rules, other than the first rules to be made under sub-section (3) ;

<sup>1</sup> \* \* \* \* \*

and may consult the Advisory Council in regard to any other matter connected with the administration of this Act in respect of which the Central Government may consider it necessary to obtain the advice of the Advisory Council.

<sup>1</sup> Cl. (b) omitted by Act 26 of 1953, s. 4 (w.e.f. 1-10-1953).

**6. Establishment and constitution of Development Councils and their functions.**—(1) The Central Government may, by notified order, establish for any scheduled industry or group of scheduled industries, a body of persons to be called a Development Council which shall consist of members who in the opinion of the Central Government are—

- (a) persons capable of representing the interest of owners of industrial undertakings in the scheduled industry or group of scheduled industries ;
- (b) persons having special knowledge of matters relating to the technical or other aspects of the scheduled industry or group of scheduled industries ;
- (c) persons capable of representing the interests of persons employed in industrial undertakings in the scheduled industry or group of scheduled industries ;
- (d) persons, not belonging to any of the aforesaid categories, who are capable of representing the interests of consumers of goods manufactured or produced by the scheduled industry or group of scheduled industries.

(2) The number and the term of office of , and the procedure to be followed in the discharge of their functions by, and the manner of filling casual vacancies among members of a Development Council, shall be such as may be prescribed.

(3) Every Development Council shall be, by virtue of this Act, a body corporate by such name as may be specified in the notified order establishing it, and may hold and transfer property and shall by the said name sue and be sued.

(4) A Development Council shall perform such functions of a kind specified in the Second Schedule as may be assigned to it by the Central Government and for whose exercise by the Development Council it appears to the Central Government expedient to provide in order to increase the efficiency or productivity in the scheduled industry or group of scheduled industries for which the Development Council is established, to improve or develop the service that such industry or group of industries renders or could render to the community, or to enable such industry or group of industries to render such service more economically.

(5) A Development Council shall also perform such other functions as it may be required to perform by or under any other provision of this Act.

**7. Reports and accounts of Development Councils.**—(1) A Development Council shall prepare and transmit to the Central Government and the Advisory Council, annually, a report setting out what has been done in the discharge of its functions during the financial year last completed.

(2) The report shall include a statement of the accounts of the Development Council for that year, and shall be transmitted as soon as accounts therefor have been audited, together with a copy of any report made by the auditors on the accounts.

(3) The statement of account shall be in such form as may be prescribed, being a form which shall conform to the best commercial standards, and the

statement shall show the total of remuneration and allowances paid during the year to members and officers of the Council.

(4) A copy of each such report of a Development Council, or made by the auditors on its accounts, shall be laid before Parliament by the Central Government.

**8. Dissolution of Development Councils.**—(1) The Central government may, if it is satisfied that a Development Council should cease to continue in being, by notified order, dissolve that Development Council;

(2) On the dissolution of a Development Council under sub-section (1), the assets of the Development Council, after its liabilities, if any, are met therefrom, shall vest in the Central Government for the purposes of this Act.

**9. Imposition of cess on scheduled industries in certain cases.**—

(1) There may be levied and collected as a cess for the purposes of this Act on all goods manufactured or produced in any such scheduled industry as may be specified in this behalf by the Central Government by notified order a duty of excise at such rate as may be specified in the notified order, and different rates may be specified for different goods or different classes of goods.

Provided that no such rate shall in any case exceed two annas per cent of the value of the goods.

*Explanation.*—In this sub-section, the expression “value” in relation to any goods shall be deemed to be the wholesale cash price for which such goods of the like kind and quality are sold or are capable of being sold for delivery at the place of manufacture and at the time of their removal therefrom, without any abatement or deduction whatever except trade discount and the amount of duty then payable.

(2) The cess shall be payable at such intervals, within such time and in such manner as may be prescribed, and any rules made in this behalf may provide for the grant of a rebate for prompt payment of the cess.

(3) The said cess may be recovered in the same manner as an arrear of land revenue.

(4) The Central Government may hand over the proceeds of the cess collected under this section in respect of the goods manufactured or produced by any scheduled industry or group of scheduled industries to the Development Council established for that industry or group of industries, and where it does so, the Development Council shall utilise the said proceeds—

- (a) to promote scientific and industrial research with reference to the scheduled industry or group of scheduled industries in respect of which the Development Council is established ;
- (b) to promote improvements in design and quality with reference to the products of such industry or group of industries ;
- (c) to provide for the training of technicians and labour in such industry or group of industries ;
- (d) to meet such expenses in the exercise of its functions and its administrative expenses as may be prescribed.

## CHAPTER III

## REGULATION OF SCHEDULED INDUSTRIES

**10. Registration of existing industrial undertakings.**—<sup>1</sup>[(1) The owner of every existing industrial undertaking, not being the Central Government, shall, within such period as the Central Government may, by notification in the Official Gazette, fix in this behalf with respect to industrial undertakings generally or with respect to any class of them, register the undertaking in the prescribed manner.]

(2) The Central Government shall also cause to be registered in the same manner every existing industrial undertaking of which it is the owner.

<sup>2</sup>[(3) Where an industrial undertaking is registered under this section, there shall be issued to the owner of the undertaking or the Central Government, as the case may be a certificate of registration containing such particulars as may be prescribed.]

**<sup>3</sup>[10A. Revocation of registration in certain cases.**—If the Central Government is satisfied that the registration of any industrial undertaking has been obtained by misrepresentation as to an essential fact or that any industrial undertaking has ceased to be registrable under this Act by reason of any exemption granted under this Act becoming applicable thereto or that for any other reason the registration has become useless or ineffective and therefore requires to be revoked, the Central Government may after giving an opportunity to the owner of the undertaking to be heard revoke the registration.]

**11. Licensing of new industrial undertakings.**—(1) No person or authority other than the Central Government, shall, after the commencement of this Act, establish any new industrial undertaking, except under and in accordance with a licence issued in that behalf by the Central Government:

Provided that a Government other than the Central Government may with the previous permission of the Central Government, establish a new industrial undertaking.

(2) A licence or permission under sub-section (1) may contain such conditions including, in particular, conditions as to the location of the undertaking and the minimum standards in respect of size to be provided therein as the Central Government may deem fit to impose in accordance with the rules, if any, made under section 30.

**<sup>4</sup>[11A. Licence for producing or manufacturing new articles.**—The owner of an industrial undertaking not being the Central Government which is registered under section 10 or in respect of which a licence or permission has been issued under section 11 shall not produce or manufacture any new article unless—

(a) in the case of an industrial undertaking registered under section 10, he has obtained a licence for producing or manufacturing such new article ; and

<sup>1</sup>Subs. by Act 26 of 1953, s. 5, for the original sub-section (1)(w.e.f. 1-10-1953).

<sup>2</sup>Ins. by s. 5, *ibid.* (w.e.f. 1-10-1953).

<sup>3</sup>Ins. by s. 6, *ibid.* (w.e.f. 1-10-1953).

<sup>4</sup>Ins. by s. 7, *ibid.* (w.e.f. 1-10-1953).

- (b) in the case of an industrial undertaking in respect of which a licence or permission has been issued under section 11, he has had the existing licence or permission amended in the prescribed manner.]

**12. Revocation and amendment of licences in certain cases.—**

(1) If the Central Government is satisfied, either on a reference made to it in this behalf or otherwise, that any person or authority, to whom or to which, a licence has been issued under section 11, has, without reasonable cause, failed to establish or to take effective steps to establish the new industrial undertaking in respect of which the licence has been issued within the time specified therefor or within such extended time as the Central Government may think fit to grant in any case, it may revoke the licence.

(2) Subject to any rules that may be made in this behalf, the Central Government may also vary or amend any licence issued under section 11:

Provided that no such power shall be exercised after effective steps have been taken to establish the new industrial undertaking in accordance with the licence issued in this behalf.

<sup>1</sup>[(3) The provisions of this section shall apply in relation to a licence issued under section 11A or where a licence has been amended under that section, to the amendment thereof, as they apply in relation to a licence issued under section 11.]

**<sup>2</sup>[13. Further provision for licensing of industrial undertakings in special cases.—**(1) No owner of an industrial undertaking, other than the Central Government, shall—

- (a) in the case of an industrial undertaking required to be registered under section 10, but which has not been registered within the time fixed for the purpose under that section, carry on the business of that undertaking after the expiry of such period, or
- (b) in the case of an industrial undertaking the registration in respect of which has been revoked under section 10A <sup>3</sup>[\* \* \* carry on the business of the undertaking after the revocation, or
- (c) in the case of an industrial undertaking to which the provisions of this Act did not originally apply but became applicable after the commencement of this Act for any reason, carry on the business of the undertaking after the expiry of three months from the date on which the provisions of this Act became so applicable, or
- (d) effect any substantial expansion of an industrial undertaking which has been registered <sup>4</sup>[or in respect of which a licence or permission has been issued], or
- (e) change the location of the whole or any part of an industrial undertaking which has been registered,

except under, and in accordance with, a licence issued in that behalf by the Central Government, and, in the case of a State Government, except under and in accordance with the previous permission of the Central Government.

<sup>1</sup>Ins. by Act 26 of 1953, s. 8 (w.e.f. 1-10-1953).

<sup>2</sup>Subs. by s. 9, *ibid.* for the original s. 13 (w.e.f. 1-10-1953).

<sup>3</sup>Certain words omitted by Act 71 of 1956, s. 2 (w.e.f. 1-3-1957).

<sup>4</sup>Ins. by s. 2, *ibid.* (w.e.f. 1-3-1957).

(2) The provisions of sub-section (2) of section 11 and of section 12 shall apply, so far as may be, in relation to the issue of licences or permissions to any industrial undertaking referred to in this section as they apply in relation to the issue of licences or permissions to a new industrial undertaking.

*Explanation.*—For the purposes of this section, “substantial expansion” means the expansion of an existing industrial undertaking which substantially increases the productive capacity of the undertaking, or which is of such a nature as to amount virtually to a new industrial undertaking, but does not include any such expansion as is normal to the undertaking having regard to its nature and the circumstances relating to such expansion.]

**14. Procedure for the grant of licence or permission.**—Before granting any licence or permission under <sup>1</sup>[section 11, section 11A, <sup>2</sup>[ section 13 or section 29B], the Central Government may require such officer or authority as it may appoint for the purpose, to make a full and complete investigation in respect of applications received in this behalf and report to it the result of such investigation and in making any such investigation, the officer or authority shall follow such procedure as may be prescribed.

**15. Power to cause investigation to be made into scheduled industries or industrial undertakings.**—Where the Central Government is of the opinion that—

(a) in respect of any scheduled industry or industrial undertaking or undertakings—

(i) there has been, or is likely to be, a substantial fall in the volume of production in respect of any article or class of articles relating to that industry or manufactured or produced in the industrial undertaking or undertakings, as the case may be, for which, having regard to the economic conditions prevailing, there is no justification; or

(ii) there has been, or is likely to be, a marked deterioration in the quality of any article or class of articles relating to that industry or manufactured or produced in the industrial undertaking or undertakings, as the case may be, which could have been or can be avoided; or

(iii) there has been or is likely to be a rise in the price of any article or class of articles relating to that industry or manufactured or produced in the industrial undertaking or undertakings, as the case may be, for which there is no justification; or

(iv) it is necessary to take any such action as is provided in this Chapter for the purpose of conserving any resources of national importance which are utilised in the industry or the industrial undertaking or undertakings, as the case may be; or

<sup>3</sup>[(b) any industrial undertaking is being managed in a manner highly detrimental to the scheduled industry concerned or to public interest ;]

the Central Government may make or cause to be made a full and complete investigation into the circumstances of the case by such person or body of persons as it may appoint for the purpose.

<sup>1</sup> Subs. by Act 26 of 1953, s. 10, for “section 11 or section 13” (w.e.f. 1-10-1953).

<sup>2</sup> Subs. by Act 71 of 1956, s. 3, for “or section 13” (1-3-1957).

<sup>3</sup> Subs. by Act 26 of 1953, s. 11, for the original cl. (b) (w.e.f. 1-10-1953).

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**16. Powers of Central Government on completion of investigation under section 15.**—(1) If after making or causing to be made any such investigation as is referred to in section 15 the Central Government is satisfied that action under this section is desirable, it may issue such directions to the industrial undertaking or undertakings concerned as may be appropriate in the circumstances for all or any of the following purposes, namely:—

- (a) regulating the production of any article or class of articles by the industrial undertaking or undertakings and fixing the standards of production ;
- (b) requiring the industrial undertaking or undertakings to take such steps as the Central Government may consider necessary to stimulate the development of the industry to which the undertaking or undertakings relates or relate ;
- (c) prohibiting the industrial undertaking or undertakings from resorting to any act or practice which might reduce its or their production, capacity or economic value ;
- (d) controlling the prices, or regulating the distribution, of any article or class or articles which have been the subject matter of investigation.

(2) Where a case relating to any industry or industrial undertaking or undertakings is under investigation, the Central Government may issue at any time any direction of the nature referred to in sub-section (1) to the industrial undertaking or undertakings concerned, and any such direction shall have effect until it is varied or revoked by the Central Government.

17. [*Special provisions for direct control by Central Government in certain cases.*] Omitted by the Industries (Development and Regulation) Amendment Act, 1953 (26 of 1953), s. 12. (w.e.f. 1-10-1953).

**18. Power of person or body of persons appointed under section 15 to call for assistance in any investigation.**—(1) The person or body of persons appointed to make any investigation under section 15 may choose one or more persons possessing special knowledge of any matter relating to the investigation to assist him or it in holding the investigation;

(2) The person or body of persons so appointed shall have all the powers of a civil Court under the Code of Civil Procedure, 1908 (Act 5 of 1908), for the purpose of taking evidence on oath (which he or it is hereby empowered to administer) and of enforcing the attendance of witnesses and compelling the production of documents and material objects, and the person or body of persons shall be deemed to be a civil Court for all the purposes of section 195 and Chapter XXXV of the Code of Criminal Procedure, 1898 (Act 5 of 1898).

#### CHAPTER IIIA

##### DIRECT MANAGEMENT OR CONTROL OF INDUSTRIAL UNDERTAKINGS BY CENTRAL GOVERNMENT IN CERTAIN CASES

**18A. Power of Central Government to assume management or control of an industrial undertaking in certain cases.**—(1) If the Central Government is of opinion that—

- (a) an industrial undertaking to which directions have been issued in pursuance of section 16 has failed to comply with such directions, or

<sup>1</sup> Ins. by Act 26 of 1953, s. 13 (w.e.f. 1-10-1953).

- (b) an industrial undertaking in respect of which an investigation has been made under section 15 (whether or not any directions have been issued to the undertaking in pursuance of section 16), is being managed in a manner highly detrimental to the scheduled industry concerned or to public interest,

the Central Government may, by notified order, authorize any person or body of persons to take over the management of the whole or any part of the undertaking or to exercise in respect of the whole or any part of the undertaking such functions of control as may be specified in the order.

(2) Any notified order issued under sub-section (1) shall have effect for such period not exceeding five years as may be specified in the order :

Provided that the Central Government, if it is of opinion that it is expedient in public interest so to do, may direct that any such notified order shall continue to have effect after the expiry of the period of five years aforesaid for such further period as may be specified in the direction and where any such direction is issued, a copy thereof shall be laid, as soon as may be, before both Houses of Parliament.

*Explanation.*—The power to authorize a body of persons under this section to take over the management of an industrial undertaking which is a company includes also a power to appoint any individual, firm or company to be the managing agent of the industrial undertaking on such terms and conditions as the Central Government may think fit.

**18B. Effect of notified order under section 18A.**—(1) On the issue of a notified order under section 18A authorizing the taking over of the management of an industrial undertaking—

- (a) all persons in charge of the management, including persons holding office as managers or directors of the industrial undertaking immediately before the issue of the notified order, shall be deemed to have vacated their offices as such ;
- (b) any contract of management between the industrial undertaking and any managing agent or any director thereof holding office as such immediately before the issue of the notified order shall be deemed to have terminated ;
- (c) the managing agent, if any, appointed under section 18A shall be deemed to have been duly appointed as the managing agent in pursuance of the Indian Companies Act, 1913<sup>1</sup> (7 of 1913), and the memorandum and articles of association of the industrial undertaking, and the provisions of the said Act and of the memorandum and articles shall, subject to the other provisions contained in this Act, apply accordingly, but no such managing agent shall be removed from office except with the previous consent of the Central Government ;
- (d) the person or body of persons authorized under section 18A to take over the management shall take all such steps as may

<sup>1</sup> See now the Companies Act, 1956 (1 of 1956).



which an investigation  
whether or not any direc-

be necessary to take into his or their custody or control all the property, effects and actionable claims to which the industrial undertaking is or appears to be entitled, and all the property and effects of the industrial undertaking shall be deemed to be in the custody of the person or, as the case may be, the body of persons as from the date of the notified order ; and

(e) the persons, if any, authorized under section 18A to take over the management of an industrial undertaking which is a company shall be for all purposes the directors of the industrial undertaking duly constituted under the <sup>1</sup>Indian Companies Act, 1913 (7 of 1913) and shall alone be entitled to exercise all the powers of the directors of the industrial undertaking, whether such powers are derived from the said Act or from the memorandum or articles of association of the industrial undertaking or from any other source.

(2) Subject to the other provisions contained in this Act and to the control of the Central Government, the person or body of persons authorized to take over the management of an industrial undertaking, shall take such steps as may be necessary for the purpose of efficiently managing the business of the industrial undertaking and shall exercise such other powers and have such other duties as may be prescribed.

(3) Where any person or body of persons has been authorized to exercise any functions of control in relation to an industrial undertaking, the undertaking shall be carried on pursuant to any directions given by the authorized person in accordance with the provisions of the notified order, and any person having any functions of management in relation to the undertaking or part thereof shall comply with all such directions.

(4) The person or body of persons authorized under section 18 shall, notwithstanding anything contained in the memorandum or articles of association of the industrial undertaking, exercise his or their functions in accordance with such directions as may be given by the Central Government so, however, that he or they shall not have any power to give any other person any directions under this section inconsistent with the provisions of any Act or instrument determining the functions of the authority carrying on the undertaking except in so far as may be specifically provided by the notified order.

**18C. Contracts in bad faith, etc., may be cancelled or varied.—**

Without prejudice to the provisions contained in section 18B, the person or body of persons authorized under section 18A to take over the management of an industrial undertaking may, with the previous approval of the Central Government, make an application to any Court having jurisdiction in this behalf for the purpose of cancelling or varying any contract or agreement entered into, at any time before the issue of the notified order under section 18A, between the industrial undertaking and any other person and the Court may, if satisfied after due inquiry that such contract or agreement had been entered into in bad faith and is detrimental to the interests of the

<sup>1</sup> See now the Companies Act, 1956 (1 of 1956).

industrial undertaking, make an order cancelling or varying (either unconditionally or subject to such conditions as it may think fit to impose) that contract or agreement, and the contract or agreement shall have effect accordingly.

**18D. No right to compensation for termination of office or contract.**—Notwithstanding anything contained in any law for the time being in force, no person who ceases to hold any office by reason of the provisions contained in clause (a) of section 18B, or whose contract of management is terminated by reason of the provisions contained in clause (b) of that section, shall be entitled to any compensation for the loss of office or for the premature termination of his contract of management :

Provided that nothing contained in this section shall affect the right of any such person to recover from the industrial undertaking moneys recoverable otherwise than by way of such compensation.

**18E. Application of Act 7 of 1913.**—(1) Where the management of an industrial undertaking, being a company as defined in the Indian Companies Act, 1913 <sup>1</sup>(7 of 1913), is taken over by the Central Government, then, notwithstanding anything contained in the said Act or in the memorandum or articles of association of such undertaking,—

- (a) It shall not be lawful for the shareholders of such undertaking or any other person to nominate or appoint any person to be a director of the undertaking;
- (b) no resolution passed at any meeting of the shareholders of such undertaking shall be given effect to unless approved by the Central Government;
- (c) no proceeding for the winding up of such undertaking or for the appointment of a receiver in respect thereof shall lie in any Court except with the consent of the Central Government.

(2) Subject to the provisions contained in sub-section (1), and to the other provisions contained in this Act and subject to such other exceptions, restrictions and limitations, if any, as the Central Government may, by notification in the Official Gazette, specify in this behalf, the Indian Companies Act, 1913 <sup>1</sup>(7 of 1913), shall continue to apply to such undertaking in the same manner as it applied thereto before the issue of the notified order under section 18A.

**18F. Power of Central Government to cancel notified order under section 18A.**—If at any time it appears to the Central Government on the application of the owner of the industrial undertaking or otherwise that the purpose of the order made under section 18A has been fulfilled or that for any other reason it is not necessary that the order should remain in force, the Central Government may, by notified order, cancel such order and on the cancellation of any such order the management or the control, as the case may be, of the industrial undertaking shall vest in the owner of the undertaking.

<sup>1</sup> See now the Companies Act, 1956 (1 of 1956).

## CHAPTER III B

## CONTROL OF SUPPLY, DISTRIBUTION, PRICE, ETC., OF CERTAIN ARTICLES

**18G. Power to control supply, distribution, price, etc., of certain articles—**(1) The Central Government, so far as it appears to it to be necessary or expedient for securing the equitable distribution and availability at fair prices of any article or class of articles relatable to any scheduled industry, may, notwithstanding anything contained in any other provision of this Act, by notified order, provide for regulating the supply and distribution thereof and trade and commerce therein.

(2) Without prejudice to the generality of the powers conferred by sub-section (1), a notified order made thereunder may provide—

- (a) for controlling the prices at which any such article or class thereof may be bought or sold ;
- (b) for regulating by licences, permits or otherwise the distribution, transport, disposal, acquisition, possession, use or consumption of any such article or class thereof ;
- (c) for prohibiting the withholding from sale of any such article or class thereof ordinarily kept for sale ;
- (d) for requiring any person manufacturing, producing or holding in stock any such article or class thereof to sell the whole or part of the articles so manufactured or produced during a specified period or to sell the whole or a part of the articles so held in stock to such person or class of persons and in such circumstances as may be specified in the order ;
- (e) for regulating or prohibiting any class of commercial or financial transactions relating to such article or class thereof which in the opinion of the authority making the order are, or if unregulated are likely to be, detrimental to public interest ;
- (f) for requiring persons engaged in the distribution and trade and commerce in any such article or class thereof to mark the articles exposed or intended for sale with the sale price or to exhibit at some easily accessible place on the premises the price-lists of articles held for sale and also to similarly exhibit on the first day of every month, or at such other time as may be prescribed, a statement of the total quantities of any such articles in stock ;
- (g) for collecting any information or statistics with a view to regulating or prohibiting any of the aforesaid matters ; and
- (h) for any incidental or supplementary matters, including, in particular, the grant or issue of licences, permits or other documents and the charging of fees therefor.

(3) Where, in pursuance of any order made with reference to clause (d) of sub-section (2), any person sells any article, there shall be paid to him the price therefor—

- (a) where the price can consistently with the controlled price, if any, be fixed by agreement, the price so agreed upon ;
- (b) where no such agreement can be reached, the price calculated with reference to the controlled price, if any, fixed under this section ;

(c) where neither clause (a) nor clause (b) applies, the price calculated at the market rate prevailing in the locality at the date of sale.

(4) No order made in exercise of any power conferred by this section shall be called in question in any Court.

(5) Where an order purports to have been made and signed by an authority in exercise of any power conferred by this section, a Court shall, within the meaning of the Indian Evidence Act, 1872 (1 of 1872), presume that such order was so made by that authority.

*Explanation.*—In this section, the expression “article or class of articles” relating to any scheduled industry includes any article or class of articles imported into India which is of the same nature or description as the article or class of articles manufactured or produced in the scheduled industry.]

## CHAPTER IV

### MISCELLANEOUS

**19. Powers of inspection.**—(1) For the purpose of ascertaining the position or working of any industrial undertaking or for any other purpose mentioned in this Act or the rules made thereunder, any person authorized by the Central Government in this behalf shall have the right—

- (a) to enter and inspect any premises ;
- (b) to order the production of any document, book, register or record in the possession or power of any person having the control of, or employed in connection with, any industrial undertaking ; and
- (c) to examine any person having the control of, or employed in connection with, any industrial undertaking.

(2) Any person authorized by the Central Government under subsection (1) shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (Act 45 of 1860).

**20. General prohibition of taking over management or control of industrial undertakings.**—After the commencement of this Act, it shall not be competent for any State Government or a local authority to take over the management or control of any industrial undertaking under any law for the time being in force which authorizes any such Government or local authority so to do.

**21. Certain administrative expenses of Development Councils to be paid from moneys provided by Parliament.**—Such administrative expenses as relate to the emoluments of officers of a Development Council who are appointed by or with the approval of the Central Government, shall be defrayed out of moneys provided by Parliament.

**22. Power of the Central Government to issue directions to Development Councils.**—In the exercise of its functions under this Act, every Development Council shall be guided by such instructions as may be given to it by the Central Government and such instructions may include directions relating to the manner in which, and the purpose for which, any proceeds of the cess levied under section 9 which may have been handed over to it, shall be expended.

<sup>1</sup>[23. **Decision of Central Government final respecting certain matters.**—If, for the purposes of this Act, any question arises as to whether—

- (a) there has been a substantial expansion of an industrial undertaking, or
- (b) an industrial undertaking is producing or manufacturing any new article,

the decision of the Central Government thereon shall be final.]

24. **Penalties.**—<sup>2</sup>[(1) If any person contravenes or attempts to contravene or abets the contravention of—

- (i) the provisions of sub-section (1) of section 10 or of sub-section (1) of section 11 or of section 11A or of sub-section (1) of section 13 <sup>3</sup>[or of sub-section (2) of section 29B], or
- (ii) any direction issued under section 16 or sub-section (3) of section 18B, or
- (iii) any order made under section 18G, or
- (iv) any rule the contravention of which is made punishable under this section,

he shall be punishable with imprisonment which may extend to six months, or with fine which may extend to five thousand rupees, or with both, and, in the case of a continuing contravention, with an additional fine which may extend to five hundred rupees for every day during which such contravention continues after conviction for the first such contravention.]

(2) If the person contravening any of the said provisions is a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(3) Notwithstanding anything contained in sub-section (2), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director or manager, secretary or other officer of the company such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

*Explanation.*—For the purposes of this section,—

- (a) “company” means any body corporate and includes a firm or other association of individuals ; and

<sup>1</sup> Subs. by Act 26 of 1953, s. 14, for the original s. 23 (w.e.f. 1-10-1953).

<sup>2</sup> Subs. by s. 15, *ibid.*, for the original sub-section (1) (w.e.f. 1-10-1953).

<sup>3</sup> Ins. by Act 71 of 1956, s. 4 (w.e.f. 1-3-1957).

(b) "director" in relation to a firm means a partner in the firm.

**<sup>1</sup>[24A. Penalty for false statements.—**If any person,—

(a) when required by this Act or by any order under this Act to make any statement or furnish any information, makes any statement or furnishes any information which is false in any material particular and which he knows or has reasonable cause to believe to be false or does not believe to be true ; or

(b) makes any such statement as aforesaid in any book, account, record, declaration, return or other document which he is required by any order made under this Act to maintain or furnish ;

he shall be punishable with imprisonment which may extend to three months, or with fine which may extend to two thousand rupees, or with both.]

**<sup>2</sup>[25. Delegation of powers.—**(1) The Central Government may by notified order, direct that any power exercisable by it under this Act (other than the power given to it by sections 16 and 18A) shall, in relation to such matters and subject to such conditions, if any, as may be specified in the direction, be exercisable also by such officer or authority (including in the said expressions any Development Council, State Government or officer or authority subordinate to the Central Government) as may be specified in the direction.

(2) Any power exercisable by a State Government by virtue of a direction under sub-section (1) may, unless otherwise provided in such direction, be exercised also by such officer or authority subordinate to that State Government as it may, by notified order, specify in this behalf.

**26. Power to issue directions.—**The Central Government may give directions to any State Government as to the carrying into execution in the State of any of the provisions of this Act or of any order or direction made thereunder.

**27. Cognizance of offences.—**No Court shall take cognizance of any offence punishable under this Act except on a report in writing of the facts constituting such offence made by a person who is a public servant as defined in section 21 of the Indian Penal Code (Act 45 of 1860).

**28. Burden of proof in certain cases.—**Where any person is prosecuted for contravening any order made under section 18G which prohibit him from doing an act or being in possession of a thing without lawful authority or without a permit, licence or other document, the burden of proving that he has such authority, permit, licence or other document shall be on him.

**29. Jurisdiction of courts.—**(1) Subject to the provisions of sub-section (2), no Court inferior to that of a presidency magistrate or a magistrate of the first class shall try any offence punishable under this Act.

<sup>1</sup>Ins. by Act 26 of 1953, s. 16 (w.e.f. 1-10-1953).

<sup>2</sup>Ss. 25 to 29C subs. by s. 17, *ibid.*, for the original ss. 25 to 29 (w.e.f. 1-10-1953).

(2) Any magistrate or bench of magistrates empowered, for the time being, to try in a summary way the offences specified in sub-section (1) of section 260 of the Code of Criminal Procedure, 1898 (5 of 1898), may, on application in this behalf being made by the prosecution, try, in accordance with the provisions contained in sections 262 to 265 of the said Code any offence which consists of a contravention of an order made under section 18G.

**29A. Special provision regarding fines.**—Notwithstanding anything contained in section 32 of the Code of Criminal Procedure, 1898 (5 of 1898), it shall be lawful for any magistrate of the first class and for any presidency magistrate to pass a sentence of fine exceeding one thousand rupees on any person convicted of any offence under this Act.

**29B. Power to exempt in special cases.**—<sup>1</sup>[(1)] If the Central Government is of opinion, having regard to the smallness of the number of workers employed or to the amount invested in any industrial undertaking or to the desirability of encouraging small undertakings generally or to the stage of development of any scheduled industry, that it would not be in public interest to apply all or any of the provisions of this Act thereto, it may, by notification in the Official Gazette, exempt, subject to such conditions as it may think fit to impose, any industrial undertaking or class of industrial undertakings or any scheduled industry or class of scheduled industries as it may specify in the notification from the operation of all or any of the provisions of this Act or of any rule or order made thereunder.

<sup>1</sup>[(2) Where any notification under sub-section (1) granting any exemption is cancelled, no owner of any industrial undertaking to which the provisions of section 10, section 11, section 11A or clause (d) of sub-section (1) of section 13, would have applied, if the notification under sub-section (1) had not been issued, shall carry on the business of the undertaking after the expiry of such period as may be specified in the notification cancelling the exemption except under and in accordance with a licence issued in this behalf by the Central Government and, in the case of a State Government, except under and in accordance with the previous permission of the Central Government.

(3) The provisions of this Act shall apply, so far as may be, in relation to the issue of a licence or permission to any industrial undertaking referred to in sub-section (2) as they apply in relation to the issue of a licence or permission to a new industrial undertaking.]

**29C. Protection of action taken under the Act.**—(1) No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act or any rule or order made thereunder.

(2) No suit or other legal proceeding shall lie against the Government for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act or any rule or order made thereunder.]

<sup>1</sup>S. 29B renumbered as sub-section (1) of that section and sub-section (2) and (3) ins. by Act 71 of 1956, s. 5 (w.e.f. 1-3-1957).

**30. Power to make rules.**—(1) ~~The Central Government may, subject to the condition of previous publication, make rules for carrying out the purposes of this Act.~~

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :—

- (a) the constitution of the Advisory Council and Development Councils, the term of office and other conditions of service of the procedure to be followed by, and the manner of filling casual vacancies among, members of the Advisory Council or a Development Council ;
- (b) the form of the statement of account to be furnished by a Development Council ;
- (c) the intervals at which, the time within which, and the manner in which the cess leviable under section 9 shall be payable and the rebate for the prompt payment of such cess ;
- (d) the expenses which a Development Council may meet from the proceeds of the cess levied under section 9 which may have been handed over to it ;
- (e) the appointment by or with the approval of the Central Government of any officers of a Development Council ;
- (f) the facilities to be provided by any industrial undertaking for the training of technicians and labour ;
- (g) the collection of any information or statistics in respect of any scheduled industry ;
- (h) the manner in which industrial undertakings may be registered under section 10 and the levy of a fee therefor ;
- (i) the procedure for the grant or issue of licences and permissions under<sup>1</sup>section 11, section 11A<sup>2</sup>[section 13 or section 29B], the time within which such licences or permissions shall be granted or issued including, in particular, the publication of notices calling for applications and the holding of such public inquiry in relation thereto as may be necessary in the circumstances ;
- (j) the fees to be levied in respect of licences and permissions issued under this Act ;
- (k) the matters which may be taken into account in the granting or issuing of licences and permissions, including in particular the previous consultation by the Central Government with

<sup>1</sup>Subs. by Act 26 of 1953, s. 18, for "section 11 or section 13" (w.e.f. 1-10-1953).

<sup>2</sup>Subs. by Act 71 of 1956, s. 6, for "or section 13" (w.e.f. 1-3-1957).



ral Government may, sub-  
rules for carrying out the

the Advisory Council or any Development Council or both  
in regard to the grant or issue of any such licences or permission ;

- (l) the procedure to be followed in making any investigation under this Act ;
- (m) the conditions which may be included in any licences and permissions ;
- (n) the conditions on which licences and permissions may be varied or amended under section 12 ;
- (o) the maintenance of books, accounts and records relating to an industrial undertaking ;
- (p) the submission of special or periodical returns relating to an industrial undertaking by persons having the control of, or employed in connection with, such undertaking, and the forms in which, and the authorities to which, such returns and reports shall be submitted ;
- (q) any other matter which is to be or may be prescribed under this Act.

(3) Any rule made under this section may provide that a contravention thereof shall be punishable under section 24.

(4) All rules made under this section shall be laid for not less than seven days before Parliament as soon as possible after they are made and shall be subject to such modifications as Parliament may make during the session in which they are so laid, or the session immediately following.

**31. Application of other laws not barred.**—The provisions of this Act shall be in addition to and not, save as otherwise expressly provided in this Act, in derogation of any other Central Act for the time being in force, relating to any of the scheduled industries.

**32. Amendment of section 2, Act 14 of 1947.**—In section 2 of the Industrial Disputes Act, 1947 (14 of 1947)—

- (a) in sub-clause (i) of clause (a), after the words “by a railway company” the words “or concerning any such controlled industry as may be specified in this behalf by the Central Government” shall be inserted ;
- (b) after clause (e), the following clause shall be inserted, namely :—

“(ee) “controlled industry” means any industry the control of which by the Union has been declared by any Central Act to be expedient in the public interest ;”

## [THE FIRST SCHEDULE

[See sections 2 and 3 (i)]

Any industry engaged in the manufacture or production of any of the articles mentioned under each of the following headings or sub-headings, namely :—

## 1. METALLURGICAL INDUSTRIES :

## A. Ferrous :

- (1) Iron and steel (Metal).
- (2) Ferro-alloys.
- (3) Iron and Steel castings and forgings.
- (4) Iron and Steel structurals.
- (5) Iron and Steel pipes.
- (6) Special steels.
- (7) Other products of iron and steel.

## B. Non-ferrous :

- (1) Non-ferrous metals and alloys.
- (2) Semi-manufactures and manufactures.

## 2. FUELS :

- (1) Coal, lignite, coke and their derivatives.
- (2) Mineral oil (crude oil), motor and aviation<sup>1</sup>spir... diesel oil, kerosene oil, fuel oil, diverse hydrocarbon oils and their blends including synthetic fuels, lubricating oils and the like.
- (3) Fuel gases—(coal gas, natural gas and the like).

## 3. BOILERS AND STEAM GENERATING PLANTS :

Boilers and steam generating Plants.

## 4. PRIME MOVERS (OTHER THAN ELECTRICAL GENERATORS) :

- (1) Steam engines and turbines.
- (2) Internal combustion engines.

## 5. ELECTRICAL EQUIPMENT :

- (1) Equipment for generation, transmission and distribution of electricity including transformers.
- (2) Electrical motors.
- (3) Electrical fans.
- (4) Electrical lamps.
- (5) Electrical furnaces.
- (6) Electrical cables and wires.
- (7) X-ray equipment.
- (8) Electronic equipment.

<sup>1</sup>Subs. by Act 71 of 1956, s. 7, for the original First Schedule (w.e.f. 1-3-1957).

- (9) Household appliances such as electric irons, heaters and the like.
- (10) Storage batteries.
- (11) Dry cells.

6. TELECOMMUNICATIONS :

- (1) Telephones.
- (2) Telegraph equipment.
- (3) Wireless communication apparatus.
- (4) Radio receivers including amplifying and public address equipment.
- (5) Television sets.
- (6) Teleprinters.

7. TRANSPORTATION :

- (1) Aircraft.
- (2) Ships and other vessels drawn by power.
- (3) Railway locomotives.
- (4) Railway rolling stock.
- (5) Automobiles (motor cars, buses, trucks, motor cycles, scooters and the like).
- (6) Bicycles.
- (7) Others, such as fork lift trucks and the like.

8. INDUSTRIAL MACHINERY :

*A. Major items of specialised equipment used in specific industries :*

- (1) Textile machinery (such as spinning frames, carding machines, powerlooms and the like) including textile accessories.
- (2) Jute machinery.
- (3) Rayon machinery.
- (4) Sugar machinery.
- (5) Tea machinery.
- (6) Mining machinery.
- (7) Metallurgical machinery.
- (8) Cement machinery.
- (9) Chemical machinery.
- (10) Pharmaceuticals machinery.
- (11) Paper machinery.

*B. General items of machinery used in several industries, such as the equipment required for various 'unit processes' :*

- (1) Size reduction equipment—crushers, ball mills and the like.

- (2) Conveying equipment—bucket elevators, skip hoists, cranes, derricks and the like.
- (3) Size separation units—screens, classifiers and the like.
- (4) Mixers and reactors—kneading mills, turbo mixers and the like.
- (5) Filtration equipment—filter presses, rotary filters and the like.
- (6) Centrifugal machines.
- (7) Evaporators.
- (8) Distillation equipment.
- (9) Crystallisers.
- (10) Driers.
- (11) Power driven pumps—reciprocating, centrifugal and the like.
- (12) Air and gas compressors and vacuum pipes (excluding electrical furnaces).
- (13) Refrigeration plants for industrial use.
- (14) Fire fighting equipment and appliances including fire engines.

C. *Other items of Industrial Machinery :*

- (1) Ball, roller and tapered bearings.
- (2) Speed reduction units.
- (3) Grinding wheels and abrasives.

9. MACHINE TOOLS :

Machine tools.

10. AGRICULTURAL MACHINERY :

- (1) Tractors, harvestors and the like.
- (2) Agricultural implements.

11. EARTH-MOVING MACHINERY :

Bulldozers, dumpers, scrapers, loaders, shovels, drag lines, bucket wheel excavators, road rollers and the like.

12. MISCELLANEOUS MECHANICAL AND ENGINEERING INDUSTRIES :

- (1) Plastic moulded goods.
- (2) Hand tools, small tools and the like.
- (3) Razor blades.

13. COMMERCIAL, OFFICE AND HOUSEHOLD EQUIPMENT :

- (1) Typewriters.
- (2) Calculating machines.
- (3) Air conditioners and refrigerators.

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(4) Vacuum cleaners.

(5) Sewing and knitting machines.

(6) Hurricane lanterns.

14. MEDICAL AND SURGICAL APPLIANCES :

Surgical instruments—sterilisers, incubators and the like.

15. INDUSTRIAL INSTRUMENTS :

(1) Water meters, steam meters, electricity meters and the like.

(2) Indicating, recording and regulating devices for pressure temperature, rate of flow, weights, levels and the like.

(3) Weighing machines.

16. SCIENTIFIC INSTRUMENTS :

Scientific instruments.

17. MATHEMATICAL, SURVEYING AND DRAWING INSTRUMENTS :

Mathematical, surveying and drawing instruments.

18. FERTILISERS :

(1) Inorganic fertilisers.

(2) Organic fertilisers.

(3) Mixed fertilisers.

19. CHEMICALS (OTHER THAN FERTILISERS) :

(1) Inorganic heavy chemicals.

(2) Organic heavy chemicals.

(3) Fine chemicals including photographic chemicals.

(4) Synthetic resins and plastics.

(5) Paints, varnishes and enamels.

(6) Synthetic rubbers.

(7) Man-made fibres including regenerated cellulose rayon, nylon and the like.

(8) Coke oven by-products.

(9) Coal tar distillation products like naphthalene, anthracene and the like.

(10) Explosives including gun powder and safety fuses.

(11) Insecticides, fungicides, weedicides and the like.

(12) Textile auxiliaries.

(13) Sizing materials including starch.

(14) Miscellaneous chemicals.

## 20. PHOTOGRAPHIC RAW FILM AND PAPER :

- (1) Cinema film.
- (2) Photographic amateur film.
- (3) Photographic printing paper.

## 21. DYE-STUFFS:

Dye-stuffs.

## 22. DRUGS AND PHARMACEUTICALS:

Drugs and pharmaceuticals.

## 23. TEXTILES (INCLUDING THOSE DYED, PRINTED OR OTHERWISE PROCESSED) :

- (1) made wholly or in part of cotton, including cotton yarn, hosiery and rope ;
- (2) made wholly or in part of jute, including jute, twine and rope ;
- (3) made wholly or in part of wool, including wool tops, woollen yarn, hosiery, carpets and druggets ;
- (4) made wholly or in part of silk, including silk yarn and hosiery ;
- (5) made wholly or in part of synthetic, artificial (man-made) fibres, including yarn and hosiery of such fibres

## 24. PAPER AND PULP INCLUDING PAPER PRODUCTS :

- (1) Paper—writing, printing and wrapping.
- (2) Newsprint.
- (3) Paper board and straw board.
- (4) Paper for packaging (corrugated paper, kraft paper, paper bags, paper containers and the like).
- (5) Pulp—wood pulp, mechanical, chemical, including dissolving pulp.

## 25. SUGAR :

Sugar.

## 26. FERMENTATION INDUSTRIES :

- (1) Alcohol.
- (2) Other products of fermentation industries.

## 27. FOOD PROCESSING INDUSTRIES :

- (1) Canned fruits and fruit products.
- (2) Milk foods.
- (3) Malted foods.
- (4) Flour.
- (5) Other processed foods.

## 28. VEGETABLE OILS AND VANASPATHI :

- (1) Vegetable oils, including solvent extracted oils.
- (2) Vanaspathi.

## 29. SOAPS, COSMETICS AND TOILET PREPARATIONS :

- (1) Soaps.
- (2) Glycerine.
- (3) Cosmetics.
- (4) Perfumery.
- (5) Toilet preparations.

## 30. RUBBER GOODS :

- (1) Tyres and tubes.
- (2) Surgical and medicinal products including prophylactics.
- (3) Footwear.
- (4) Other rubber goods.

## 31. LEATHER, LEATHER GOODS AND PICKERS :

Leather, leather goods and pickers.

## 32. GLUE AND GELATIN :

Glue and gelatin.

## 33. GLASS :

- (1) Hollow ware.
- (2) Sheet and plate glass.
- (3) Optical glass.
- (4) Glass wool.
- (5) Laboratory ware.
- (6) Miscellaneous ware.

at to  
Exports, New Delhi, within three weeks from the date  
of advertisement.  
(vi) Where the heirs enter into partnership, the deed of  
partnership so constituted.

(c) Under paragraph 5(a)(iv).

## 34. CERAMICS :

- (1) Fire bricks.
- (2) Refractories.
- (3) Furnace lining bricks—acidic, basic and neutral.
- (4) China ware and pottery.
- (5) Sanitary ware.
- (6) Insulators.
- (7) Tiles.

## 35. CEMENT AND GYPSUM PRODUCTS :

- (1) Portland cement.
- (2) Asbestos cement.
- (3) Insulating boards.
- (4) Gypsum boards, wall boards and the like.

## 36. TIMBER PRODUCTS :

- (1) Plywood.
- (2) Hardboard, including fibre-board, chip-board and the like.
- (3) Matches.
- (4) Miscellaneous (furniture components, bobbins, shuttles and the like).

## 37. DEFENCE INDUSTRIES :

Arms and ammunition.

## 38. MISCELLANEOUS INDUSTRIES :

Cigarettes.

*Explanation 1.*—The articles specified under each of the headings Nos. 3, 4, 5, 6, 7, 8, 10, 11 and 13 shall include their component parts and accessories.

*Explanation 2.*—The articles specified under each of the headings Nos. 18, 19, 21 and 22 shall include the intermediates required for their manufacture.

## THE SECOND SCHEDULE

[See section 6 (4)]

Functions which may be assigned to Development Councils :—

(1) Recommending targets for production, co-ordinating production programmes and reviewing progress from time to time.

(2) Suggesting norms of efficiency with a view to eliminating waste, obtaining maximum production, improving quality and reducing costs.



(3) ~~Recommending~~ measures for securing the fuller utilisation of the installed capacity and for improving the working of the industry, particularly of the less efficient units.

(4) Promoting arrangements for better marketing and helping in the devising of a system of distribution and sale of the produce of the industry which would be satisfactory to the consumer.

(5) Promoting standardisation of products.

(6) Assisting in the distribution of controlled materials and promoting arrangements for obtaining materials for the industry.

(7) Promoting or undertaking inquiry as to materials and equipment and as to methods of production, management and labour utilisation, including the discovery and development of new materials, equipment and methods and of improvements in those already in use, the assessment of the advantages of different alternatives and the conduct of experimental establishments and of tests on a commercial scale.

(8) Promoting the training of persons engaged or proposing engagement in the industry and their education in technical or artistic subjects relevant thereto.

(9) Promoting the retraining in alternative occupations of personnel engaged in or retrenched from the industry.

(10) Promoting or undertaking scientific and industrial research, research into matters affecting industrial psychology and research into matters relating to production and to the consumption or use of goods and services supplied by the industry.

(11) Promoting improvements and standardisation of accounting and costing methods and practice.

(12) Promoting or undertaking the collection and formulation of statistics.

(13) Investigating possibilities of decentralising stages and processes of production with a view to encouraging the growth of allied small scale and cottage industries.

(14) Promoting the adoption of measures for increasing the productivity of labour, including measures for securing safer and better working conditions and the provision and improvement of amenities and incentives for workers.

(15) Advising on any matters relating to the industry (other than remuneration and conditions of employment) as to which the Central Government may request the Development Council to advise and undertaking inquiries for the purpose of enabling the Development Council so to advise, and

(16) Undertaking arrangements for making available to the industry information obtained and for advising on matters with which the Development Councils are concerned in the exercise of any of their functions.

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE AND INDUSTRY  
IMPORT TRADE CONTROL.

PUBLIC NOTICE No. 19-ITC(PH)/58

NEW DELHI, THE 15th MARCH, 1958.

SUBJECT:- Import policy for Greases (S.No.8/V),  
Mineral Oils (S.No.17(a)/V) and  
Lubricating Oils (S.No.20/V) during  
October, 1957 - March, 1958 period.

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Attention of the importers is invited to Appendix XVIII of the current Red Book which details the import policy for Greases, Mineral Oils, Lubricating Oils etc. during the current half year. In terms of the import policy followed for these items during the current half year, applications from established importers for import of these items are considered on an ad-hoc basis in consultation with the Ministry of Steel, Mines and Fuel (Petroleum Section). Quota licences for these items were granted at the Headquarters office on the basis of a quota of 50% Gen. & 50% Soft during the current half year.

2). As a result of representations received from the trade, it has been decided to grant additional licences for these items to established importers during the current half year on the basis of 40% of half of their best year's imports of these items. The additional licences thus granted for S.Nos. 8/V, 17(a)/V and 20/V under the provisions of this Public Notice will be interchangeable. Applications for additional licences accompanied with quota licences already granted for these items during the current half year and the relevant quota certificate should be submitted to the C.C.I.&E., New Delhi (Headquarters Licensing Division) as early as possible but not later than the 30th March, 1958. Applications received thereafter will not be accepted.

( S.N. Bilgrami )

JT. SECRETARY TO THE GOVERNMENT OF INDIA

Copy to all concerned.

By order etc.,

(Mola Ram Bharadwaj)

DEPUTY CHIEF CONTROLLER OF IMPORTS & EXPORTS.

"B. Chawla"/15.3.1958/

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
IMPORT TRADE CONTROL

PUBLIC NOTICE No. 20-I.T.C.(PN)/58

NEW DELHI, THE 18TH MARCH, 1958.

As already announced in the Press, the Export Import Bank of the United States has agreed to make available to the Government of India a credit in dollars for purchases to be made in the U.S.A. for the industrial projects falling under the following broad heads, so far as the private sector is concerned:-

- i) Engineering Industry.
- ii) Chemical Industry.
- iii) Cotton Textile Industry.
- iv) Automobile Industry
- v) Coal mining Industry.

As a result, it will now be possible for the Government of India to issue import licences without any conditions regarding deferred payments for projects which the Government of India consider to be of sufficient importance for financing out of this credit. In order to obtain Government's approval in principle to the inclusion of any project under this credit, the parties concerned should apply to the following authorities respectively for the industrial groups named above :

- (i) Industrial Advisor (Engineering), Development Wing, Udyog Bhavan, New Delhi.
- (ii) Industrial Advisor (Chemicals), Development Wing, Udyog Bhavan, New Delhi.
- (iii) Textile Commissioner, Bombay.
- (iv) Industrial Advisor (Engineering), Development Wing, Udyog Bhavan, New Delhi.
- (v) The Coal Commissioner, Calcutta.

In each case a copy of the communication should be sent to the Deputy Economic Advisor in the Ministry of Commerce & Industry, New Delhi.

The applicants should give the following particulars:-

- (a) Details of Industries Act licences held by the party, or of any other authorisation given by Government.
- (b) The total estimated f.o.b. value of the equipment to be purchased in the U.S.A. and the estimated cost of insurance and freight separately.
- (c) Whether any part of the equipment for the completion of the project
  - (i) has already been installed
  - (ii) has been covered by import licence; and/or
  - (iii) has to be purchased outside the U.S.A.

Details particularly values should be given.

- (d) Date by which shipments are expected to be completed.

- (c) The value of output to be achieved from the project and the annual value of raw materials and/or components to be imported.
- (f) Whether arrangements for rupee finance not only to meet the cost of the imported equipment but also for local expenditure have been made.

The equipment referred to above includes not only the plant and machinery, but any constructional material required for completing the project including steel for structures, earth moving equipment, electric fittings, essential supplies of spares that may be necessary as an initial reserve to start the operations, etc., which may need to be imported. In other words, the picture should be as complete as possible and include all items that would need to be imported in order to start production other than raw materials with an indication of the likely source of supply in each case. It should be understood that in all cases normal import licensing restrictions will be applicable and goods and equipment indigenously available in adequate quantities will not be allowed for importation.

Though no last date is fixed for making these applications, applicants are advised in their own interest to apply at as early a date as possible. As the credit is available for purchases in the U.S.A. only, applicants who find that they have to spend substantial sums for purchases outside the U.S.A. may indicate whether they have in view any arrangements for financing them e.g. investments from abroad.

( S.N. Bilgrami )  
JT. SECRETARY TO THE GOVERNMENT OF INDIA.

Copy to all concerned.

By order etc.,

*M. Ram Bharadwaj*  
(Mola Ram Bharadwaj)  
DEPUTY CHIEF CONTROLLER OF IMPORTS AND EXPORTS.

*Checked*  
"G.L. SHAH"  
18.3.1958.

....  
GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE AND INDUSTRY  
( IMPORT TRADE CONTROL )

PUBLIC NOTICE NO. 21-ITC(PN)/58.

NEW DELHI, The 19TH MARCH, 1958.

SUBJECT :- TRANSFER OF DIVISION OF QUOTAS -  
PROCEDURE REGARDING.

Established Importers are granted licences on the basis of their past imports. Such licences are granted on the presupposition that no change has taken place in the constitution or the name of the applicant firm. When a change has occurred in the constitution or the name of a firm or the business has changed hands, the reconstituted firm will not be entitled to the quotas of the original firm until the transfer of quota rights in its favour has been approved by the Chief Controller of Imports & Exports, or the licensing authority concerned in cases covered by paras 5(a)(iv), 5(a)(v) and 6(ii) below.

2. No transfer of quota rights is involved in the following cases:-
  - (i) Changes in the constitution of a firm claiming licences as actual users only.
  - (ii) Change of directors or shareholders in a Public or Private Ltd. Co.
3. Transfer of quota rights will not be granted in the following cases:-
  - (i) Where a firm is dissolved or ceases to carry on business without making provision for transfer of its business etc.
  - (ii) Where a firm is declared to be insolvent or being a limited company is wound up, and no arrangement has been made for transfer of its business etc.
4. The expression 'firm' used herein means owner of the business, whether an individual or a partnership or an Undivided Hindu Family or a Corporate body like a public or private limited company.
5. The following are the general principles followed in regard to transfer of quota right :-

(a) Transfer of quota rights:-

- (i) Where the business of a firm is transferred together with all its assets, liabilities and goodwill to another firm so as to constitute it as its successor in all respects, the transferee firm shall get the quota rights of the transferor firm. Quota rights will not be transferred from a limited company to other person.
- (ii) Where a firm consists of several partners and its constitution undergoes a change by retirement of some partner(s) or admission of new partner(s), the reconstituted firm, continuing the original business in the same name or any other name and taking over all its

~~assets and liabilities will be granted the~~ ~~quota~~ rights of the original firm. In the event of change of name, it should be provided in the agreement that the old name will not be used for purposes of import/export trade by either of parties viz. the outgoing and the continuing partners.

- (iii) Where a sole proprietor dies the quota rights will be transferred to his legal heirs.
- (iv) Where a firm changes its name without any change in its constitution, its quota rights will be transferred to its new name provided it has ceased to do business in the old name and title.
- (v) Where a Private Ltd., Co., is changed into a public one and vice versa, the quota rights will be transferred to the new name.

(b) Division of quota rights:-

Where a firm is dissolved, and the partners agree to divide its business, assets, and liabilities and its goodwill is taken over by one or some of the partners, or none of them is allowed to use it, the partners shall get their respective shares in the quota rights according to the provision in the agreement.

6. Registration of Documents:

Documents which contain partnership agreements or provide for dissolution of partnership or for transfer of business shall be considered for the purpose of transfer of quota rights only if they have been registered under the Indian Registration Act 1908.

The condition will be relaxed:-

- (i) where a deed has been executed prior to the issue of Public Notice No: 15-IPC(IN)/52 dated 28.2.1952; and
- (ii) where father/mother takes in his/her sons(s), daughter(s) as partner(s), and where any member of the partnership so constituted retires.

Registration of documents sometimes takes a long time. To avoid hardship to the trade copies of the said documents, if filed for registration, will be considered if they are certified as true copies of the documents lodged for registration by any advocate, pleader, solicitor or a J.P. The original receipt issued by the Registrar should also be produced along with the certified copies of the documents. In such cases, transfer of quota rights if otherwise due, will be allowed subject to production of the original deed or deeds in due course.

7. Parties claiming transfer of quota rights are required to produce the following documents in addition to any other evidence which they may like, or may be required to furnish in support of their case:-

- (A) Documentary evidence to be produced, under paras 5 (a) (i) & (ii)

Changes in the constitution of the firm may have taken place due to:-

- (i) Admission of a partner.
- (ii) Retirement of a partner.
- (iii) Death of a partner.

~~(ii) Transfer of business by one person to another.~~

~~if deeds~~ evidencing any of the above events since the commencement of business or 1st April, 1945 or since the last transfer of quota rights-whichever is later, should be produced.

The deeds produced should show clearly that the applicant is a full successor to the business either from its commencement or from 1st April 1945 or since the last transfer of quota rights whichever is later, and that every person other than the applicant who was connected with the business since the above date has relinquished his claim to quota rights. Where there has been a death of any person connected with the business since the above date, an affidavit should be produced showing relinquishment by the heirs either according to the will or, if there is no will, by the natural heirs. A certified true copy of the will, if any, as proved in a court will also be necessary in such a case. Where there is transfer of business by one person to another, the deed of transfer-by whatever name called, should be signed by both the transferor and the transferee and should provide in clear terms for transfer of the entire assets, liabilities and goodwill of the transferor.

Subject to the exceptions mentioned in para 6, all deeds which evidence the changes in the constitution of the firm after 28-2-1952 must have been registered under the Indian Registration Act 1908 in order to be considered for the purpose of transfer of quota rights.

The other documents required to be produced are:-

- (i) Income-tax Clearance Certificate (in the proscribed form) in respect of both the firms i.e. the firm whose quota rights are to be transferred and the firm claiming the quota rights, showing inter alia their constitution, the date of establishment of business, name(s) of proprietor/partners/director(s)/shareholders(s), particulars of branches etc.
- (ii) Cuttings of advertisements in two newspapers one local and the other a leading English or Hindi Daily notifying claims for transfer of quota rights and calling for objections against the proposed transfer to be sent to the Chief Controller of Imports & Exports, New Delhi, within three weeks from the date of advertisement.
- (iii) In the case of partnership concerns - extracts from the register of firms under the Indian Partnership Act, 1932, showing all the changes in the firm and particulars of branches etc., since 1st-April 1945, or the commencement of the original firm, or the last transfer of quota rights whichever is later.

or the licensing authority concerned.

- (iv) Where the transfer is made to a limited company a certificate of incorporation under the Companies Act of that company, or a certified true copy thereof.

(B) Under Para 5 (a) ~~iii~~.

- (i) Death Certificate in respect of the deceased.
- (ii) Where the deceased has left a will, a copy of the will as proved in Court.
- (iii) Where there is no will an affidavit from all the legal heirs of the deceased (in case of minors through their guardians) on an adequately stamped paper sworn in before a first class magistrate or an oath commissioner to the effect that they are the only legal heirs of the deceased and that they have taken over the entire outgoing business goodwill etc. In case any of the heirs has relinquished his rights in favour of others an affidavit from him stating so in clear terms.
- (iv) Income-tax Clearance Certificate (in the prescribed form) in respect of the both the firms i.e. the firm whose quota rights are to be transferred and the firm claiming the quota rights showing inter alia their constitution, the date of establishment of business, name of proprietor(s), particulars of branches, etc.
- (v) Cuttings of advertisements in two newspapers one local and the other a leading English or Hindi Daily notifying claim for transfer of quota rights and calling for objections against the proposed transfer to be sent to the Chief Controller of Imports and Exports, New Delhi, within three weeks from the date of advertisement.
- (vi) Where the heirs enter into partnership, the deed of partnership so constituted.

(C) Under paragraph 5(a)(iv).

- (i) An affidavit on an adequately stamped paper and ~~sworn~~ in before a first class Magistrate or an Oath Commissioner indicating the date of establishment of business, the constitution of firm, name(s) of proprietor/Partners particular of branch or branches and declaring inter alia that:-
  - (a) There has never been any change in the constitution of the firm;
  - (b) they have ceased to function in the old name and will not do so in future; and
  - (c) the applicant firm was/is not a branch of any other concern.
- (ii) Income-tax Clearance Certificates (in the prescribed form) of the firm under the old name and also under the new name indicating inter alia their constitution, date of establishment of business, name(s) of proprietor/Partners particulars of branches etc.
- (iii) Cutting of advertisements from the newspapers one local and the other a leading English or Hindi Daily notifying claim for the transfer of quota rights to the new name and calling for objections against the proposed transfer to be sent to the licensing authority concerned, ~~Exports,~~



(D) Under Para 5(a)(v).

- (a) Incorporation Certificate, or a certified true copy thereof.
- (b) An affidavit from the Managing Director of the company on adequately stamped paper and sworn in before a first Class Magistrate or an Oath Commissioner that the company has changed from a private/public limited to a public/private limited company and that it will not claim quota rights in the old name.

(o) Under Para 5(b)

- (i) All documents required under para 4(a)(i) & (ii);
- (ii) Final deed of dissolution of partnership
- (iii) Affidavit of all claimants to quota rights on an adequately stamped paper and sworn in before a first class Magistrate or an Oath Commissioner that they will choose a common basic year for calculation of quotas of similar items.

8. The applicants should produce a certified copy of the deed or deeds for record in the office of the Chief Controller of Imports & Exports Lic-New Delhi. Where a Deed is in a language other than English, the claimant <sup>ensing</sup> <sup>auth-</sup> should also produce its English version, duly certified by an advocate or pleader, to the effect that it is a true translation of the original <sup>ty</sup> <sup>deed</sup> <sup>concerned.</sup>

9. Applications for transfer/division of quota rights will not be entertained unless they are accompanied by all the documents complete in all respects.

10. Where a change has occurred in the constitution of a firm, it is not entitled to a licence unless there is a transfer of quota rights in favour of the new firm.

*(S.N. Bilgrami)*  
JOINT SECRETARY TO THE GOVERNMENT OF INDIA.

Copy to all concerned.

By order, etc.

*Hargundas*  
(Hargundas)  
CONTROLLER OF IMPORTS AND EXPORTS.

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[ TO BE PUBLISHED IN THE GAZETTE OF INDIA  
EXTRAORDINARY PART I SECTION I ]

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GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE AND INDUSTRY  
IMPORT TRADE CONTROL.

PUBLIC NOTICE No.76-ITC(PN)/58.

New Delhi, the 11th Sept'58.

SUBJECT:- Import of automobile components under  
the Development Loan Fund Programme.  
==.==.==.==.==.==.==.==.==.==.==.==.==.==.==.==.

The procedure for the import of automobile components under the  
D.L.F. Programme will be as follows :-

- 1). Applications from approved automobile manufacturers for import in the usual form and in accordance with the normal procedure should be submitted to the Industrial Adviser (Engineering), Development Wing, Udyog Bhavan, New Delhi.
- 2). Orders for automobile components placed on or after the 4th March, 1953 only will be eligible for financing under this Programme.
- 3). The import licences issued under the programme will be governed by the conditions set out in this Public Notice as amended from time to time.
- 4). The Chief Controller of Imports and Exports, New Delhi, may amend or revoke the import licences at any time by furnishing the importer reasonable advance written notice thereof.
- 5). Payment against the import licences may be made by the licensees through authorised dealers in the foreign exchange in the normal manner, but the suppliers' invoices and the receipts for payments received by them should be forwarded to the Ministry of Finance (Department of Economic Affairs) within a fortnight from the date of payment. The Government of India will obtain reimbursement later from the D.L.F. set up by the United States Government. The attention of the suppliers should be drawn to this fact and their co-operation secured in complying with the necessary conditions laid down or to be laid down from time to time.
- 6). Firm orders must be placed on the suppliers within 3 months from the date of issue of the licences and goods imported

P.T.O.

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within the validity period of the licences. Within a fortnight of the placement of orders, a report, in triplicate, should be sent to the Licensing Authority, supported by the following information/documents:-

- (a) No., date and value of the licence;
- (b) Value of the order placed and accepted by the supplier;
- (c) Name and address of the supplier;
- (d) General description of the equipments to be imported;
- (e) Name and address of the authorised dealer in foreign exchange through whom the payment is to be effected; and
- (f) A copy of the order placed on the supplier and of his acceptance.

Any change in the terms of the order should be intimated promptly to the Licensing Authority.


- 7). All components should be purchased from the foreign collaborating firms concerned. In all cases, the prices paid for the components should be the cheapest world export market price charged by the collaborator and in no case should an order be placed at a price exceeding that indicated by the importer to Government in submitting the import application and on the basis of which the import licence is issued. The prices at which contracts are concluded by the importer will be subject to check by the Indian Government. Any contracts entered into in violation of the conditions of this paragraph will render the licensee liable to cancellation.
- 8). Commodities imported under these import licences shall be used only for the ~~purposes for which the import licence is issued~~ and/or in accordance with such conditions as may hereafter be prescribed by the Ministry of Commerce and Industry. The importer shall promptly furnish to the Ministry all relevant information concerning details of purchase and use of commodities obtained under these import licences.
- 9). It will be incumbent on the importer and his designated Indian Bank to ensure that the following documents, duly completed, are submitted to the Ministry of Finance (Department of Economic Affairs) under intimation to the Deputy Economic Adviser, Ministry of Commerce and Industry, Udyog Bhavan, New Delhi, immediately after payments are

from prepage:

made to the suppliers against the import licences:-

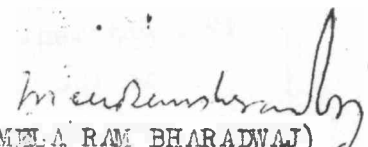
- i) Supplier's certificate, in triplicate, with invoice and contract abstract on reverse side (Form ICA-280), set out in Annexure I, covering the following:-
  - (a) Cost of commodity: The cost of the commodity, including the costs of ocean freight and/or marine insurance when such costs are paid by the supplier.
  - (b) Cost of ocean freight. The cost of ocean freight to be executed by the ocean carrier.
  - (c) Cost of marine insurance: The cost of marine insurance to be executed by the insurer, insurance broker, or underwriter.
- ii) Evidence for shipment - Bill of Lading.
- iii) Supplier's invoice - One copy (or photostat) of supplier's invoice showing quantity, description, gross sales price, net sales price and basis of delivery of the commodities or services and either (i) marked 'paid' by the suppliers or (ii) endorsed by, or accompanied by a certificate of an officer of the banking institution indicating that payment has been made in the amount shown in the invoice.
- iv) A copy of the Purchase Order or contract.
  - v) Additional or substitute documents as may be required by the Ministry of Finance (Department of Economic Affairs).
- 10). The supplier's certificate, invoices etc. referred to in para 10 should relate only to payments made to the foreign collaborating firm. All other payments or commission should be indicated separately by the importer.
- 11.) Importer's Instructions to Suppliers: The importer should apprise the suppliers of any special provisions in the import licences which affect the suppliers in carrying out the transaction.
- 12). Shipments from the U.S.A. should be made only in ships registered in the U.S.A. For contracts outside the U.S.A., reimbursement for ocean freight is not financed by the D.L.F. in case where cargoes are shipped in Indian Flag Vessels.
- 13). In respect of all purchases outside the U.S.A., insurance must be covered with an Indian Insurance Company. The payment of insurance premium should be in rupees and it should be ensured that in case of damage or loss the compensation will be payable by the insurance company in dollars. Contracts with suppliers in U.S.A. should be covered with insurance with U.S.A. companies.

- 14). Claims for damage and deficiency in quality and specifications, shall be settled by payment in U.S. Dollars, the payment being remitted by the supplier to the concerned bank in India of the importer. Immediately upon the settlement of such claims the importer should notify the Ministry of Commerce and Industry of the details of such payments. It is imperative that importers should receive the dollar claims in India and should, in no case, arrange for their being credited to their accounts with the suppliers.
- 15). It should be understood that the Government of India will not undertake any responsibility for disputes, if any, that may arise between the importers and the suppliers.
- 16). The importer shall promptly comply with any directions, instructions or orders issued by the Ministry of Commerce and Industry regarding any and all matters arising from or pertaining to the import licences.
- 17). Importers shall comply with such other conditions as may be laid down by Government from time to time for meeting the obligations under the D.L.F. agreement.

  
(S.N. BILGRAMI)  
JOINT SECRETARY TO THE GOVERNMENT OF INDIA.

Copy to all concerned.

By order etc.,

  
(MELA RAM BHARADWAJ)  
DY. CHIEF CONTROLLER OF IMPORTS AND  
EXPORTS.

*Ch...*  
G.L. SHAH.  
11.9.58.

SUPPLIER'S CERTIFICATE

The supplier hereby acknowledges notice that the sum indicated on the accompanying invoice as claimed to be due and owing under terms of the underlying contract is to be reimbursed from funds made available by the United States under the Mutual Security Act, as in effect on the date hereof, and subject to ICA Regulation 1, as amended, and further certifies and agrees with the Director of the International Co-operation Administration (ICA) as follows:-

- 1) The supplier is entitled under said contract to the payment of the sum claimed and he will promptly make appropriate refund to the buyer upon request of the buyer at the instance of the Director through the Government of India in the event of his non-performance, in whole or in part, under said contract, or for any breach by him of the terms of this certificate.
- 2) Adjustment refunds or credits arising out of the terms of the contract or the customs of the trade shall be made direct to the buyer, but the supplier will promptly notify the Director concerning any such adjustment refunds or credits, so that the Director may obtain appropriate refund from the co-operating country. If an adjustment results in an additional charge to the purchaser, the supplier will promptly notify the Director of such additional charge.
- 3) If the said contract is on a C&F (cost and freight) or a CIF (Cost, insurance & freight) basis, the supplier is entitled to payment, under ICA Regulation 1, as amended, of any ocean freight charges included in the sum claimed. The supplier is entitled to payment, under ICA Regulation 1, as amended, of any ocean marine insurance premium charges included in the sum claimed.
- 4) The supplier is the producer, manufacturer, processor, or exporter of, or a regular dealer in, the commodity, or furnishes the service covered by said contract and has not employed any person to obtain said contract under any agreement for a commission, percentage, or contingent fee, except to the extent, if any, of the payment of a commission to a bonafide established commercial or selling agent employed by the supplier as disclosed on the reverse of this form.

Contd.....

- 5) The supplier has not given or received and will not give or receive by way of side payment, "kickbacks," or otherwise, any benefit in connection with said contract except as is disclosed on the reverse of this form, or as is the result of the adjustments referred to in Paragraph 2.
- 6) If the supplier is the producer, manufacturer or processor of a commodity, said contract is not a cost plus-a-percentage-of-cost contract.
- 7) The supplier further certifies, on the basis of information obtained from such sources as are available to him, that to the best of his information and belief the purchase price is no higher than the market price (which shall mean the export market price, where such a price is customary in the trade) prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.
- 8) The supplier further certifies that (a) on the basis of information obtained from such sources as are available to him, and to the best of his information and belief, the purchase price is no higher than the price calculated in accordance with the applicable price provisions of ICA Regulation 1, as amended, and he has complied with the rules provided therein; and (b) he has allowed all discounts, including discounts for quantity purchases and prompt payment, customarily allowed his other customers similarly situated.
- 9) If the supplier furnishes only a service, he shall not be deemed to certify to paragraphs 7 & 8 but instead certifies that the rate indicated on the reverse of this form for the service rendered does not exceed the prevailing rate, if any, for similar services, or the rate paid to the supplier for similar services by other customers similarly situated.
- 10) The supplier has filled in the applicable portions of the invoice-and-contract abstract on the reverse hereof, certifies to the correctness of the information shown therein, and will furnish promptly to the Director at his request such additional information in such form as the Director may require concerning price or any other details of the purchase.

INVOICE AND CONTRACT ABSTRACT:

INVOICE INFORMATION—THIS SPACE FOR ICA USE ONLY

1. PROCUREMENT AUTHORIZATION OR PROJECT IMPLEMENTATION ORDER NO.	2. INVOICE AMOUNT AFTER DISCOUNT.	3. SOURCE COUNTRY.	4. GROSS LONG TONS
5. VESSEL NAME	BULK	BERTH	TANKER
6. FLAG	7. PORT OF EXIT	8. DATE B/L	
9. COMMODITY OR SERVICE—IN ENGLISH	10. ICA CODE	11. INVOICE DATE	12. QUANTITY
			13. QUANTITY UNIT.
			14. UNIT PRICE
			15. SHIPPING TERMS
16. SUPPLIER'S NAME, ADDRESS AND SOCIAL SECURITY EMPLOYER NO.	17. CLASS OF SUPPLIER (CHECK ONE) MANUFACTURER, PRODUCER, OR PROCESSOR—PRIMARY SELLER MERCHANT EXPORTER OR OTHER—SECONDARY SELLER		18. IMPORTER'S NAME AND ADDRESS

INFORMATION AS TO AGENTS' COMMISSIONS, DOMESTIC AND FOREIGN.

19. NAMES OF AGENTS	20. ADDRESSES.	21. COMMISSIONS IN INVOICE AMOUNT PAID OR TO BE PAID
		\$
		\$

CONTRACT AND PRICE INFORMATION

22. CONTRACT DATES	23. CONTRACT SHIPPING TERMS.	24. CONTRACT AMOUNT.	25. CONTRACT QUANTITY.	26. CONTRACT UNIT PRICE.	27. DOMESTIC UNIT PRICE.
28. SPECIFY <del>DIFFERENCES</del> AMOUNTS THAT WILL ACCOUNT FOR ANY DIFFERENCES BETWEEN CONTRACT, INVOICE, AND DOMESTIC UNIT PRICES.					



①

— INFORMAL Meeting —  
Textile Machine Manufacturers with Textile  
Commissioner — Dt. 12.10.56.

(20)

Textile Commissioner asked the textile machine manufacturers to step up their production else the import policy have to be reconsidered.

It was also pointed out by him at the same meeting that National Machinery Manufacturers and Texmaco have orders for Carding Engines to the tune of 491 & 324 respectively while on the other hand their production statement for this item is nil. N.M.M. assured of 25 cards per month by the end of March '57. Texmaco informed of stopping for the acceptance of further orders and delivery would take place from December '56.

Installed capacity of Textool was 16 Carding Engine per month and they requested the Textile Commissioner to recommend their expansion to the extent of 50 per month and Ring Frame from 26 to 50 per month. The Textile Commissioner promised to look into.

N.M.M. asked to expand up to 75 Ring Frame and they were requested to apply immediately.

Texmaco asked to increase capacity from 50 to 80 Ring Frames.

In this meeting Meeting AD-hoc Committee (Textile Machinery Manufacturers) was formed.

Meeting of the Ad-hoc Committee (for Textile Machinery Manufacturing Industry) held on 29.8.1957.

1. "Texmaco and N.M.M. has yet to go into production of Carding Engines. Assurance was given by both to go in to production of Card by March '57"
2. "Requirements of the 2nd plan were surveyed. The data has been split up - Reptae Expansion as well as Replacement. In computing the data of Replacement an average life of ~~Textile~~ machineries 40 years (50 years for carding engines) has been assumed." (The maximum life of carding engine may be 25 years. It is for all machineries.)
3. The programmes of each units has to be approved by the committee.

Product.	FIRM.	INSTALLED CAPACITY	ORDER					
			Booked 1956. MARCH, APRIL, MAY, June, July, Aug.					
Carding	M.M.C.	50	595	657	731	752	718	771
			56	Prod. 50	40	24	31	46
	Textool.	26.	895	894	896	896	916	910
			12	Prod. 10	10	12	17	22.
	Texmaco	ORDERS on hand as on 31st Aug. '56 - 324.						
	N.M.M.	-						
			Prod. NIL	445	491	491	491	491
			Prod. NIL.					

RINGFRAME	FIRM.	INSTALLED CAPACITY	ORDER					
			Booked 1956. MARCH, APRIL, MAY, June, July, Aug.					
Texmaco		50	387 1/2	472 1/2	559	817	605	646 1/2
			Prod. 43	40	40	45	35	35
N.M.M.		50	399	398	400	388	362	341
			Prod. 26	24	26	27	30	31
Textool		26	1055	1058	1032	1075	1127	1192
			Prod. 20	18	20	21	25	26
Ram Krishna		-	130	134	131	131	131	130
			Prod. 7	3	3	1	3	2

(3)

Expansion of Plant Requirement by next Four years.

Item of Machinery	Expansion	Replacement	Total	Av. Annual	Instal
1. Carding Engine	13,200	3000	16,200	4050	MMC 600 NMM 600 Tex Maco 300 Textool 192 <u>1692</u>
2. Drawing Frames.	2,475	725	3200	800	Laxmiratan 108 Textool 96 <u>204</u>
3. Ring Frames.	8250	3000	11,250	2,800	Tex Maco 600 N.M.M 600 Textool 312 Laxmiratan 300 Ram Ratan Indus. 84 <u>1896</u>
4. <del>Loom</del> Blow Room Lines	275	225	500	125	
5. Comber Set	33	8	41	10	
6. Speed Frame	2,475	725	3,200	800	Textool — 48 Laxmiratan — 72 <u>120</u>
7. Looms (Auto)	24000	10,000	34000	8500	NMM — 720 Cooper — 1200 C.I.M.M. 3060 <u>4980</u>
Looms (Plain)	17,000	7,510	24,510	6125	
8. Winding Machine	—	—	—	—	C.I.M.M. 60
9. Wrapping Machine	—	—	—	—	do 60
10. Sizing Machine	240	135	375	94	

## LOK SABHA.

STARRED QUESTION No. 1082.

To be answered on the 9<sup>th</sup> September, 1958.

Textile Industry.

\*1082. SHRI DAMANI: Will the Minister of Commerce and Industry be pleased to state:

- (a) Whether some relaxation in the credit facility to textile industry has been granted; and
- (b) if so, how far the industries have benefitted therefrom?

ANSWER.

THE MINISTER OF COMMERCE (SHRI NITYANANDA KANUNGO)

(a) & (b): A statement is laid on the Table of the House.

### STATEMENT

(a) & (b) In order to relieve the difficulties of the textiles industry which was recently faced with heavy accumulations of stocks, the State Banks and Scheduled Banks were requested to reduce the margin of security against loans and advances to Mills. The banks have generally agreed to provide this additional financial accommodation by reducing the margin from 25% to 10% wherever possible. Although it is not possible to state precisely how far the mills have benefitted from these facilities, it is understood that mills, particularly up country mills have derived considerable relief by this accommodation.

# M. M. C. Employees' Union

REGD. NO. 2455

AFFILIATED TO ALL INDIA TRADE UNION CONGRESS ● FEDERATION OF ENGINEERING WORKERS' UNIONS

129A, CIRCULAR GARDEN REACH ROAD, KIDDERPORE : CALCUTTA-23

Ref. No. ....

Dated ..... 195 .

~~Carding Engine~~ 1955-56.  
~~(Cases)~~  
Industrial Programme - 1956-61.

	1955-56.	
	Rated Capacity	Actual Production
Carding Engine (MMs)	600	600
Spinning Ring Frames	800	700
Plain, Semi & Automatic Loom	8,000	6,000.

Annual Demand:-

Spec	Second 5 year Plan	Ad-hoc Committee on 29.1.57.
Carding Engine	2,000.	4,050..

Annual Capacity on Double Shift basis.

MMC. —	600	(Single Shift)
NMM —	600	— Not in work
EXMACO —	300	— "
TEXTOL —	192	
<u>Total.</u>	<u>1,692</u>	

Investment of ~~Rs~~ Rs 45 Crores would have to be incurred during 1956-61 for expansions (INDUSTRIAL Programme 1956-61)

# COMPANIES INFR. MARKET BEFORE US

Company's statement:

Immediate Program:-

1. Loan of ₹ 5,000.00
2. Axle Boxes Market *to get good market*
3. Jessop & others
4. Hire Purchase facility <sup>through</sup> - NIDB.

long term Programme:-

1. Speed Frame.
  2. Drawing Frame.
  3. Lumber
  4. Crane Box etc.
- } needs ₹ 50,000,00 finance.

orders:-

upto Dec 35

Deferred 9958 - 87

Deferred for indefinite - 176

THE RUBBER BOARD

NEWS LETTER NO.76 - DATED 14TH NOVEMBER, 1958

1. Local Market Conditions. The position of the local rubber market remained unchanged.

2. Rate of purchases of indigenous raw rubber by the three big manufacturers.

Week ending:-	DUNLOPS (Tons)	FIRESTONE (Tons)	BATAS (Tons.)
4-10-1958	174.8	95.8	Nil
11-10-1958	236.3	136.0	16.2
18-10-1958	161.9	107.2	30.7
25-10-1958	98.0	70.8	Nil

3. Production of raw rubber. The production of raw rubber during September, 1958, was 2,526 tons as against 2,712 tons during the corresponding period in 1957.

4. Consumption of rubber. The consumption of raw rubber by manufacturers during September, 1958, was 3,205 tons compared to 2,666 tons during the corresponding period in 1957. In addition to this, manufacturers consumed 278 tons of synthetic rubber and 319 tons of reclaimed rubber. The consumption of synthetic and reclaimed rubber during the same period in 1957 was 249 tons and 297 tons respectively.

5. Stocks of rubber. The stock position of natural rubber at the end of September, 1958, was as follows:-

	As on 30.9.1958: (Tons)	As on 30.9.1957: (Tons)
1) Unsold stocks with producers and dealers.	3,279*	3,763
2) Stocks sold to manufacturers and in transit.	905	676
3) Stocks with manufacturers.	4,007	3,456

\*Of this quantity, 1,651 tons were with producers and 1,628 tons with dealers.

The stock of synthetic and reclaimed rubber with manufacturers as on 30.9.1958 was 1,340 tons and 565 tons respectively. The stock of synthetic and reclaimed rubber during the same period in 1957 was 967 tons and 527 tons respectively.

6. Singapore Rubber Market. The auction prices realised by the Singapore Chamber of Commerce Rubber Association for Ribbed Smoked Sheet of Standard quality on the dates are mentioned against each.

<u>Date of auction</u>	Price per 100 lbs in Straits Dollars:	Equivalent value in Indian Rupees.
1.10.1958	₹ 83-3/4	Rs.130.65
8.10.1958	₹ 83-1/2	Rs.130.26
15.10.1958	₹ 89-3/8	Rs.139.43
22.10.1958	₹ 91-1/4	Rs.142.35
29.10.1958	₹ 89-00	Rs.138.84

*L. J.*  
(Contd)

7. Membership of the Board. The Central Government have notified the following persons as members of the Rubber Board, under clauses (b), (c) and (d) of sub-section (3) of Section 4 of the Rubber Act, 1947 (24 of 1947), read with sub-rules (2), (3) and (4) of rule 3 of the Rubber Rules, 1955, to represent the various interests indicated against each.

- |  |   |   |
|--|---|---|
| 1) Shri A.Venkitesan, I.A.S.,<br>Director of Agriculture,<br>Govt. of Madras, Madras.  | ) | Nominated by the Govt.<br>of Madras to represent<br>that Government.                                |
| 2) Shri M. Abdussalam, I.A.S.,<br>Secretary to Govt. of<br>Kerala, Industries Dept.,<br>Trivandrum.                          | ) | Nominated by the Govern-<br>ment of Kerala to<br>represent that Government.                         |
| 3) Shri P.D.Nair, Director<br>of Agriculture, Government<br>of Kerala, Trivandrum.   | ) |   |
| 4) Shri R.Govinda Pillai,<br>Retd. D.F.O., Ambujavilas,<br>Thycaud, Trivandrum.<br>(Kerala State).                           | ) |   |
| 5) Shri P.S.Narayana Pillai,<br>Padma Vilas, Golf Links<br>Road, Trivandrum.<br>(Kerala State).                              | ) | Nominated by the Central<br>Government to represent<br>the small growers in the<br>State of Kerala. |
| 6) Shri P.A.Mathew, Pala-<br>kunnathu Farm, Punalur,<br>Kerala State.  | ) |   |
| 7) Shri P.N.Haksar, Director,<br>Dunlop Rubber Co.(India)<br>Ltd., 57-B Free School<br>Street, Calcutta.                     | ) | Nominated by the Central<br>Government to represent<br>the rubber manufacturers.                    |
| 8) Shri K.M.Philip, Madras<br>Rubber Factory, Metropoli-<br>tan Insurance House,<br>Dadabai Nowroji Road,<br>Fort, Bombay-1. | ) |   |
| 9) Shri C.E.Bharathan,<br>I.N.T.U.C.Branch, Mahe.  | ) | Nominated by the Central<br>Government to represent<br>labour.                                      |
| 10) Shri K.Karunakaran, General<br>Secretary, I.N.T.U.C.Kerala<br>Branch, 70 Ft Road,<br>Ernakulam, Kerala State.            | ) |   |
| 11) Shri B.K.Nair, President,<br>I.N.T.U.C.Kerala Branch,<br>Ernakulam.(Kerala State)  | ) |   |
| 12) Mr. K.L.Kershaw, Group<br>Manager, T.R. & T.Co.Ltd.,<br>Mundakayam, Kerala State.  | ) | Nominated by the Central<br>Govt. to represent<br>'other interests'.                                |

(S.O. No. 2084 dated 6.10.1958 published in sub-section (ii) of Section 3, Part II, of the Gazette of India dated 11th October, 1958).

8. Labour Strike in Rubber Estates. In the second fortnight of September, trade unions of plantation workers in Kerala State, irrespective of their political affiliations, served notices of strike and memoranda of demands on many managements of rubber and tea estates in the State. These notices of

(Contd)



strike were more or less of the same pattern and the demands were also more or less the same. There were 30 common demands. The strike commenced in the tea estates in Munnar on the 4th October and spread to most of the rubber estates in Mundakayam area on the 12th and 14th October and a few estates in Kanjirapally, Erumely, Pathanamthitta and Thamarassery areas. There was a general strike on the 25th October in which many more estates were involved. The strike was called off with effect from 27th October, and resumption of work in the estates under strike commenced on and after that date except in 9 estates in Thamarassery area covering an area of about 1,400 acres. Either partial or total strike is still in progress in those estates. It is understood that all negotiations to bring about a settlement of the dispute have failed. September and October are high production months and many big estates were involved in the strike. Considerable loss of production is, therefore, expected.

Kottayam,  
14th November, 1958.

*[Signature]*  
SECRETARY.

Ref.No.STT(1)233(76)/58

To

The Secretary to the Government of India, Ministry of  
Commerce & Industry, New Delhi.

Copy to all members of the Rubber Board.

.....

D/50-C  
14.11.58

715  
11  
No. IP-1(53)/57  
Government of India  
Ministry of Commerce and Industry.

New Delhi, the 16th January, 1958.

From

Shri S. Anantakrishnan, I.A.S.,  
Under Secretary to the Government of India.

To

All the Members of the Central Advisory  
Council of Industries.

Subject:- Periodical review giving progress of  
industrial development in India - Review  
for the quarter ended the 30th September,  
1957.

Dear Sir,

*Recd  
18.1.58*

In continuation of this Ministry's letter  
No. IP-1(48)/57 dated the 30th September, 1957, I am  
directed to enclose a Review of Industrial Progress  
in India during the quarter July-September, 1957.

Yours faithfully,

*S. Anantakrishnan*

(S. ANANTAKRISHNAN)

Under Secretary to the Government of India.

No. IP-1(53)/57

Copy, together with a copy of the Review  
referred to above, forwarded to:-

- (1) All Officers in the Ministry of Commerce  
and Industry.
- (2) Chief Industrial Adviser (Dr. A. Nagaraja Rao).
- (3) Industrial Adviser (Dr. B.D. Kalelkar).
- (4) Industrial Adviser (Dr. Kane).
- (5) Information Officer (Shri Bhatt).
- (6) Ministry of Finance (C.I. & F.A. Division).
- (7) Planning Commission (Shri K. Vyasulu).

*S. Anantakrishnan*

(S. ANANTAKRISHNAN)

Under Secretary to the Government of India.

## MINISTRY OF COMMERCE AND INDUSTRY

Review of progress of industries in India  
during the quarter July - September, 1957.

The progress made in regard to the development of industries during the quarter July-September, 1957 appears to have been satisfactory. As compared with the corresponding quarter of 1956, the General Index of Industrial production (base - 1951 = 100) was higher by about 9 points in July and 7 points in August. The output of several industrial products was higher than the levels attained in the corresponding quarter of the preceding year. Important among these are coal, cement, cotton yarn, aluminium, sewing machines, bicycles, power transformers, electric lamps, electric fans, sulphuric acid, super-phosphates, caustic soda, soda ash, dyestuffs, rayon, salt, sugar, vanaspati and refractories. There was an improvement over the preceding quarter for cement, cotton yarn, woollen and worsted yarn and fabrics, antimony, copper, lead, machine tools, bicycles, electric motors, power transformers, electric lamps, sulphuric acid, super-phosphates, bleaching powder, plastics, rayon and refractories. The overall index at 161.5, 140.1 and 144.3 during July, August and September was, however, lower than in the immediately preceding months, as a result of decline in the index values for sugar, and some items of chemicals and metal products.

### PUBLIC SECTOR PROJECTS

The projects in public sector continued to make satisfactory progress in regard to the production programme. The production of Hindustan Antibiotics, Pimpri, amounting to 66.3 lakh mega units of penicillin during the quarter under review, recorded an increase over the preceding quarter as also over the corresponding quarter.....

quarter of the preceding year. The production of Ammonium sulphate in the Sindri Fertilizer Factory, amounting to 81.2 thousand tons during the quarter under review recorded an increase as compared to 72.6 thousand tons in the preceding quarter and 79.9 thousand tons in the corresponding quarter of the preceding year. Work relating to Nangal Fertilizer Factory- Heavy Water Project is progressing satisfactorily. The Hindustan Machine Tools, Bangalore, also recorded further increase in production by producing 90 machines including 10 milling machines over the production of preceding quarter, amounting to 59 machines including 5 milling machines. These types of milling machines were assembled for the first time in the factory. The Hindustan Cables at Rupnarainpur (West Bengal) produced 126.65 miles of cables, which is slightly lower than the production in the preceding quarter, but higher than the production in the corresponding quarter of the preceding year. Orders worth Rs. 27 lakhs have also been placed for the Plant and machinery required for the manufacture of Coaxial cables in the factory. An increase was noticed in the production of Nahan Foundry, which amounted to 561 tons during the quarter under review as against 417 tons in the corresponding quarter of the preceding year. The production of DDT by Hindustan Insecticides, Delhi, amounting to 133.3 tons during the quarter under review showed a small decrease both as compared with the production of the preceding quarter and the corresponding quarter of the preceding year. The production was low due to the restricted supply of chlorine during August, 1957 and shut down of MCB Section for 12 days and consequent low stock of monochlore-benzene during September, 1957.

Statement I gives the production achieved by various industries during the three quarters,

July-September.....

July-September 1957, April-June 1957 and July-September 1956. Statement II shows the licences issued during the quarter under review.

A brief review of the trends in the production of each of the major commodities and of the licences issued during the quarter is given below:

I - Basic Industries

(i) Coal - The production of coal at 10,351 thousand tons during the quarter under review registered a small increase over the corresponding quarter of the preceding year. As compared with the preceding quarter, production showed a small decline.

(ii) Iron and Steel:-

(a) Pig iron (Basic, Foundry and Direct castings)

The trend was downward in the production of pig iron at 453 thousand tons during the quarter under review.

Production during the quarter was slightly lower than that in the preceding quarter. There was no new factory which went into production during the quarter.

(b) Finished Steel - A similar downward trend was observed in the production of finished steel also, although the extent of decline was very negligible. Production during the quarter at 331 thousand tons was lower by 1 percent & 4 percent as compared with that during the preceding quarter and the corresponding quarter of the preceding year respectively.

(iii) Cement - As a result of better utilization of capacity and the coming into production of two expansion schemes namely, A.C.C. Kistna and Andhra Cement Company, with a total capacity of 231 thousand tons per annum, the production of cement during the quarter under review showed an increase. Production at 1317 thousand tons was higher by 19 thousand tons than in the preceding quarter. The increase over the corresponding quarter of the preceding year.....

... having been as large as 274 thousand tons, was much more substantial.

## II - Textile Industries

(i) Cotton Yarn and Cloth: The provisional figures which are available indicate that the production of cotton yarn and cotton cloth during the quarter under review stood at 447 million lbs. and 1316 million yards respectively. This represents a small increase of 1 to 4 percent in the case of cotton yarn and a decline of 2 to 4 percent in the case of cotton cloth when compared with the preceding quarter and the corresponding quarter of the preceding year.

9 licences were issued during the quarter under review for cotton yarn, 2 for the establishment of new units, 6 for substantial expansion of existing units and one for regularisation. Only one licence was issued for cloth.

(ii) Jute Manufactures:- Data are available for only 3 months. Production during the quarter which stood at 168 thousand tons was almost steady in comparison with the preceding quarter. A decline of 9 percent, however, was noticed over the corresponding quarter of the preceding year.

Only one licence - for regularisation - was issued for hessian cloth.

(iii) Woollen and Worsted Yarn and Fabrics:- The available figures indicate a production of 4907 thousand lbs. of yarn and 2,752 thousand yards of fabrics during the first two months of the quarter under review. This represents a sizeable increase - of 12 to 13 percent - over the preceding quarter. As compared with the corresponding quarter of the preceding year, however, yarn registered a small increase, while fabrics declined by 9 percent. No new unit went into production during the quarter and no licence was issued either for new undertakings or for substantial expansion.

### III- Non-ferrous metal industries.

Among the items falling under this group, aluminium recorded a production of 1,800 tons, antimony 153 tons, copper 2,100 tons, lead 762 tons, non-ferrous pipes and tubes 107 tons and brass and copper (sheets and circles) 6,360 tons. Copper showed a small increase over the preceding quarter and the corresponding quarter of the preceding year. The production of aluminium during the quarter was substantially higher than that in the ~~corresponding quarter of the preceding year~~; but a slight set-back was noticed over the ~~preceding quarter~~. Antimony recorded a marked increase of 55 percent over the preceding quarter, although it was still short of the production attained in the ~~corresponding quarter~~ of the preceding year by nearly 7 percent. Lead, non-ferrous pipes and tubes and brass and copper (sheets and circles) recorded a continuous improvement. The extent of increase in production over the corresponding quarter of the preceding year was more noteworthy than over the preceding quarter, in the case of lead and brass and copper (sheets and circles). Non-ferrous pipes and tubes, on the other hand, recorded greater improvement over the preceding quarter than over the corresponding quarter of the preceding year. The improvement over the ~~corresponding quarter~~ of the preceding year was due to the existing units working to full capacity in the case of aluminium and copper, while it was due to increase in ore mining capacity in lead, and to better demand in other cases. Shortage of antimony ore was attributed as the reason for the set-back in the production of antimony.

### IV- Metal Products

It has been estimated that the production of ~~of~~ blades during the quarter under review amounted to 72 million (Nos.). Hurricane lanterns 1,046 thousand (Nos.), crown corks 318 thousand gross, oil pressure lamps

20 thousand (Nos.), bolts, nuts, rivets and dogspikes 6.5 thousand (Tons) expanded metal 315 tons, wood screws 1,979 thousand gross, machine screws 350 thousand gross and duplicators 381 (Nos.). With the exception of expanded metal and machine screws, the remaining items witnessed a set-back over the preceding quarter. The decline was considerable in the case of razor blades, crown corks and duplicators. As compared with the corresponding quarter of the preceding year also there was considerable decline in the case of hurricane lanterns, razor blades, expanded metal, crown corks and duplicators. The remaining items recorded increases, ranging from 0.5 percent in oil pressure lamps to 23 percent in machine screws.

V- Machinery

39738 (Nos.) sewing machines, 4611 (Nos.) diesel engines, 14850 power driven pumps, 33 jute sliver spinning frames, 336 thousand lbs. of grinding wheels and 148 tons of cotton and hair beltings are estimated to have been produced during the quarter under review. In the case of calico looms and ring spinning frames figures for September are not available and the production during July and August amounted to 480 and 237 respectively. The value of machine tools produced during this period amounted to Rs. 6.7 million. In comparison with the production attained in the preceding quarter, calico looms, ring spinning frames and machine tools recorded an increase, the increase at 29 percent in machine tools being the most conspicuous. Sewing machines, diesel engines, power driven pumps, jute sliver spinning frames, grinding wheels and cotton and hair beltings recorded a decline. Except in the case of.....



case of cotton and hair belting and grinding wheels, the decline, however, was small. In contrast, the trend was upward in comparison with the corresponding quarter of the preceding year in all cases except calico looms and cotton and hair belting. The increase in machine tools at 118 percent was the most marked. In all these cases the increase in production was due to better demand and consequently of offtake. In addition in machine tools, the industry undertook the manufacture of costlier items in the higher ranges which accounts for the conspicuously upward trend noticed over the corresponding quarter of the preceding year.

The progress made by Hindustan Machine Tools in the public sector was quite substantial. Not only was there an increase in the production of lathes, but the assembly of milling machines, a new line started in the preceding quarter - proceeded satisfactorily, the firm having assembled 10 milling machines worth Rs. 4 lakhs in August alone. In the case of grinding wheels, the position in regard to the delivery from the factories improved considerably and the indigenous manufacturers were able to effect supplies generally within 3 to 4 months.

Very few new licences were issued for items falling under this category during the quarter under review, the only licences issued being one for equipment for ring spinning machines, one for power driven pumps and one for change of location in roller bearing spindles.

#### VI- Vehicles

It is estimated that 7731 (Nos.) automobiles (all sorts), 865 thousand (Nos.) piston rings and 44 thousand (Nos.) pistons were produced during the quarter under review. While piston rings witnessed an increase both over the preceding quarter and the

corresponding.....

corresponding quarter of the preceding year, the other items recorded a decline. The increase in piston rings at 98 percent and 71 percent respectively was most noteworthy, the reason being increase in demand.

One licence for the manufacture of automobile accessories was issued during the quarter, while one unit for the manufacture of railway wagons and one for manufacturing B.G. coaching under-frames were permitted to change their locations.

#### VII- Light Engineering Industries

It is estimated that 198 thousand (Nos.) complete bicycles were produced during the quarter under review. The value of bicycle parts produced during the same quarter amounted to Rs. 3.5 million. Bicycles (complete) witnessed an increase both over the preceding quarter and the corresponding quarter of the preceding year.

One licence for a new unit for the manufacture of bicycle spokes was issued during this quarter.

#### VIII - Electrical Industries

It is estimated that 2876 thousand running feet of conduit pipes, 46 million dry cells, 127 thousand (H.P.) electric motors, 78 thousand storage batteries, 329 thousand (KVA) power transformers, 3415 thousand electric lamps, 132 thousand electric fans, 45750 radio receivers, 240 domestic refrigerators, 1800 tons of bare copper conductors, 270 tons of winding wires and 81300 (Nos.) house service meters were produced during the quarter under review. Among these, Electric motors, power transformers, electric fans and winding wires maintained a consistently upward trend, while bare copper conductors registered a continuous fall. In dry cells while production recorded a sizeable improvement over the preceding quarter it had yet to catch .....

catch up with the production achieved in the corresponding quarter of the preceding year. In the remaining cases while there was substantial improvement over the corresponding quarter of the preceding year, production had yet to attain the levels reached in the preceding quarter.

One licence for the manufacture of power transformers, 6 for the manufacture of other equipment for generation, transmission and distribution of electricity, one for electric motors, one for oil and air break motor starters, 3 for electric fans, 4 for electric lamps and accessories, one for enamelled copper wire, 3 for flash light cases and 3 for radio receivers and accessories were issued during the quarter under review.

#### IX - Basic Chemicals

Among the items falling under this group sulphuric acid recorded a production of 55.5 thousand tons, superphosphates 50 thousand tons, caustic soda 10 thousand tons, soda ash 21 thousand tons, liquid chlorine 3.8 thousand tons, bleaching powder 1.5 thousand tons and ammonium sulphate 91 thousand tons. The trend was continuously upward in sulphuric acid, superphosphates and bleaching powder. While the improvement over the corresponding quarter of the preceding year was more striking in the case of sulphuric acid and superphosphate it was the reverse in the case of bleaching powder. Caustic soda, soda ash and liquid chlorine recorded a small fall over the preceding quarter, although production was higher than in the corresponding quarter of the preceding year. The lower production of soda ash over the preceding quarter was due to the shutdown of one of the factories, namely, Dhrangdhra Chemical Works, because of the sudden breakdown of the calciner. In the

caustic soda.....

caustic soda industry, Rohtas Industries had to shut down the factory in September owing to labour strike. In ammonium sulphate although production improved as compared with the preceding quarter it had yet to obtain the level reached in the corresponding quarter of the preceding year. The improvement in the production of sulphuric acid was due to the increase in the production of chemicals and fertilizers using the acid. In superphosphate the increase was due to better demand.

No new licences were issued for these items during the quarter under review.

#### X- Chemical Industries

During the quarter under review the dye-stuffs industry recorded a production of 2302 thousand lbs., matches 133 thousand cases, soap (organized sector) 26.5 thousand tons, glue 6 thousand cwts, plastic mouldings 930 thousand gross, rayon (viscose and acetate) 2712 tons and staple fibre 2098 tons. It is only in the case of rayon yarn that a continuous upward trend was noticed. In plastic mouldings, although there was a small increase over the preceding quarter, production declined in comparison with the corresponding quarter of the preceding year. In the case of matches and soap there was a continuous decline. The production of glue and staple fibre declined as compared with the preceding quarter, but registered considerable improvement over the corresponding quarter of the preceding year. The improvement in rayon was due to increased capacity in the industry as a result of one new unit having started regular production early this year and part implementation of the expansion scheme of another unit. The capacity of the only unit manufacturing staple fibre was also considerably increased which accounted.....

accounted for the increase in production over last year. In glue the improvement was as a result of better utilisation of existing capacity.

Two licences for substantial expansion of existing units in the dye-stuffs industry, 10 licences in art silk fabrics (3 for substantial expansion, one for manufacture of new articles and 6 for regularisation) and one for soap were issued during the quarter.

#### XI - Miscellaneous Industries

The production levels attained by the various industries falling under this group during the quarter under review are, sheet glass 11,790 thousand square feet, glassware (excluding laboratory glassware and glass-plates) 27 thousand tons, linoleum 100 thousand lineal yards, paper and paper boards 49.5 thousand tons, plywood 28.5 million square feet, tanned hides 540 thousand (Nos.), leather footwear about 2 million pairs, rubber footwear 9 million pairs, automobile tyres 252 thousand (Nos.), automobile tubes 244 thousand (Nos.), cycle tyres 1826 thousand (Nos.), cycle tubes 1750 thousand (Nos.), tractor and aero tyres 14 thousand (Nos.), tractor and aero tubes 13 thousand (Nos.), salt 13.6 million Maunds, sugar 25 thousand tons, vanaspati 65 thousand tons, power and industrial alcohol 4.3 million bulk gallons and refractories 108 thousand tons.

Among these, production was continuously upward in the case of linoleum, footwear (leather and rubber), tractor and aero tubes and refractories. In contrast glassware, tanned hides, plywood and automobile tyres and tubes recorded a continuous fall. In the case of paper and paper boards, cycle tyres and tubes, tractor and aero tyres, salt, sugar, vanaspati and power alcohol although production recorded a decline as compared with the preceding quarter there was considerable improvement over the.....

over the corresponding quarter of the preceding year. The decline in the production of paper and paper boards was partly due to a month-long strike in one of the major units, namely Rohtas Industries, Dalmianagar. There was a set-back in the production of newsprint also owing to restricted steam and power supply from the Chardni Power Station. Besides difficulties in the procurement of sodium sulphate which is an essential process chemical required by the industry became more pronounced during the quarter as a result of curtailment of supplies from the depleted Rajasthan deposits. In order to ease the position, however, imports were allowed as an interim measure and rayon-manufacturers were induced to recover sodium sulphate to the maximum extent. In the case of salt and sugar the decline over the preceding quarter was due to seasonal factors. The decline in the production of glassware was partly due to the shut down of one of the major units for one month for furnace relining.

A number of schemes went into operation during the quarter under review. Among the new units, Electrical Manufacturing Co. Ltd., Calcutta, almost completed its scheme for the manufacture of ACSR Conductors, Insulators, Hardware, Earth-wire and Guy-wire. In regard to the licence obtained by Mahabir Import and Export Co. Ltd., Delhi, for sewing machines, the manufacture of domestic sewing machines was established but the manufacture of industrial sewing machines was awaiting installation of machinery. In the Dyestuffs Industry, production of Naphthols by Amar Dye Chemicals, Bombay, of Optical Bleaching Agents by Suhrid Geigy Ltd., Ahmedabad, and of Jade Green by M/s. Attic Industries Ltd., Bombay, was also begun during the period.....

the period. Besides this some of the existing firms completed their expansion schemes. Among these may be mentioned the manufacture of Zinc Strips by National Carbon Co. Ltd., Calcutta, miniature Lamps by M/s. Hind Lamps Ltd., Shikohabad, Insulated Aluminium & Wet Proof Cables by Aluminium Industries Ltd., Kundara, Bicycles by Avon Cycles Ltd., Ludhiana, Glauber salt and Sulphate of Alumina by M/s. East India Distilleries and Sugar Factories, Madras, Rubber Cots and Aprons by Associated Rubber Industries, Bhavnagar and Glue by British India Corporation, Kanpur. The period under review also witnessed substantial progress in the manufacture of a few new articles. Prominent among these are the manufacture of Glass Tubings and Rods by M/s. Hind Lamps Ltd., Shikohabad, Railway carriage under-frames and B.G. Wagons by M/s. K.T. Steel Industries Ltd., Bombay, Hacksaw Blades and Carpenter saws and Hand saws by M/s. Steel and Allied Products Ltd., Calcutta. The manufacture of standard ferro manganese by M/s. Electro Metallurgical Works, Bombay, Calcium Carbonate by M/s. Radha Chemicals Co., Calcutta, vat Dyes by Indian Dyestuffs Industries Ltd., Bombay, Optical Bleaching Agents and solubilised Azoics by Amar Dye Chemicals, Bombay, solvent extraction of Oil cakes by M/s. Prag Ice and Oil Mills, Aligarh, and Stoneware pipes and White wares by M/s. Bharat Ceramic Industries Ltd., Calcutta, had also made considerable progress.

During the period under review, the Technical Committee on Cement examined various proposals for stepping up the production of cement and utilization of Pozzolanic materials and admixtures as well as glass furnace slag. A meeting was held in September under the chairmanship of the Minister for Industries to consider various proposals for the promotion of exports of

Veneers.....

Veneers and Plywood. Among the important suggestions which were agreed to at the meeting were abolition of restrictions on expansion of commercial plywood, further expansion of tea chest capacity to meet export orders and removal of the voluntary cess on plywood exported from India. The Development Councils for Art Silk and Wool (whose tenure had expired) were reconstituted for a further period of two years with effect from 31st August, 1957. Government also appointed an Expert Committee to go through the report on Optical Glass submitted by Russian Experts and to advise them on technical and economic problems relating to the proposed Optical Glass Plant.

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STATEMENT - I  
PRODUCTION OF MAJOR INDUSTRIES

S.No.	Name of Industry	Unit	July-September 1957	April-June 1957	July-September 1956
1.	<u>Basic Industries:</u>				
	1) Coal	'000' Tons	12,351.00	10,850.00	9,596.00
	2) Pig iron (Basic, Foundry and Direct Castings)	" "	185.43	177.10	585.30
	3) Finished Steel	" "	331.10	334.29	346.10
	4) Cement	" "	1,317.00	1,297.96	1,042.70
2.	<u>Textile Industries:</u>				
	1) Cotton yarn	Million Lbs.	147.00	441.00	451.00
	2) Cotton Cloth	" yds.	1,316.00	1,337.00	1,371.00
	3) Jute Manufactures	'000' Tons	167.80*	167.40*	183.70*
	4) Woollen and worsted yarn	" Lbs.	2,907.00* 0e	4,402.00*	4,739.00*
	5) Woollen and worsted fabrics	" Yds.	2,752.00*	2,436.00*	3,038.00*
3.	<u>Non-Ferrous Metal Industries:</u>				
	1) Aluminium	Tons	1,900.00	1,889.82	1,288.01
	2) Antimony	"	153.00	99.00	164.10
	3) Copper	"	2,100.00	2,079.99	1,395.00
	4) Lead	"	762.00	738.36	585.27
	5) Non-Ferrous pipes and tubes	"	107.10	75.66	96.83
	6) Brass and Copper sheets and circles	"	6,360.00	5,094.00	3,877.26
4.	<u>Metal Products:</u>				
	1) Razor Blades	Million Nos.	71.74	98.84	79.21
	2) Hurricane Lanterns	'000' Nos.	1,045.99	1,128.96	1,373.57
	3) Crown corks	" Gross	318.29	375.57	415.33
	4) Oil Pressure Lamps	" Nos.	19.79	31.23	13.80
	5) Bolts, Nuts, Rivets and Dog spikes	" Tons	6.50	7.61	5.90
	6) Expanded Metal	Tons	315.00	247.00	591.90
	7) Wood Screws	'000' Gross	1,979.17	2,031.00	1,917.30
	8) Machine Screws	" "	349.80	339.90	283.80
	9) Duplicators	Nos.	381	630	699

STATEMENT - I (Contd.)

S.No.	Name of Industry	Unit	July-September 1957	April-June 1957	July-September 1956
<b>5. Machinery:</b>					
1)	Sewing Machines	Nos.	39,738	41,787	31,197
2)	Diesel Engines	"	4,611	4,620	4,197
3)	Power Driven Pumps	"	14,850	15,831	14,253
4)	Calico Looms	"	480*	476*	572*
5)	Ring Spinning Frames	"	237*	216*	187*
6)	Jute Sliver Spinning Frames	"	33	38	15
7)	Grinding Wheels	'000' Lbs.	336.30	897.12	257.79
8)	Belting for Machinery Excl. Fan-Belts (Cotton and Hair belting)	Tons	147.81	281.00	203.70
9)	Machine Tools	Value '000' Rs.	6,743.25	5,212.22	3,100.19
<b>6. Vehicles:</b>					
1)	Bicycles (Complete)	'000' Nos.	198.03	190.48	176.51
2)	Parts of Bicycles	Value '000' Rs.	3,528.39	7,320.29	4,739.30
3)	Automobiles (all sorts)	Nos.	7,731	9,573	8,757
4)	Piston Rings	'000' Nos.	864.78	436.94	506.14
5)	Pistons	"	43.85	46.46	50.34
<b>7. Electrical Industries:</b>					
1)	Conduit Pipes	'000' R.ft.	2,876.37	2,699.02	2,872.53
2)	Dry Cells	Million Cells	45.63	39.87	53.10
3)	Electric Motors	'000' H.P.	127.05	107.96	124.11
4)	Storage Batteries	'000' Nos.	78.30	78.99	77.08
5)	Power Transformers	" K.V.A.	328.80	271.16	253.64
6)	Electric Lamps	" Nos.	8,415.24	8,334.01	8,006.36
7)	Electric Fans	" "	132.30	132.03	80.74
8)	Radio Receivers	Nos.	45,750	50,031	34,929
9)	Domestic Refrigerators	"	240	351	51
10)	Bare Copper Conductors	Tons	1,800.00	2,382.00	2,793.00
11)	Winding Wires	Tons	270.00	216.00	195.00
12)	House Service Meters	Nos.	81,300	85,347	70,479

S.No.	Name of Industry	Unit	July-September 1957	April-June 1957	July-September 1956
<b>8. Basic Chemicals:</b>					
1)	Sulphuric Acid	'000' Tons	55.51	49.51	44.33
2)	Superphosphates	" "	50.00	36.76	24.12
3)	Caustic Soda	Tons	10,140.00	10,194.00	9,666.00
4)	Soda Ash	"	21,270.00	22,563.00	18,465.00
5)	Liquid Chlorine	"	3,750.00	3,735.00	3,732.00
6)	Bleaching Powder	"	1,470.00	1,050.00	1,248.00
7)	Ammonium Sulphate	'000' Tons	91.46	84.73	95.69
<b>9. Chemicals Industries:</b>					
1)	Dye-stuffs	'000' Lbs.	2,302.38	2,466.75	1,772.87
2)	Matches	" Cases	133.25	140.85	157.97
3)	Soap (Organized Sector)	" Tons	26.50	27.40	28.80
4)	Glue	" Cwts.	5.85	6.93	5.01
5)	Plastic Mouldings	" Gross	929.70	871.95	955.60
6)	Rayon (viscose and acetate)	Tons	2,712.24	2,442.72	2,300.64
7)	Staple fibre	"	2,097.64	2,355.36	2,014.86
<b>10. Miscellaneous Industries:</b>					
1)	Sheet Glass	'000' Sq.ft.	11,790.00	25,200.00	11,880.00
2)	Glassware (excl. Laboratory Glassware and glass sheets)	Tons	27,291.00	31,941.00	28,911.00
3)	Linoleum	'000' Lin.Yds.	100.32	76.20	88.08
4)	Paper and Paper Boards	'000' Tons	49.50	50.93	49.12
5)	Plywood	" Sq.ft.	28,541.27	33,180.33	30,127.49
6)	Tanned Hides	" Nos.	540.33	598.75	565.79
7)	Footwear, Leather	" Pairs	1,971.11	1,775.91	3,741.67
8)	Footwear, Rubber	" "	9,150.06	7,927.73	8,394.69
9)	Automobile Tyres	" Nos.	251.52	255.07	255.86
10)	Automobile Tubes	" "	244.18	250.70	258.20
11)	Cycle Tyres	" "	1,826.27	1,872.07	1,694.24
12)	Cycle Tubes	" "	1,749.58	1,851.14	1,737.49
13)	Tractor and Aero Tyres	Nos.	14,004	14,079	10,641
14)	Tractor and Aero Tubes	"	12,909	12,327	9,495
15)	Salt	'000' Mds.	13,559.00	62,070.00	11,697.00
16)	Sugar	" Tons	25.43	469.44	19.60
17)	Vanaspatti	'000' Tons	65.00	77.85	57.30
18)	Power and Industrial Alcohol	'000' Bulk Gals.	4,283.60	4,687.77	4,251.81
19)	Refractories	" Tons	108.14	86.71	81.48

Note: \*Indicates figures for two months only.

## STATEMENT - II

Statement showing licences issued to Industrial undertakings during  
the quarter July to September 1957

S.No.	Scheduled Industry No.	Name of the Scheduled Industry.	New Units	Substan- tial ex- pansion	New Articles	For carry- ing on business	Change of loca- tion	Total
1.	1	<u>Metallurgical Industries</u>						
		A. <u>Ferrous (3) Iron &amp; Steel</u> <u>Casting &amp; Forgings</u>						
		(i) Castings	-	-	-	1	-	1
		(4) <u>Iron &amp; Steel Structural</u>						
		(i) Structural	-	-	-	-	1	1
		(5) <u>Iron &amp; Steel Pipes</u>						
		(i) Cast iron pipes & fittings	-	1	-	-	-	1
		(7) <u>Other products of</u> <u>Iron &amp; Steel</u>						
		(i) Drums and Tin containers	-	-	-	2	-	2
		(ii) Wood Screws and wire nail	-	-	-	1	-	1
		B. <u>Non-Ferrous</u>						
		(2) <u>Semi-Manufactures</u>						
		(i) Copper wire Rods	1	-	-	-	-	1
2.	5	(1) <u>Equipment for generation, trans- mission and distribution of electricity incl. transformers.</u>						
		(i) Power transformers	-	-	1	-	-	1
		(ii) Other equipment	1	2	1	2	-	6
		(2) <u>Electric Motors</u>						
		(i) Electric Motors	1	-	-	-	-	1
		(ii) Oil & Air Break Motor starters	1	-	-	-	-	1

S.No.	Scheduled Industry No.	Name of the Scheduled Industry	New Units	Substan- tial ex- pansion	New Articles	For carry- ing on business	Change of location	Total
		(3) <u>Electric Fans</u>	-	2	-	1	-	8
		(4) <u>Electric Lamps</u>						
		(i) Electric Lamps	-	-	1	-	-	1
		(ii) Other accessories	-	-	1	2	-	3
		(6) <u>Electric Cables &amp; Wires</u>						
		(i) Enamelled copper wire	1	-	-	-	-	1
		(9) <u>House hold appliances</u>						
		(i) Flash light cases	1	-	2	-	-	3
3.	6	<u>Radio Receivers incl. amplifiers</u>						
		(i) Radio Receivers	1	1	-	1	-	2
		(ii) Other Accessories	-	1	-	-	-	1
4.	7	(4) <u>Rolling Stock</u>						
		(i) Railway wagons	-	-	-	-	1	1
		(ii) B.G.Coaching under frames	-	-	-	-	1	1
		(5) <u>Automobile Accessories</u>	-	-	1	-	-	1
		(6) <u>Bicycles</u>						
		(i) Spokes	1	-	-	-	-	1
5.	8	(A)(1) <u>Textile Machinery incl. Accessories</u>						
		(i) Roller bearing spindles	-	-	-	-	1	1
		(ii) Other equipment for Ring spinning machines	-	-	1	-	-	1
		(11) <u>Power Driven Pumps</u>	-	-	1	-	-	1
		(12) <u>Air &amp; Gas Compressors</u>	-	1	-	1	-	2
6.	10	(2) <u>Agricultural Implements</u>	1	-	-	-	-	1

STATEMENT - II (contd)

S.No.	Scheduled Industry No.	Name of the Scheduled Industry	New Units	Substantial expansion	New Articles	For carry-ing on business	Change of location	Total
7.	11	Bulldozer attachments	-	-	1	-	-	1
8.	16	<u>Scientific Instruments</u>	-	-	-	1	-	1
9.	19	(14) <u>Miscellaneous Chemicals</u>						
		(i) Afoc Powder	-	-	1	-	-	1
		(11) <u>Insecticides, fungicides etc.</u>						
		(i) D.D.T. Powder & Solution	-	-	-	1	-	1
		(ii) Copper fungicides dust	1	-	-	-	-	1
10.	21	<u>Dyestuffs</u>	-	2	-	-	-	2
11.	22	<u>Drugs &amp; Pharmaceuticals</u>						
		(i) Isonicotinic Acid	-	-	1	-	-	1
		(ii) Pyridoxine	-	-	1	-	-	1
		(iii) Other items	1	-	1	-	-	2
12.	23	<u>Textiles:</u>						
		(1) <u>Made wholly or in part of cotton</u>						
		(1) Cotton yarn (spindles)	2	6	-	1	-	9
		(ii) Cotton Cloth (Looms)	-	-	1	-	-	1
		(2) <u>Made wholly or in part of Jute</u>						
		(1) Hessian cloth (Looms)	-	-	-	1	-	1
		(5) <u>Made wholly or in part of Artificial fibres</u>						
		(i) Art Silk fabrics	-	3	1	6	-	10

## STATEMENT - II (Contd.)

S.No.	Scheduled Industry No.	Name of the Scheduled Industry	New Units	Substantial expansion	New Articles	For carry-ing on business	Change of location	Total
13.	25	<u>Sugar</u>	-	2	-	-	-	2
14.	26	<u>Fermentation Industries</u>						
		(1) Alcohol	-	1	-	-	-	1
15.	28	(1) Vegetable Oils	-	1	-	2	-	3
16.	29	<u>Soap, Cosmetics, and toilet preparation.</u>						
		(1) Soap	-	-	1	-	-	1
17.	30	<u>Rubber Goods</u>						
		(2) Surgical & medicinal products	-	1	-	-	-	1
18.	33	<u>Glass</u> (1) Hollow ware	-	-	1	-	-	1
19.	34	<u>Ceramics</u>						
		(1) (i) Fire Bricks	1	-	-	-	-	1
		(ii) Others	1	1	-	-	-	2
		(4) (i) Stoneware pipes & fittings	-	3	-	-	-	3
		(5) (i) Sanitary wares	1	1	-	-	-	2
20.	36	<u>Timber Products</u>						
		(1) Plywood	1	-	-	-	-	1
TOTAL			16	29	18	23	4	90

अखिल भारतीय ट्रेड यूनियन काँग्रेस  
ALL-INDIA TRADE UNION CONGRESSPresident : V. CHAKKARAI CHETTIAR, M.L.C. (Madras). S.S. Mirajkar  
General Secretary : S. A. DANGE, M.P.

February 20, 1958

The Minister for Commerce and Industry,  
Government of India,  
New Delhi.

Dear Sir,

Re. Crisis in the artificial silk cloth and wool  
industry in AMRITSAR, Punjab

Amritsar is the second biggest centre of artificial silk cloth industry in India and it is also a big centre for producing woollen cloth. It is the major centre of industry in Punjab.

But the policy of imposing excise duty by the Government of India is seriously affecting this industry very adversely.

The excise duty on artificial silk cloth was imposed in 1954 and after some changes, units of less than 10 looms were exempted from this levy. The excise duty on woollen cloth was imposed in 1955 but units having less than four looms were exempted.

To avail of this exemption, the employers of Amritsar started a process of ~~closing~~ closing the mill, retrenching all the workers and then after a few months restarting after split up under different names.

The number of exempted woollen units in Amritsar alone has increased from 30 in 1955 to more than 200 now and for art silk, from 105 in 1956 to more than 210 at present without either the increase of production or total number of workers employed.

This process is ruining both the industry and the workers. Because of fragmentation of industry, the quality of cloth produced has deteriorated since the smaller units are not in a position to employ the minimum technical staff. This has led to loss of market.

The workers are the worst sufferers because once they are retrenched and seek employment in smaller units, they get 50 per cent less wages, lose all the benefits of labour welfare legislations, i.e., Provident Fund, Health Insurance, etc., and have no security of service, as after two or three months every worker is turned out so that he is not able to complete one year service which might entitle him to retrenchment compensation, etc. Thus, on the one hand the cost of living has risen sharply in the last three or four years, on the other hand wages have fallen by more than 50 per cent resulting in acute distress and economic ruin of the textile workers of Amritsar.

The last straw on the camel's back has been the increase in excise duty by 5 per cent in lieu of sales tax in December 1957. Though otherwise welcome, this has further aggravated the situation in this industry because in this case again, 9 loom units in art silk and 4 loom units in woollen goods have been exempted. The result is that since the last two months, nearly 1000 workers in about 20 mills have been retrenched or will be retrenched shortly.



अखिल भारतीय ट्रेड यूनियन काँग्रेस  
ALL-INDIA TRADE UNION CONGRESSPresident : V. CHAKKARAL CHETTIAR, M.L.C. (Madras) S.S. Mirajkar  
General Secretary : S. A. DANGE, M.P.

page two

The only plea put forward by the Government of India is that by giving this exemption, they are helping the cottage industry. That this is incorrect will be clear from the fact that to run a four-loom woollen unit, Rs.80,000 is necessary and a sum of Rs.30,000 is required to run a nine-loom art silk unit. Apparently, this takes them out of the purview of cottage industry.

Moreover, of the nearly 500 smaller units started in three years all but few are owned by the former owners of bigger units, directly or indirectly.

The policy has therefore only:

- i) helped the employers to evade excise duty and the labour welfare legislation and to reduce wages;
- ii) caused misery among the workers whose wages have gone down by more than 50 per cent and who have lost all the benefits of labour welfare legislation and have lost security of service; and has
- iii) caused loss in Government revenues.

Under the circumstances, it is very clear that the policy of the Government regarding the imposition of excise duty and exemption need revision so that the fragmentation of the industry is checked, as this is neither in the interest of State nor the workers.

Moreover, our demand is that suitable legislation should be enacted to safeguard the falling earnings of the workers due to this fragmentation and application of all labour legislation to these installations which come into existence as a result of this process is ensured.

Therefore we request you to please look into this matter and do the needful very early.

Thanking you,

Yours faithfully,

(K.G.Sriwastava)  
Secretary

20  
No.24(19)-TEX-'C'/57  
Government of India  
Ministry of Commerce and Industry

.....  
New Delhi, the 11 March, 1958.

From

Shri M.S. Sadasivan,  
Under Secretary to the Government of India.

To

✓  
The Secretary,  
All-India Trade Union Congress,  
4, Ashok Road,  
New Delhi.

Subject: Crisis in the artificial silk cloth and wool industry  
in Amritsar, Punjab.

Sir,

I am directed to acknowledge the receipt of your  
letter dated 20th February, 1958, on the subject mentioned  
above and to say that the contents thereof have been noted  
by this Ministry.

Yours faithfully,

*M. S. Sadasivan*

( M.S. Sadasivan )  
Under Secretary to the Government of India

File  
12/5



June 21, 1958

Shri V.V.Nene,  
Deputy Secretary to the Government of India,  
Ministry of Commerce & Industry,  
New Delhi.

Sub: Development Councils set up under  
Industries (Development & Regulation) Act, '51.

Dear Sir,

Thank you for your letter of 18th June giving us a list of the Development Councils set up and the copy of the Industries (Development and Regulation) Act, 1951.

We would be much obliged, if you could send us a list on the composition of these Development Councils so far set up, and also the dates on which the Councils were constituted by the Government.

Thanking you,

Yours faithfully,

*gms*  
*nlh*  
(K.G.Sriwastava)  
Secretary



**IMMEDIATE**

No. 1519- MI/58. GOVERNMENT OF INDIA  
P.S. to MINISTER OF INDUSTRY

New Delhi August 1, 1958.

201

Dear Shri Banerjee,

As desired, 2 copies  
of the Report of the Textile Enquiry  
Committee (1958) are sent herewith  
for Shri S.H. Joshi and yourself.

Kindly acknowledge  
receipt.

With kind regards,

Yours sincerely,

(R.N. Sahay)  
(tel: 32092)

Shri S.M. Banerjee, M.P.,  
c/o Shri S.A. Dange, M.P.,  
4, Asoka Road,  
New Delhi.

Encl: 2.

# Katihar Jute Mills Worker's Union

( AFFILIATED TO A. I. T. U. C. )

P. O. DAHARIA MILLS, KATI HAR ( PURNEA )

PRESIDENT : HABIBUR RAHAMAN.

VICE-PRESIDENT : BIMAL KUMAR BANERJI.

GENERAL SECRETARY : BADAL CHOWDHRY.

Ref. No.....

19 AUG 1968

Date... 14th Aug... 1958

of  
Sri S. A. Dange, M.P.

General Secretary, All India  
Trade Union Congress, New Delhi.

Dear Comrade,

Before I come to the subject-matter, I would like to impress you that in spite of your most busy and heavy programme and work, please do give sometime to help us in this present situation arising out of the sudden & illegal closure of one of the Jute mills of Katihar i.e. Katihar Jute Mills (P) Ltd.

The management on 26th July, 1958 suddenly issued a notice declaring that the mill will be closed down from 29th July, 1958, due to the recurring financial loss incurred by the Company. In doing so they neither obtained the permission of the Labour Department, nor the Chairman of Industrial Tribunal (before whom certain demands regarding basic wage, dearness allowance, bonus, gratuity allowance etc etc have been referred for adjudication - Ref No 7 of 1958, Govt. of Bihar) They also did not care to inform the recognised union (I. N. T. U. C.) I am attaching

a copy of the closure notice. There has been a joint front of Katihar Nazdur Saugh (I. N. T. U. C.) and Katihar Jule Mills workers union (A. I. T. U. C.) and a procession of 3000 workers were taken out under the leadership of both the unions inspite of continuous heavy rain. It has become a prestige issue of District Congress and I. N. T. U. C. Union and the entire government machinery moved to get the closure notice withdrawn. The Labour Commissioner, Asst. Labour Commissioner, Labour Officer, Deputy Labour Commissioner, District Registrar, S. D. O. and a dozen of other officials came down, threatened the management in worst possible way, promised every help such as loan from financial Corporation, assistance of Chief Engineer, Bihar Government but this notorious management (Bachraj Chamarua and Chiranjilal Chamarua) did not agree to re-open the mill. Even the Labour Welfare officer of the mill and few other datals of the Company were arrested u/s 107, 117, 151 Cr. P.C. at the complain filed by few workers with a view to put pressure but the management is adamant. They are demanding an agreement with both the unions for lay-off for a period of one year and pay 45 days Compensation, we (both the unions) are demanding that mill should be immediately

# Katihar Jute Mills Worker's Union

( AFFILIATED TO A. I. T. U. C. )

P. O. DAHARIA MILLS, KATI HAR ( PURNEA )

PRESIDENT : HABIBUR RAHAMAN.  
VICE-PRESIDENT : BIMAL KUMAR BANERJI.  
GENERAL SECRETARY : BADAL CHOWDHRY.

Ref. No. ....

Date. 14.11. Aug. 1958.

Opened and then only we can consider any thing. The closure and lay-off has been referred to a tribunal for adjudication a copy of such reference I am attaching here with.

The entire Congress Committee and I. N. T. U. C. (Provincial and Central) are moving at the speed of Sputnik for if the mill is not re-opened the prestige of the Bihar Government itself will be lowered to naught in the eyes of the general workers and people. Today the Chief Minister and Labour Minister of Bihar will confer with the proprietor himself i.e. Seth Lalal Chawaria at Rauchi and we have sent Sri Kanabdeo Narain Suiha, M. L. A. & President of Katihar Nazdur Sangh, to attend the Conference on behalf of both the unions, and with the mandate that nothing except immediate re-opening should be demanded.

In the mean while 1500 workers and their family members are starving. You can imagine the situation when this district has been declared as famine area and relief work is going on. We too are giving some relief to the workers. The Congress M. L. A's and I. N. T. U. C. union, both



are with us - they cannot go away or if they do they will be wiped out.

On the day of procession the entire town observed general strike, college, school students and other labourers of the town observed strike. It was a history - particularly when A.I.T.U.C. & I.N.T.U.C. unions united. I am sending leaflets too.

In the end I request you to do your best so that the combined pressure of both the Central unions is there on the Central and provincial government. If the mill is not re-opened both the unions are advised to prefer claim under Sec 33(C) read with Sec 25 FF of Industrial Disputes Act, by the Labour Dept. of State Govt and the officers of the department are sitting here along with certificate officer to attach the property as dues of land revenue.

Hope you will realise the gravity of the situation. I am anxiously waiting for your reply.

Comradely yours

P. Bhowmik  
14.8.58

General Secy.

Kathihar Jute Mills Workers Union

# Katihar Jute Mills Worker's Union

(AFFILIATED TO A. I. T. U. C.)

P. O. DAHARIA MILLS, KATI HAR ( PURNEA )

PRESIDENT : HABIBUR RAHAMAN.  
VICE-PRESIDENT : BIMAL KUMAR BANERJI.  
GENERAL SECRETARY : BADAL CHOWDHRY.

Ref. No.....

Date.....1958

True Copy

Katihar Jute Mills (P) Ltd.

Ref No: L/O/1016/58 Dated 26th July, '58

To

Secretary,

Labour Department,

Government of Bihar,  
Patna.

Dear Sir,

We beg to enclose herewith the notice dated 26th July, 1958, regarding the closure of the mill under Sec 25FFF of the Industrial Disputes Act, 1947, for your information and record.

yours faithfully

Sd. B. C. Dutt.

for and on behalf of

President, Katihar Jute Mills (P) Ltd.

Copy to :- Katihar Mazdur Sangh,  
for information

P.T.O.

Katihar Jute Mills (P) Ltd, Katihar

Notice of closure of mill under section  
25FFF of Industrial Disputes Act

All workmen of the Katihar Jute Mills (P) Ltd are hereby informed that on account of systematic loss sustained by the Company for the last few years, the Company has been placed in such a position that it has neither got any fund nor it is capable to secure sufficient fund for necessary raw materials and stores and to meet day to day expenses for running the mill. The Company has made an application to the Bihar State Financial Corporation for financial help but unfortunately in spite of its repeated requests it could not secure upto now any such assistance.

The management regrets to announce that it has been decided to close down the mill on account of unavoidable circumstances beyond its control.

It is therefore hereby notified that the mill will be closed down with effect from Tuesday, the 29th July, 1958 and as such the services of all the workmen, except of those persons who are being temporarily retained for essential services and whose names are mentioned in the separate list, are hereby terminated with effect from 29th July, 1958.

All the affected workmen

# Katihar Jute Mills Worker's Union

( AFFILIATED TO A. I. T. U. C. )

P. O. DAHARIA MILLS, KATIHAR ( PURNEA )

PRESIDENT : HABIBUR RAHAMAN.

VICE-PRESIDENT : BIMAL KUMAR BANERJI.

GENERAL SECRETARY : BADAL CHOWDHRY.

Ref. No. ....

Date.....195

Who are to get Compensation under the provisions of Industrial Disputes Act are hereby called upon to receive their dues on any day during the hours of 8 A.M. to 6 P.M.

Sd: Mill-Manager,  
26th July, 1958

NB After the intervention of District Magistrate and Assistant Labour Commissioner, the closure notice was suspended for the period from 30th July 1958 to 5th Aug, 1958, during which period the workmen were laid off. Such notice was also given on the night of 29th July, 1958.

Shri Lal Bahadur Sastri,  
Minister for Commerce & Industry,  
Government of India,  
New Delhi.

Dear Sir,

I, on behalf of about thousand workmen of M/s Machinery Manufacturers Corporation Ltd., (Managing Agents:- Mahindra & Mahindra Ltd.) at Calcutta-23, take the opportunity to draw your immediate attention, a serious problem of retrenchment of hundreds of Technical workmen, which I believe could be avoided by the intervention of your good office in the interest of national production and the continued employment of the workmen concerned.

The management informed us at the end of July '58 that due to textile crisis the existing orders with them have either been cancelled or deferred for an indefinite period and further orders have ceased to come and as a result thereby notified proposal of retrenchment of one hundred technical workmen immediately and more to follow later. This has come when the Union gave a call to the workmen to increase more production.

Now, as far as my information goes, the assessment of requirements of carding engines by the Ad-hoc committee (For Textile Machinery Manufacture) held on 29.1.57 was that 13,200 carding engines for expansion and 3000 for replacement would be needed during the next four years. Thus the yearly requirements is 4050 cards whereas the installed capacity of four indigenous units is only 1692. Even here, only two units, viz. Machinery Manufacturers Corporation Ltd. Calcutta and Textool Co., Coimbatore are engaged in actual production and their annual installed capacity is 792. The other two (Texmaco & National Machinery Manufacturers) are yet to go into production. Even the expansions in the textiles be suspended for any difficulty, the replacement should not be halted else the worn out machines will retard the quality and production of textiles. The Ad-hoc committee also requested the concerns to go ahead in expanding the plant in the interest of the increased production.

Here it might not be out of place to mention the reply by Shri Nityananda Kanungo, Minister for Commerce (Short Notice question No.1063 dated 9th September 1958) in the Lok Sabha on the expert of Textile machineries and stores, wherein he said, "A survey has been made and it is known that some textile manufacturers are booked up with orders for four years. Therefore, the internal demands is so high that it cannot be met."

.. contd.

(2)

It has come to my information that our Union Government has sanctioned a loan of Rs.5 lakhs though I am not sure whether the same has been receipted by the employer or not.

Thus, it is inexplicable why M/s. Machinery Manufacturers Corporation Ltd. Calcutta should curtail and even virtually threaten with closing production and retrench hundreds of skilled workmen.

Inspite of all these facts, it is also extremely unfortunate that the Directors nominated by the Union Government (since the Government has invested Rs.25 lakhs in the company) have reportedly approved the proposed retrenchment of employees and cut backs in production whereas they have not entertained to meet the Union and the working people even being asked for the same.

The actual position today is that we have been compelled to come to an agreement, in order to avert retrenchment temporarily, which has resulted in closure of every Saturday working. But this agreement has not improved the situation even a little bit, and the threat of retrenchment continues as ever. In the context of large investments (more than 25% of the paid up Capital) made by the Government to the tune of Rs.25 lakhs in this ~~concern~~ concern and as far as lowering down the national production and idling more and more the capacity of one of the best modernised engineering industry of the State is concerned we firmly believe that the Union Government will not allow such a state of affairs to continue.

I have come all the way to Delhi to place the grievances of the workmen before you and to draw your attention to the need of your immediate intervention in the interest of the national production and employment. I would therefore request that an early convenient time may kindly be fixed up so that I could place before you further facts and suggestion for your consideration and necessary action.

Thanking you,

Yours faithfully,

113, North Avenue,  
Dated: 18th Sept., 1958.

*Phani Bagchi*  
(PHANI BAGCHI)  
General Secretary.  
M.M.C. Employees Union,  
Regd.No.2465.  
129A, Circular Garden Reach Road,  
CALCUTTA-23.

# Katihar Jute Mills Worker's Union

( AFFILIATED TO A. I. T. U. C. )

P. O. DAHARIA MILLS, KATI HAR ( PURNEA )

PRESIDENT : HABIBUR RAHAMAN.  
VICE-PRESIDENT : BIMAL KUMAR BANERJI.  
GENERAL SECRETARY : BADAL CHOWDHRY.

Ref. No. ....

Date.....195

True Copy

Government of Bihar  
Labour Department,

Notification.

The 2nd August, 1958

No: 111/DI-9036/58L-432V- Whereas the Governor of Bihar is of opinion that an industrial Dispute exists or is apprehended between the management of Katihar Jute Mills (P) Ltd, Katihar and their workmen represented by Katihar Mazdur Sangh, regarding the matter specified in annexure "A"

Now therefore in exercise of the powers conferred by sub-sec. (1) of Sec 10 of Industrial Disputes Act, 1947, the Governor of Bihar is pleased to refer the said dispute to the industrial Tribunal, constituted in the State Government's notification No: 111/DI-12015/57L-4665, dated 12th Nov. 57.

Annexure 'A'

1. Whether the closure of the Katihar Jute Mills (P) Ltd, which was effected on 29th July, 1958 in terms of the notice of the management of the said concern dated 26.7.58

is justified; if not to what relief and compensation the workmen are entitled.

2. Whether the Order of the management laying off the workmen for the period from 30th July, 1958 to the 5th August, 1958, in terms of the notice dated 29.7.58 is justified, if not to what relief and compensation the workmen are entitled.

By Order of Governor of Bihar

Sd. P. R. Sen.

Deputy Secretary to Govt.

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201

No. KMW/171/58

August 21, 1958

The Minister for Commerce & Industry,  
Government of India,  
New Delhi.

Sub: Imminent closure of Katihar  
Match Works (P) Ltd., Katihar

Dear Sir,

The only match factory in the State of Bihar, which has capacity of employment for 1500 workmen, the Katihar Match Works (P) Ltd., Katihar, has issued a notice on August 1, that the factory would be closed indefinitely from September 1, 1958.

The reason for closure adduced by the management is some vague "unavoidable circumstances beyond the control of the management", but it is understood that the closure move follows a case of dispute on the title of land on which the factory is situated.

There was a dispute between the management of Katihar Jute Mills (P) Ltd., and the Katihar Match Works (P) Ltd. and the Patna High Court decreed in favour of the former.

It would be tragic if the workers and the industry should suffer due to petty squabbles between employers and we would therefore request you to intervene and avert the closure.

Thanking you,

Yours faithfully,



(Raj Bahadur Gour), M.P.,  
Secretary

## SOME SUGGESTIONS

Re. Steps to avert retrenchment of workers  
in Machinery Manufacturers Corporation Ltd., Calcutta

1. It is reported that in order to enable the company to take up production of other items of machinery other than carding engines, the foundry should be improved. A sum of Rs.5 lakhs has been sanctioned by the Government of India for the purpose, it is understood. This may please be expedited.
2. If the Company is not in a position to move in the direction of diversification of production, the Government should directly intervene, either by taking more share capital or by taking over the administration, and utilise the capacity available for the production of items necessary for public sector. The modernised factory capacity available should not be allowed to be kept idle.
3. A Textile Machinery Manufacturing Advisory Board (Tripartite) should be formed to co-ordinate programme and plan out production.
4. The existing disparity between booked orders and actual capacity in the different units be investigated and suitable steps taken to maintain adequate production of carding engines.
5. It is said that the Company was assured that orders for machining work of axle boxes would be given by the Railways. The assurance was reportedly given in July 1958 but still it has not materialised.
6. Steps be taken to ensure more active participation by the Government-nominated Director in the internal management of the Company, in conformity with the actual requirements of the country under the Plan.
7. Replacement orders should not be allowed to be either *cancel* cancelled or deferred for the interest of Cotton Textile Industry. Non replacement of outdated and worn out machineries is one of the major factor for closure of several Textile Industries according to Joshi Committee's Report on Textile enquiry. The recommendation of the Committee is to carry out the Replacement.

S. M. BANERJEE,

MEMBER OF  
THE LOK SABHA



Phone: 32360

113 North Avenue,  
New Delhi

September 18, 1958

Shri Lal Bahadur Shastri,  
Minister for Commerce & Industry,  
Government of India,  
New Delhi.

Dear Sir,

I wish to bring to your immediate attention a serious problem of retrenchment of hundreds of employees which I feel could be averted by you without difficulty in the interest of national production and the jobs of the workers concerned.

The issue relates to the manufacturers of Carding Engines for the textile industry at Calcutta, M/s. Machinery Manufacturers Corporation Ltd., Kidderpore. The management has told the workers' trade union, I am informed, that due to certain difficulties of the present situation, existing orders will have either been cancelled or deferred for an indefinite period, and consequently, has notified proposal of retrenchment of one hundred technical workers immediately and more to follow later. There are one thousand workers, more or less, engaged in the factory concerned.

I understand that the union was told earlier by Shri Manubhai Shah through Smt. Renu Chakravartty, M.P., on 12.5.58 that the Government had asked the company concerned to switch over to production of other items of textile machinery. The Company's spokesmen it seems, however, informed the Union that they have no such licence from the Government to make any diversification of production.

There are very strong grounds to suggest that any apparent overproduction or crisis of market in regard to carding engines does not seem to tally with factual material supplied by government.

For instance, the assessment of requirements of carding engines by the Ad Hoc Committee (for Textile Machinery Manufacture) held on 29.1.57, was that 13,200 carding engines for expansion and 3000 for



page two

replacement would be needed during the Second Plan period. Thus the yearly requirement is 4,050, whereas the installed capacity of four indigenous units, I understand, is only 1,692. Even here, only two units, viz., Machinery Manufacturers Corporation Ltd., ~~xxx~~ Calcutta, and Textools, Coimbatore are currently engaged in actual production. The other two (Texmaco and National Machinery Manufacturers) are yet to go into production.

It is, indeed, extremely surprising that with such a state of affairs in the manufacture of carding engines in this country, one of the two units engaged in production should experience any particular difficulty.

I am also informed that the Textile Commissioner has asked all the four units to go ahead with their expansion schemes.

Thus, it is inexplicable why M/s. Machinery Manufacturers Corporation Ltd., Calcutta, should resort to curtailing and even virtually closing production of carding engines and dismiss hundreds of skilled workers. This, therefore, is a fit case for investigation by your Ministry and I am sure you would do the needful.

It might not be out of place here to refer you to the reply by Shri Nityananda Kanungo (Short Notice question No.1063 dated 9th September 1958) in the Lok Sabha on the above subject, wherein he said: "a survey has been made and it is known that some textile manufacturers are booked up with orders for four years. Therefore, the internal demand is so high that it cannot be met."

In spite of all these facts, it is extremely unfortunate, that the Directors nominated by the Union Government (since the Government has invested Rs. 20 lakhs in the Company) have reportedly approved the proposed retrenchment of employees and cutbacks in production. The workers could justifiably ask of the Government as to how such a situation could develop, with all the official statements to the contrary.

\* 20  
corrected  
orig. 20



page three

The actual position today in the case of the workers of M/s.Machinery Manufacturers Corporation Ltd., Calcutta is that they have been compelled to come to an agreement, in order to avert retrenchment temporarily, which has resulted in closure of every Saturday working.

But this agreement has not improved the situation even a little bit and the threat of retrenchment continues as ever. And especially in the context of the large investments made by the Government, to the tune of Rs.20 lakhs in this concern, you will agree with me that such a state of affairs should be immediately put an end to.

I would therefore request that a convenient time may kindly be fixed up so that I could place before you further facts in this connection. The Secretary of the trade union concerned has come all the way to Delhi to place the grievances of the workers before you and I would like him to accompany me at the time of the interview.

Thanking you,

Yours faithfully,

*S. M. Banerji*  
(S.M.BANERJEE),  
M.P.



September 23, 1958.

Shri Lal Bahadur Shastri,  
Minister for Commerce & Industry,  
Government of India,  
New Delhi.

Dear Sir,

In view with the impending threat of retrenchment lay-off in the engineering industries of W. Bengal in general due to shortage of raw materials and restriction on imported materials, we wish to your immediate attention another serious problem of retrenchment of employees in a particular industry in W. Bengal which we feel could be averted by you without difficulty in the interest of national production and the continued employment of the workmen concerned.

The issue relates to the manufacturers of Carding Engines for the textile industry at Calcutta, M/s. Machinery Manufacturers Corporation Ltd., Kidderpore. The management has told the workers' trade union, we are informed, that due to certain difficulties of the present situation, existing orders with them have either been cancelled or deferred for an indefinite period, and consequently, has notified proposal of retrenchment of one hundred technical workers immediately and more to follow later. There are one thousand workers, more or less, engaged in the factory concerned.

We understand that the union was told earlier by Shri Manubhai Shah through Smt. Renu Chakravartty, M.P., on 12.5.58 that the Government had asked the company concerned to switch over to production of other items of textile machinery. The Company's spokesman it seems, however, informed the Union that they have no such licence from the Government to make any diversification of production.

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Contd....2.

For instance, the assessment of requirements of carding engines by the Ad Hoc Committee ( for Textile Machinery Manufacture) held on 29.1.57, was that 13,200 carding engines for expansion and 3000 for replacement would be needed during the Second Plan period. Thus the yearly requirement is 4,050 whereas the installed capacity of four indigenous units, we understand, is only 1,692. Even here, only two units, viz., Machinery Manufacturers Corporation Ltd., Calcutta, and Textools, Coimbatore are currently engaged in actual production. The other two (Texmaco and National Machinery Manufacturers) are yet to go into production.

It is, indeed, extremely surprising that with such a state of affairs in the manufacture of carding engines in this country, one of these units engaged in production should experience any particular difficulty.

We are also informed that the Textile Commissioner has asked all the four units to go ahead with their expansion schemes.

Thus, it is inexplicable why M/s. Machinery Manufacturer Corporation Ltd., Calcutta, should resort to curtailing and even virtually closing production of carding engines and dismiss hundreds of skilled workers. This, therefore, is a fit case for investigation by your Ministry and we are sure you would do the needful.

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In spite of all these facts, it is extremely unfortunate, that the Directors nominated by the Union Government (since the Government has invested Rs. 25 lakhs in the Company) have reportedly approved the proposed retrenchment of employees and cutbacks in production. The workers could justifiably ask of the Government as to how such a situation could develop, with all the official statements to the contrary.

Contd.....3.

The actual position today in the case of the workers of M/s. Machinery Manufacturers Corporation Ltd., Calcutta is that they have been compelled to come to an agreement, in order to avert retrenchment temporarily, which has resulted in closure of every Saturday working.

But this agreement has not improved the situation even a little bit and the threat of retrenchment continues as ever. And especially in the context of the large investments made by the Government, to the tune of Rs. 25 lakhs in this concern, you will agree with us that such a state of affairs should be immediately put an end to.

We would therefore request that a convenient time may kindly be fixed up so that we could place before you further facts in this connection. The Secretary of the trade union concerned has come all the way to Delhi to place the grievances of the workers before you and we would like him to accompany us at the time of interview.

Thanking you,

Yours faithfully,

SD/- *Tridib Choudhury*  
SD/- *Arabindo Ghoshal*  
SD/- *Nalki Dai*  
SD/- *Batubati Krishnan*



21 NOV 1958

THE INDIAN MERCHANTS' CHAMBER

Telegrams :  
"INCHAMBU"

Telephone No.  
24-1064  
24-1065

LALJI NARANJI MEMORIAL  
INDIAN MERCHANTS' CHAMBER BUILDING  
74, VEER NARIMAN ROAD  
CHURCHGATE, FORT

Bombay, November 4, 1958.

2514

201

To

The Secretary to the Government of India,  
Ministry of Commerce & Industry,  
New Delhi.

Re: The Cost & Works Accountants Bill, 1958.

Dear Sir:

I am directed to refer to the Cost & Works Accountants Bill introduced by the Honourable the Minister for Commerce & Industry in the Rajya Sabha during the last Parliamentary session, and to forward to Government hereby the comments and observations of the Committee of the Indian Merchants' Chamber on the objects underlying the proposed measure as also on the fundamental principle governing the incorporation of a separate statutory body by the name of the Institute of Cost & Works Accountants in terms of the measure.

The Committee of the Chamber have noted the significant remark made by Government in the Statement of Objects & Reasons appended to the Bill to the effect that at present there is no law to regulate this 'profession' particularly because there is no law imposing any obligation in regard to the maintenance, certification or publication of cost accounts by industrial undertakings. Before any legislation of the nature under discussion can be thought of, the need or desirability for such certification and publication of cost accounts by industrial establishments should first be examined. In fact, the commercial and industrial community would have a lot to say concerning the implications of any such approach. In this connection, my Committee would like to stress that unnecessary and undesirable consequences will eventuate as a result of any attempt at laying down by law an obligation on industrial undertakings in regard to the maintenance, certification or publication of cost accounts. It would

21 NOV 1958

THE INDIAN MERCHANTS' CHAMBER

Telegrams :  
"INCHAMBU"

Telephone No.  
24-1064  
24-1065

LALJI NARANJI MEMORIAL  
INDIAN MERCHANTS' CHAMBER BUILDING  
74, VEER NARIMAN ROAD  
CHURCHGATE, FORT

Bombay, November 4, 1958.

To

The Secretary to the Government of India,  
Ministry of Commerce & Industry,  
New Delhi.

Re: The Cost & Works Accountants Bill, 1958.

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The Committee of the Chamber have noted the significant remark made by Government in the Statement of Objects & Reasons appended to the Bill to the effect that at present there is no law to regulate this 'profession' particularly because there is no law imposing any obligation in regard to the maintenance, certification or publication of cost accounts by industrial undertakings. Before any legislation of the nature under discussion can be thought of, the need or desirability for such certification and publication of cost accounts by industrial establishments should first be examined. In fact, the commercial and industrial community would have a lot to say concerning the implications of any such approach. In this connection, my Committee would like to stress that unnecessary and undesirable consequences will eventuate as a result of any attempt at laying down by law an obligation on industrial undertakings in regard to the maintenance, certification or publication of cost accounts. It would

costing and cost accounting than at present, that can discharge the functions or duties that may be expected of a Cost Accountant in terms of Government's present measure. It is noteworthy in this behalf that even at present the curricular course for Chartered Accountants has provision for cost accounting and there is one full paper on the subject for the Chartered Accountants examination. What is necessary is to give a more comprehensive <sup>treatment</sup> and important place to that subject in the Chartered Accountants' course, in an optional or compulsory manner. Further, the majority of the initial founder members of the Institute of Cost & Works Accountants were members of the Institute of Chartered Accountants, and even now they represent the bulk of the Fellow Membership of that Institute and are in actual management of its affairs with adequate representation on its Council. According to the latest figures available as on 31st December 1957, the number of Fellow Members of the Institute of Cost & Works Accountants stood at 58 and that of Associate Members at 285. The non-Chartered Accountant members of the Institute again are, as mentioned earlier, those employed in certain undertakings, and hence there is nothing like an independent practice or profession of Cost Accountancy in any sense of the term in this country.

It is relevant, while on this, to refer to the communication the Committee of my Chamber addressed to the Government of India in the Ministry of Finance on the 16th December 1956, at the time when Government accorded administrative recognition to the Institute of Cost & Works Accountants, Calcutta. My Committee had then strongly opposed Government's action in accord- ing such recognition to the Cost & Works Accountants' Institute, which came into existence in 1944 and has been functioning as a private examining body for the award of Diplomas, in view of the fact that the aim Government had in view would be better served by utilising the agency of the Institute of Chartered Accountants of India, a statutory body, for turning out an adequate number of

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Chartered Accountants with expert training or specialisation in Costing. My Committee are still of the firm view that, instead of bringing into existence by Charter a separate body like the Institute of Cost & Works Accountants, the existing Institute of Chartered Accountants should be assigned the functions and charged with the responsibilities now contemplated for the proposed new body.

My Committee would also wish to point out that the Chartered Accountants Regulations clearly lay down the other functions of Chartered Accountants, and Regulation 78, which is reproduced below, will clearly show the place of Cost Accounting in relation to the Accountancy profession in India and that it is an integral part of that profession:

"78. Other Functions of Chartered Accountants:

Without prejudice to the discretion vested in the Council in this behalf, a Chartered Accountant may act as liquidator, trustee, executor, arbitrator, receiver, adviser or as representative for costing, financial and taxation matter or may take up an appointment that may be made by Central or State Governments and Courts of Law or any Legal authority, or may act as Secretary in his professional capacity not being an employment on a salary-cum-full time basis".

The basic structure of the Chartered Accountants Act and the Regulations thereunder definitely, therefore, establish that Cost Accountancy is an activity related to the profession of Accountancy; if the present pace of the study of cost accountancy is to be accelerated with a view to a growing number of persons being equipped with costing and cost accounting qualifications, the same can be done, in an effective and expeditious manner, only under the aegis, and through the agency, of the Institute of Chartered Accountants.

My Committee note with deep concern that, despite the basic provisions of the Chartered Accountants Act and its Regulations, Government have chosen to introduce a provision like the one now contemplated, which would result in dis-ent

the members of the Accountancy profession of one of the vital activities it is concerned with and which would dis-able a Chartered Accountant, without having costing and cost accountancy qualifications, from undertaking the work as regards examination and certification of costing and allied financial matters. Such a step strikes at the basic rights of an existing profession and cannot be justified at all. In this connection, my Committee would invite Government's attention to the fact that in the Chartered Accountants Amendment Bill, recently introduced in Parliament, seeks to amend the Preamble to the Act to the effect that the same should now state that it is an Act to regulate the profession of Accountants other than the profession of Cost Accountants. It is surprising to find a provision in an amending Bill, which takes away something from the Preamble which, when introduced at the time of the enactment of the Chartered Accountants Act, took full cognisance of the composite character of the profession of Accountancy and treated costing, taxation and other allied activities as integral parts of the profession as comprehensively described in Regulation 78 quoted above. One cannot understand as to how the Preamble of an existing Act could be altered in this fundamental respect. This question requires to be closely examined, and my Committee hopes that Government will give their serious consideration to this vital and important aspect of the matter.

Without prejudice to, or detracting anything from, the stand taken as above in regard to the objectives underlying Government's measure, the Committee of the Chamber would like to deal briefly with certain other objectionable features of the Bill.

The provision embodied in the Bill fixing a period of Articleship is mis-conceived, because, except under a professional Chartered Accountant, such training would, in the absence of an independent firm of Cost Accountants, not be possible. It really

passes one's comprehension as to how such a provision was -  
conceived and included in the Bill, when the necessary institu-  
tional arrangement for undergoing training or Articleship is  
non-existent.

Clause 25 of the Bill seeks to debar the award of any  
degree, diploma or certificate by any person or body, except any  
University by law established or any institute affiliated to the  
proposed Cost & Works Accountants Institute. The Indian -  
Merchants' Chamber has been since several years now holding -  
examinations and awarding diplomas and certificates in various  
commercial subjects, and Cost Accounts is one of the subjects in  
which examinations are held and certificates are awarded and  
which also constitutes one of the papers for the Specialised -  
Accountancy Diploma group. Every year a fairly large number of  
students, having an aptitude for an accountancy career, who can-  
not for various reasons undergo the course of instruction or  
training in Government-recognised or legally-constituted -  
institutions, avail themselves of the facility of this scheme of  
examinations. It is highly unfortunate that examining bodies  
like the Chamber, which have been rendering valuable service in  
this sphere, will be brought within the mischief of the Act,  
consequent upon the incorporation of the statutory body for  
which not only the need has arisen, but also the requisite basic  
foundation has been conspicuous by its absence. That, notwith-  
standing the conceding by Government that there is no legal obli-  
gation concerning the maintenance, certification or publication of  
cost accounts by industrial establishments under any statute,  
they should have thought it fit to create an Institute, ignoring  
or by-passing in the process by a legislative stroke the existing  
bodies giving diplomas and the statutory Institute of Chartered  
Accountants dealing and concerned with Accountancy is regrettable  
and cannot be viewed with equanimity with those affected.

Clause 35(1) provides that "The Central Government may

from time to time issue such directions to the Council as in the opinion of the Central Government are conducive to the fulfilment of the objects of this Act and in the discharge of its functions the Council shall be bound to carry out any such directions", and according to Clause 35(2) such directions may include directions to the Council to make any regulations or to amend or revoke any regulations already made. The Committee of the Chamber do not agree with the provision vesting in Government such wide powers of direction and control over the Council of the Institute of Cost & Works Accountants, if set up. In fact, the powers contemplated in terms of sub-Clauses (3) and (4) of the Clause are of a more sweeping nature, and it is a moot point whether in the face of such powers vested in Government, the Council composed of a majority of elected members, can function with freedom and initiative so necessary if the autonomy of the body is to be ensured or safeguarded. Particularly in recent days the question of the autonomy of certain statutorily constituted bodies has received good amount of public attention and attempts at incursions in any manner by Government in their functioning have been viewed with dis-favour. My Committee are of the considered view that the vesting of such powers of direction and control in Government over the Council of the proposed Institute is not proper or desirable, as the same may not be conducive to the independent functioning, of course within the larger ambit of the statute, and management of its own affairs efficiently and according to the special needs and requirements that may be felt from time to time.

The Committee of the Chamber request that Government will be pleased to give their serious and earnest consideration to the comments and observations offered in the foregoing paragraphs, and to drop the proposed measure.

Yours faithfully,

Sd/- A.C.Ramalingam  
Secretary.

Forwarded, with compliments, for favour of publication/information.

*A.C. Ramalingam*  
Secretary.

28 NOV 1958

Rasamma Panwar M.L.A. 18/11/58.  
Muzar.

To Shri: K. G. Srinivastava  
Secretary.  
A. I. T. U - C.

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Dear Comrade,

Received a copy of your  
letter No: 172 - NM/58 dt Nov/58  
addressed to Shri: M. S. Sadasivam  
I. A. S, <sup>recommending</sup> ~~suggesting~~ the A. I. T. U - C  
representative on the Rubber Board.

I am sending herewith the list  
of the members of the Rubber Board  
nominated by the Central  
Govt to represent the various  
interests. but I do not find my  
name in the list.

Mr C. E. Bharathan, Karunabaran,  
B. K. Nair & myself were the  
labour representatives last time.  
All the three except myself represent



I. N. T. U. C.

In Kerala I. N. T. U. C. is only a minority in the Rubber plantations. A. I. T. U. C. represents the vast majority of workers in the Rubber plantations.

A. I. T. U. C. represents 70% of the workers in the Rubber plantations. Only 20% goes to the I. N. T. U. C. & 5% to the U. T. U. C. & 5% to H. M. S.

In the circumstances A. I. T. U. C. can legitimately claim 3 members on the Rubber Board and I. N. T. U. C. only one. But we were given only one last time & on the present Board not even one.

So I hope you will represent the matter & do the needful. If the I. N. T. U. C. claims more than 20% we can request the Central Govt to take a referendum and allot the members accordingly.

Respectfully & sincerely,  
Reply, Yours sincerely,  
K. S. S. S.

No.201/NM/58  
November 21, 1958

The Minister for Commerce & Industry,  
Government of India,  
New Delhi.

Sub: Rubber Board - nomination by  
Central Government to represent labour.

Dear Sir,

We find from the News Letter No.76 dated 14th November 1958 issued by the Rubber Board, Kottayam, Kerala State, that the Central Government has notified certain nominations for membership of the Rubber Board, in which the three nominees to represent the interest of labour have been drawn from the Indian National Trade Union Congress (INTUC) in Kerala.

The All-India Trade Union Congress which has the majority following among workers in rubber plantations has no representation on the Rubber Board.

As per returns sent by the INTUC and the AITUC to the Ministry of Labour & Employment, the claims made by the two organisations in respect of membership in rubber plantations are as follows:

INTUC - 3 unions - 1,327 members  
AITUC - 7 unions - 3,527 members

Besides the above, both the TU centres have, in their tea plantation unions, membership drawn from rubber plantations as well, but by and large, it is an uncontested fact that in rubber plantations, our organisation has the largest membership and influence.

We therefore take this instance as a clear case of discrimination against our organisation and official patronage to the Indian National Trade Union Congress.

The nominations made by the Central Government have therefore not done justice to the plantation workers' interests, insofar as the trade union centre which has the majority following is not represented on the Board.

We may add that till the Rubber Board was reconstituted vide S.O.No.2084 dated 6.10.58, Smt.Rosamma Punnoose, MLA, of the AITUC was a Member. Now her membership has been dropped. We would therefore request that, in the light of the above facts, the nominations to represent interests of labour in the reconstituted Board should be cancelled and fresh nominations made considering the actual strength and influence of different trade union centres in rubber plantations.

Yours faithfully,

*UNO*  
*41/58*  
(K.G.Sriwastava)  
Secretary

Copy to: Minister for Labour  
& Employment, Government of India.