



**report on  
cotton textiles  
export promotion council**



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**DIRECTORATE OF COMMERCIAL PUBLICITY  
MINISTRY OF COMMERCE, NEW DELHI**

At a meeting held on the 22nd December 1964 at New Delhi under the Chairmanship of Shri Manubhai Shah, Minister of Commerce, to discuss the various aspects relating to cotton textile exports and the work of the Cotton Textiles Export Promotion Council, the Minister announced that a Committee headed by Shri D. S. Joshi, Secretary of Commerce, will examine the whole question and make suitable recommendations.

2. Accordingly, a Committee was formed with the following :

1. Shri D. S. Joshi, Secretary, Ministry of Commerce, Udyog Bhavan, New Delhi.

Chairman

2. Shri R. Doraiswamy, Textile Commissioner, Government of India Buildings, Marine Lines, Bombay-1.
3. Shri Neville N. Wadia, Neville House, Graham Road, Ballard Estate, Bombay-1. Chairman, Cotton Textiles Export Promotion Council.
4. Shri Ramnath A. Podar, Chairman, The Indian Cotton Mills Federation, Elphinstone Building, Horniman Circle, Veer Nariman Road, Bombay-1.
5. L. Bharat Ram, The Delhi Cloth & General Mills Ltd., Delhi-6.
6. Shri Babubhai C. Shroff, C/o. Messrs Chhaganlal Kasturchand & Co. Ltd., Lalsingh Building, Sheikh Memon Street, Bombay-2.
7. Shri T. P. Chakravarti, Bengal Millowners' Association, 2, Church Lane, Calcutta.
8. Shri Chinoobhai C. Javeri, C/o. Messrs Chinoobhai & Bros. Veer Nariman Road, Churchgate House, Bombay-1.
9. Shri G. K. Devarajulu Naidu, Lakshmi Mills Co. Ltd., Post Box No. 31, Pappanaickenpalayam, Coimbatore-11.
10. Shri Gulabchand Siraj, President, All India Exporters Chamber, Janmabhoomi Chambers, Bombay-1.

11. Shri Naranji L. Kara, C/o. Messrs Damodar Khetsey & Co.,  
11, Military Square Lane, Bombay-1.
12. Shri Padampat Singhania, Kamla Tower, Kanpur.
13. Shri Prabhu V. Mehta, C/o. Messrs Calico Dyg. & Ptg. Mills,  
Industrial Estates, Lalbaug, Bombay-12.
14. Shri B. G. Kakatkar, Secretary-General, Indian Cotton Mills  
Federation, Elphinstone Building, Veer Nariman Road,  
Bombay-1.
15. Shri H. A. Sujan, Director-General, Cotton Textiles Export  
Promotion Council, Cecil Court, 26 Lansdowne Road,  
Bombay-1.

3. The terms of reference to the Committee were formulated as under:

The Committee will examine (i) the steps necessary to ensure that mills produce the proper type of cloth for export; (ii) the problem of finding adequate finance to meet the annual budgetary expenditure of Texprocil; (iii) the organisational set-up in India of Texprocil and (iv) the existing foreign offices under Texprocil and the new offices that are required to be opened abroad.

4. We met twice in Bombay. The first meeting was held on the 31st December 1964 and the second meeting took place on 5th March 1965. The minutes of these two meetings are at Annexure 'A'.

5. With regard to item (i) of the terms of reference—production problems—since the international market for cotton textiles is quality-conscious and highly competitive, we felt that if India is to secure a larger share of the world's markets notwithstanding the competition from Japan, Hong Kong, China, Pakistan and other countries, it is imperative that the textile industry in India should take immediate steps to produce better quality goods. We noticed that Texprocil has made a study which revealed that out of 287 composite mills, 48 mills are better equipped and these mills could produce 'quality' goods in increasing quantities for export. While some of these mills are already exporting a substantial part of their production, a large number out of the 48 mills are not yet exporting even 10 per cent of their production even though they are capable of substantially stepping-up exports. In addition, 60 more mills are also producing and exporting quality textiles and could do much more. Thus in all 108 mills could be made more export-oriented with some additional facilities being provided to these mills. The names of 108 mills are at Annexure 'D'.

5.2. We also noticed that the studies carried out by Texprocil revealed that the demand for certain qualities of cloth in some markets could not be met chiefly because the mills in India could not produce these qualities. In this connection, we realised that certain technical difficulties have to be removed if we are to gear production of goods for exports. These difficulties may be summarised as under :

5.3. (i) There is export demand for poplins, shirtings, dress materials, etc. in piecelengths longer than normally supplied by most Indian mills. There is also demand for wider-width cloths of 60" and over and sanforised fabrics specially for readymade garment industry in U.S.A. and elsewhere. There is also a large demand for wider-width sheeting and flannelettes in certain markets but the volume of production in India is not sufficient. Demand for industrial cloth in one market alone (Australia) has been located for an annual requirement of 5 million or more yards. Although, a few of the better equipped mills are attempting to produce this cloth, the attempt is not yet commensurate with the demand. In order to produce these requirements, we need larger number of wider-width automatic looms and sanforizers of 60" and over. Some of the mills are willing to equip themselves with wider-width sanforizers but because of the uncertainty of the continuity of sanforised trade mark, progress in this direction is not being made;

(ii) Indian cotton is of poor quality and furthermore, in order to keep the cost down over-spinning is generally resorted to in Indian mills with the result that it becomes difficult to keep down weaving faults to the minimum ;

(iii) There is paucity of trained and disciplined workers and without such personnel, it may not be possible to produce cloth with minimum weaving faults.

5.4. We are of the view that these factors inhibit our capacity for producing longer length piecegoods. While the need for modernising the mills is imperative, for the efficient handling of modern equipment necessary for the production of quality goods we should also have trained workers. We feel that an institute for training textile workers in each important area is a *sine qua non*. We also feel that it may be necessary to have a few mills with modern equipment from blow-room to finishing and further, from the stand-point of pricing for export, it would be desirable to have a few mills mainly devoted for producing cloth for export.

5.5. In order to deal with the various problems indicated above and other relevant factors, we recommend that a Development Committee should be set-up in the I.C.M.F. This Committee should consist of 2 to 3 exporters, 3 to 4 manufacturers and 2 to 3 technical experts. The Textile Commissioner or his representative should also be on this Committee. The Development Committee should become an effective organ in order to achieve the desired results. It should also work on a continuing basis so that problems relating to export promotion of textiles as and when they arise could be solved expeditiously.

5.6. Arising out of our recommendation, a Development Committee has already been set up by the Indian Cotton Mills' Federation (Annexure 'B'). In addition to the problems referred to in the preceding paras, we recommend that the Development Committee should concern itself with the following functions :

- (i) Ensure that the better-equipped mills take an interest in the production of "export" qualities in order to cater to the needs of the quality-conscious international markets;

- (ii) Consider the feasibility of establishing a few units mainly for export;
- (iii) Examine the steps necessary to prevent over-spinning in the production of qualities for export;
- (iv) Devise methods to encourage mills to produce cloth of required piecelengths and wider width cloth, sanforised, etc., in order to capture a larger share of the export markets;
- (v) Undertake the institutional arrangements required to train workers in order to keep down weaving defects;
- (vi) Tackle all other production problems with a view to step up exports particularly of higher priced goods.

5.7. We also considered the report of the Sub-Committee (of the Development Committee) on the standardisation of export qualities. (Annexure 'C') and we recommend that the proposed pilot project for manufacturing certain selected qualities should cover a bigger quantity *i.e.* 25 million yards in 6 months instead of the proposed figure of 5 million yards.

5.8. We realise the difficulties involved in the training of weavers. We have noted that the I.C.M.F. has suggested to the Textiles Committee that they should take steps for opening training centres for textile workers. We suggest that the I.C.M.F. should examine the feasibility of operating a programme of training for workers and granting financial assistance to mills willing to set up training units. The training facilities should be organised in the various centres in India.

6.1. We have examined the question of finding adequate finances for Texprocil [Para. 3(ii)]. It was noticed that the income of Texprocil from membership subscriptions and voluntary collections of 50 paise per bale exported, amounted annually to approximately a meagre amount of Rs. 3 lakhs. Excluding certain special projects relating to exhibitions which were financed by the I.C.M.F., the estimated budget requirements of Texprocil were approximately Rs. 15 to Rs. 18 lakhs which may have to be substantially raised if additional overseas offices were to be opened. We learn that it would not be possible for the Textiles Committee to continue to contribute funds to Texprocil as hitherto. Further, it may not also be possible to get adequate funds from the Government of India, Central Revenues. We suggest that a grant of about Rs. 5 lakhs may be made available from the Market Development Fund and the main requirements of funds for Texprocil should come from the Export Promotion Fund of the Indian Cotton Mills' Federation. We suggest for Government's consideration that the grants to Texprocil from the Market Development Fund should not be related to any project but should be for financing the activities of Texprocil, and as such a grant will only bear a minor proportion of the total expenditure, the grant may be a block grant.

6.2. In order to find adequate funds for Texprocil on a continuing basis, we recommend that a Standing Finance Committee should be set up in Texprocil. This Committee should consist of: (i) 4 members from

the I.C.M.F. and the Secretary-General of I.C.M.F.; (ii) 3 members from Texprocil and the Director-General of Texprocil and (iii) Textile Commissioner or his representative.

6.3. We also recommend that the Standing Finance Committee should meet as and when required and its functions may be as under :

- (a) To consider the budget proposals of Texprocil and suggest ways and means for raising the required funds;
- (b) to scrutinize the proposals for the sanction of posts of Assistant Director and above, fixation and revision of pay scales, allowances, provident fund rules, medical aid rules, gratuity rules, etc.
- (c) to examine projects or schemes such as exhibitions, fashion shows, large-scale publicity programmes etc.

6.4. We feel that although the Committee of Administration in Texprocil and the Committee of the I.C.M.F. are the final authorities in the respective organisations, a convention may be established by the two organisations for accepting the recommendations of the Standing Finance Committee.

6.5. We also suggest that the functions of the existing Budget Sub-Committee and the Staff Sub-Committee in Texprocil may be suitably modified to fit in with the functions of the Standing Finance Committee. In any case, the selection of officers etc. should continue to be handled by the appropriate Sub-Committee in Texprocil.

7. We noted the Report of the Director-General on the organisational set-up of the Texprocil in India [Para 3(iii)]. We recommend that matters concerning the internal organisation of Texprocil should be considered by the Standing Finance Committee.

8.1. We also discussed the question of opening of more overseas offices for Texprocil [Para 3(iv)]. The Council has overseas offices in the following centres:—

<i>Centre</i>	<i>Jurisdiction</i>
Frankfurt (W. Germany)	All countries in W. Europe.
Mombasa (Kenya)	East and Central Africa.
London (U.K.)	U.K.
Rangoon (Burma)	Burma.

The Council has also appointed correspondents in Canada and Singapore.

8.2. We examined the suggestions made by the Committee of Administration of Texprocil at its meeting held on 25th February 1965, regarding the opening of new offices. Taking all factors into account, we

recommend that the Standing Finance Committee should scrutinise the proposals in the light of the following considerations:—

- (i) Texprocil's overseas offices should be equipped to consummate sales on behalf of the Council's constituents.
- (ii) Attempts should be made to set up in India closely knit export organizations which can service overseas enquiries speedily and effectively, so that the services of Texprocil's overseas officer are utilized effectively. It should be open to any mill or exporter to utilize the services of these overseas offices for consummating sales by providing them with samples and quotations.
- (iii) Instead of opening a large number of overseas offices, Senior officers from headquarters should visit export markets reasonably frequently, and for a sufficient length of time on each occasion, in order to make market surveys efficiently and effectively.

9.1. We considered the points raised in the note of Shri Madan Mohan Ruia on exports of textiles and also the reply note prepared by Texprocil. We observe that the Three-Man Committee has been granting additional price support, whenever necessary, on the basis of individual applications by exporters/manufacturers. On the question of enhancement of incentives to exporters to enable them to pay higher commission for agents, we recommend that the Three-Man Committee may go into it.

9.2. We are aware of the need for curbing unhealthy competition among exporters and recommend the adoption of the principle of selectivity in this regard. With regard to specific difficulties experienced by exporters in the dealings with the supplying mills, we suggest that the good offices of the I.C.M.F. and Texprocil should be used to resolve such difficulties. We note that the penalty clause provided in the Standard Contract Form for exporters and mills prescribed by Texprocil contains adequate safeguards both for the buyer and the seller of goods.

9.3. On the question of arbitration arrangements with East European countries, we recommend that Government may be approached to pursue the matter with these countries to agree to arbitration in India *i.e.*, in the seller's market. We also think that a consortium (which could be informal) for the export of cotton textiles to East-European countries may be set up on the lines of the consortium for the export of cotton textiles to West European Countries (WESSEUR) which is already functioning satisfactorily.

9.4. We feel that the question of making available finance at reduced rate of interest is a matter for Government to consider.

9.5. The pressure of domestic consumption and high prices have no doubt been some of the inhibiting factors against larger offerings for export. We expect the Development Committee to consider the steps necessary for increasing our exports.



9.6. We recommend that any reduction of assistance for exports should not be made applicable to pending contracts.

9.7. We note that there has been considerable improvement in the disposal of the issue of import entitlement certificates since the I.C.M.F. took over the work.

10.1. Finally, we recommend that the Committee of Administration of Texprocil may hold at least one meeting a year outside Bombay in one of the cotton textile centres such as Kanpur, Coimbatore, and Calcutta. This would enable the Committee to comprehend with advantage the local problems and co-ordinate the same in the design to export more textiles. This practice would also generate in such centres more interest in exports. We also suggest that the Director-General of Texprocil should visit each of the important centres of textile production and discuss export promotion measures with the Millowners' Association and other interested parties.

10.2. We feel that the implementation of the recommendations made by us will go some way in improving the exports of textiles from India.

(Sd.) D. S. JOSHI  
 (Sd.) R. DORAISWAMY.  
 (Sd.) NEVILLE N. WADIA  
 (Sd.) RAMNATH A. PODAR  
 (Sd.) BHARAT RAM  
 (Sd.) BABUBHAI C. SHROFF  
 (Sd.) T. P. CHAKRAVARTI  
 (Sd.) CHINOOBHAI C. JAVERI  
 (Sd.) G. K. DEVARAJULU NAIDU.  
 (Sd.) GULABCHAND SIRAJ  
 (Sd.) NARANJI L. KARA  
 (Sd.) PADAMPAT SINGHANIA.  
 (Sd.) PRABHU V. MEHTA  
 (Sd.) B. G. KAKATKAR  
 (Sd.) H. A. SUJAN

## ANNEXURE A

**Record note on the discussions which took place at the meeting on 31st December, 1964 at 10.00 a.m., at Neville House, Ballard Estate, Bombay-1.**

### Present :

1. Shri D. S. Joshi, Secretary, Ministry of Commerce (in the Chair).
  2. Shri R. Doraiswamy, Textile Commissioner.
  3. Shri Neville N. Wadia, Chairman, Texprocil.
  4. Shri R. A. Podar, Chairman, I.C.M.F.
  5. Shri Naranji L. Kara.
  6. Shri Babubhai C. Shroff.
  7. Shri Chinoobhai C. Javeri.
- } Exporters.
8. Shri T. P. Chakravarty, Bengal Millowners' Association.
  9. Shri Gulabchand Siraj, President, All-India Exporters' Chamber.
  10. Shri Bhaskar G. Kakatkar, Secretary-General, I.C.M.F.
  11. Shri Venkateswaralu in place of Shri Devrajulu.
  12. Shri H. A. Sujan, Director General, Texprocil.
  13. Shri C. K. Srinivasan, Secretary, Texprocil.

2. The Chairman said that the terms of reference for the Committee could well be divided into 4 parts: (i) production for export, (ii) finance, (iii) Texprocil's organisation set-up in India and (iv) Texprocil's offices and correspondents abroad. He suggested that the Committee may discuss the various proposals in this order.

3. The Chairman said that the international market for cotton textiles is quality conscious and our cotton textiles industry should take steps to produce better quality goods without which it would not be possible to secure a larger share of the world markets in competition with Japan, Hongkong, etc. Texprocil has carried out a study which reveals that out of 287 composite mills, 48 mills are better equipped which could produce qualities for export. It is true that some of these mills are already exporting a substantial part of their production but a large number of the

48 mills are not even 10 per cent of their production even though they are capable of substantially stepping up exports. I.C.M.F. and Texprocil should take steps to ensure that better equipped mills take interest in production of "export" qualities. The studies carried out by Texprocil also reveal that demand for certain qualities of cloth has been located in some markets but production was not forthcoming. Discussion that followed disclosed that certain technical difficulties need to be removed in order to gear production for exports. The following are some of the outstanding problems which need to be solved :

There is export demand for 120 yard piece lengths of poplins, shirtings, dress-materials etc. There is also demand for wider-width cloth 45" to 54", sanforized and sanforized plus specially for readymade garment industry in the U.S.A. and elsewhere. There is also larger demand for wider-width sheeting and flannelles in certain markets but the volume of production in India is not sufficient. Demand for industrial cloth in one market alone (Australia) has been located for an annual requirement of 5 million or more yards (some of the better equipped mills are attempting to produce this cloth but the attempt is on experimental basis). To produce these requirements we need larger number of wider-width automatic looms and 60" or more sanforizers. Some of the mills are willing to equip themselves with wider-width sanforizers but because of the uncertainty of the continuity of sanforized trade mark, progress in this direction is not being made. Indian cotton is of poorer quality and furthermore, in order to keep the cost down over-spinning is generally resorted to in Indian mills with the result that it is difficult to keep down weaving faults to the minimum. Besides, there is paucity of trained and disciplined workers which is necessary to produce cloth with minimum weaving faults. These factors inhibit our capacity for producing longer length piecegoods.

Mr. Wadia stressed the need for modernisation of the mills and for setting up an Institute for training of workers to handle the most modern equipment which is necessary for the production of quality goods. He felt that it was essential to have some new units with modern equipment from beginning to end *i.e.* from blow-room to finishing. It was also felt that from the stand-point of pricing for export, it would be desirable to have a few units mainly for export.

In order to deal with the various problems as indicated above and other relevant problems, it was decided that a Development Committee should be set up in the I.C.M.F. This Committee should consist of 2 to 3 Exporters, 3 to 4 Manufacturers and 2 to 3 Technical Experts. Textile Commissioner or his representative should be on this Committee. The proposed Committee should be given every possible assistance to make itself as effective as practicable, so that desired results are obtained. Some names from Texprocil and I.C.M.F. were suggested. However, it was decided that I.C.M.F. and Texprocil may consider this question and come up with proposals for finalisation in the next meeting.

4. The Chairman said that Texprocil's income from membership subscriptions and voluntary collections of 50 paisas per bale exported came up to approximately Rs. 3 lakhs which was a very meagre amount.

Excluding the special projects such as New York World Fair and Kathmandu Fair which were entirely financed by the I.C.M.F., it was estimated that Texprocil's budget requirements were approximately Rs. 15 to 18 lakhs which may have to be substantially raised if overseas offices in larger numbers were to be opened. The Chairman further said that it would not be possible for the Textile Committee to continue to contribute funds to Texprocil as hitherto. It may also not be possible to contribute funds from the Government of India Central Revenues. However, it may be possible to find Rs. 4 to 5 lakhs per annum from Market Development Fund, but in the main the requirements of funds should be met by I.C.M.F. In order to find adequate funds for Texprocil on continuing basis, it was necessary to set up an effective machinery. For this purpose, a Standing Finance Committee may be set up. Naturally, the functions of the Standing Finance Committee would extend to the examination and approval of projects, staff proposals, etc., as all these matters are connected. It was, therefore, felt by the meeting that a Standing Finance Committee may be set up consisting of three Members from Texprocil, four Members from I.C.M.F. and Textile Commissioner or his Representative.

5. It was noted that Texprocil has regional offices in Coimbatore (Yarn Committee), Calcutta (particularly hosiery work), Ludhiana (for woollen hosiery work which is likely to be taken over by the new Council for woollen goods) and Ahmedabad (Officer being posted in January 1965). It was felt that the scope of promotional work in Coimbatore and Calcutta should be expanded to look after the promotion of piecegoods and other cotton manufactures. It was decided that an additional office should be opened in Kanpur. It was generally felt that reasonably senior officers should be posted in the regional offices. The regional officer should work in close liaison with the Millowners' Association and as far as possible, the office of the Texprocil should be located in the premises of the Millowners' Association. In that way, the region will be well served and co-operation obtained from the mills in the export effort. The idea of setting up a Regional Committee in each centre was not favoured, as it was felt that with the arrangements described above, the purpose would be well served.

6. It was the sense of the meeting that Texprocil should open more overseas offices. It was decided that I.C.M.F. and Texprocil should confer with each other and prepare a paper in regard to the requirements of additional overseas offices; the proposals should be considered in the next meeting of this Committee.

7. The other aspects of organisational or operational set-up of Texprocil in India and abroad were postponed for consideration in the next meeting.

8. It was decided to hold the next meeting on Wednesday, the 17th February, 1965 at 11.00 a.m.

**Record note on the discussions which took place on the 5th March, 1965, at Neville House, Ballard Estate, Bombay-1, under the Chairmanship of Shri D. S. Joshi, Secretary, Ministry of Commerce, New Delhi.**

**Present**

1. Shri D. S. Joshi, Secretary, Ministry of Commerce (Chairman).
2. Shri R. Doraiswamy, Textile Commissioner.
3. Shri Neville N. Wadia, Chairman, Texprocil.
4. Shri N. L. Kara.
5. Shri T. P. Chakravarty.
6. Shri B. C. Shroff.
7. Shri K. K. Sheth (in place of Shri G. G. Siraj).
8. Shri B. G. Kakatkar, Secretary-General, I.C.M.F.
9. Shri H. A. Sujan, Director General, Texprocil.
10. Shri C. K. Srinivasan, Secretary, Texprocil
11. Shri N. S. Gopalakrishnan, Asstt. Secretary, Texprocil.

Leave of absence was granted to

1. Shri Padampat Singhania.
  2. Shri Bharat Ram.
  3. Shri C. C. Javeri.
  4. Shri Prabhu V. Mehta.
  5. Shri Ramnath A. Podar.
  6. Shri G. K. Devarajalu Naidu.
2. The minutes of the meeting held on the 31st December, 1964, were confirmed.

(Item No. 1 of the Agenda)

3. The composition of the Development Committee and the Charter of its functions and duties as set out in the agenda papers were approved. It was emphasised that the Development Committee should work on a continuing basis.

The report of the Sub-Committee of the Development Committee on the pilot project for the production of 7 standard qualities reflected that the target of production for the 7 qualities for export to all markets excluding the U.K. was only 5 m.sq. yds. in 6 months. It was decided that the target for production should be raised to 25 m. sq. yds. in 6 months.

I.C.M.F.'s letter dated 27th February, 1965, to Textile Committee on the subject of Training centres for Textile workers, was discussed and it was decided that it would be useful if I.C.M.F. itself undertook the programme of training workers. To begin with, I.C.M.F. may consider subsidising those mills who have training schemes for workers and to subsidise others who are willing to set up such training arrangements in their units. The training facilities should be organised in the various centres in India.

(Item No. 2 of the Agenda).

4. The composition of the Standing Finance Committee will be as follows:

1. 3 members from Texprocil and Director General of Texprocil.
2. 4 members from I.C.M.F. and Secretary General of I.C.M.F.
3. Textile Commissioner or his representative.

The Director General of Texprocil will service as the Secretary of this Committee.

The functions and duties of this Committee as proposed in the agenda papers were approved. Although the Committee of Administration in Texprocil and the Committee of Management in I.C.M.F. are the final authorities in the respective organisations, a convention, it is hoped, would be established that the recommendations of the Standing Finance Committee are accepted by the two organisations.

The functions and duties of the existing Budget Sub-Committee and Staff Sub-Committee in Texprocil would be suitably modified to fit in with the functions and duties of the Standing Finance Committee. In any case, the selection of officers etc. will continue to be handled by the appropriate sub-committee in Texprocil.

Shri D. S. Joshi pointed out that the requirements of funds for Texprocil should be met by I.C.M.F. Government may consider the grant of 5 lakhs per annum to Texprocil out of the Marketing Development Fund. This amount need not be project-wise but it may be a lump-sum grant for the financing of Texprocil's activities. This will also eliminate the necessity of any scrutiny of items in the budget by the Government while giving the lump-sum grant.

(Item No. 3 of the Agenda).

5. It was decided that the question of opening more overseas offices should be considered in the Standing Finance Committee in the light of the following:

- (i) Texprocil's Overseas Offices should be equipped to consummate sales on behalf of the Council's constituents.

- (ii) Attempts should be made to set up in India closely knit export organisations which can service overseas enquiries speedily and effectively, so that the services of Texprocil's Overseas Officer are utilised effectively. It should be open to any mill or exporter to utilise their services for consummating sales by furnishing them with samples and quotations.
- (iii) Instead of opening a large number of overseas offices, Senior Officers from headquarters should visit export markets reasonably frequently, and for a sufficient length of time each time, to make market surveys efficiently and effectively.

(Item No. 4 of the Agenda).

6. Director General's Report on the organisational set-up of Texprocil in India was noted and it was decided that matters concerning internal organisation of Texprocil should be the subject matter for the Standing Finance Committee.

(Item No. 5 of the Agenda).

7. The Committee took note of the 9 points raised by Shri Madan Mohan Ruia and agreed with the answers contained in the Office Note vide Item 6 of the agenda papers. It was decided that Government may be approached to pursue the matter with East European countries to agree to arbitration in India *i.e.* in the seller's market. It was also felt that a Consortium (which could be informal) for the export of cotton textiles to East European countries should be set up.

(Item No. 6 of the Agenda).

8. It was decided that the Committee of Administration may try and hold at least one meeting a year outside Bombay in one of the cotton textile centres such as Kanpur, Coimbatore and Calcutta. In addition, Director General should visit each of these centres once a year to discuss export promotion measures with the Millowners' Associations.

9. It was decided that a draft report may be compiled and circulated to Members of the Committee for their comments before a final report is submitted to the Minister of Commerce.

ANNEXURE B

THE INDIA COTTON MILLS' FEDERATION, BOMBAY-I

**Proceedings of the First Meeting of the Development Committee on Exports held in the Office of the Millowners' Association, Bombay on 29th January, 1965 at 11-30 A.M.**

The following were present:

1. Shri Krishnaraj M. D. Thackersey, in the Chair.
2. Shri Neville N. Wadia.
3. Shri R. B. Kernick.
4. Shri J. F. Doak.
5. Shri Tejkumar Sethi.
6. Shri Rajaram Jaipuria.
7. Shri K. Venkatesalu.
8. Shri B. C. Shroff.
9. Shri M. N. Savani.
10. Shri N. S. Shah
11. Shri Maruti Rao
12. Shri Bhaskar G. Kakatkar.
13. Shri G. G. Gokhale.
14. Shri H. A. Sujan.
15. Shri S. Viswanath.
16. Shri M. K. Panthaki.
17. Shri V. Y. Tamhane.

The Chairman explained the genesis of the Development Committee which was convened as a result of a recommendation made by the Joshi Committee at its meeting held in Bombay on 31st December, 1964. The Chairman stated that the Development Committee had to consider ways and means of organising and ensuring standard qualities for export purposes.



The Chairman also referred to some of the recommendations, with a bearing on exports, of the Cotton Textiles Consultatives Board which met on 26th January, 1965 under the Chairmanship of the Hon ble Minister for Commerce. These were:

1. The rebate on export performance at present granted to mills for calculation of their contribution to the control pool should be raised from 70 per cent of the export performance to 100 per cent of the export performance. In other words, exports should constitute a mills' contribution to its controlled quota;

2. Government should consider liberally any application by mills for the import and installation of looms for the manufacture of cloth of width 60" and above under the Export Promotion Scheme. In this connection, the Chairman referred to the fact that according to the Record of Understanding between the Indian and British Textile delegations, 10 per cent of the grey cloth to be exported by India to the U.K. should be in the width range of 60" and over.

During the discussion, emphasis was laid on the following points:

- (a) Whereas the average count of yarn spun in many of the European countries was between 22s and 23s, the average count spun in India was around 26s although the European countries used only American and other foreign cotton which was of long-staple and extra-long-staple varieties;
- (b) The prices of Indian cotton which only three or four years ago were below the international prices of cotton, were now ruling above the international prices.
- (c) According to studies made by the U.S. Department of Commerce and the U.K. Cotton Board, the productivity of a Japanese worker is double that of the Indian worker, of the U.K. worker 60 per cent better and of the U.S.A. worker about 4½ times the productivity of the Indian worker. This means that labour costs per unit in India are very much higher than labour costs in those countries.

All these three factors reduced the competitive capacity of Indian textile exports. The Committee, therefore, considered it desirable that instead of the present practice of Indian mills of spinning cotton to the highest count, mills should under-spin and thus improve the quality of the cloth. Since this would increase the cost of manufacture, extra cash incentives may be necessary. The Committee decided to set up a sub-committee consisting of Shri Kakatkar, Shri Viswanath, Shri K. Venkatesalu, Shri Maruti Rao, Shri C. C. Sampat, Shri V. Rama Rao to go into this question. The Sub-Committee will determine:—

1. Suitable mixing of cotton for certain standard qualities of cloth and of yarn to be suggested by Texprocil;
2. Equitable incentives taking into account the increase in the total cost and perhaps, an increased realisation, on account of the above;
3. Fair prices for rejects and seconds.

During subsequent discussion, it was pointed out that while better machinery, among other things, was required to improve the quality of indian cloth, it was even more necessary to train workers, as experience has proved that in the absence of such training full benefit cannot be derived from the use of modern machines. It was also added that while rigorous inspection of cloth whether for export or for internal consumption would lead to increase in the quantity of rejects, it will not help to improve the quality of cloth subsequently in the absence of trained workers. The Development Committee, therefore, decided to request the Textiles Committee to save a part of its budget by leaving out inspection for domestic supply and utilising it on opening training institutes for textile workers in the different centres of the industry.

Shri Krishnaraj said, in conclusion, that in order to reach the export target of 650 million yards per year, it would be necessary to set aside 27,500 looms working in two shifts entirely for exports. He however, felt that those mills which agreed to do so will have to be given due compensation.

The Development Committee whole-heartedly endorsed the Chairman's proposal and it was decided to draft a full-fledged scheme in this connection for consideration by the Committee at its next meeting.

G. G. GOKHALE,  
Secretary (Econ.).

## ANNEXURE C

### THE INDIAN COTTON MILLS' FEDERATION, BOMBAY

#### Report of the Sub-Committee of the Development Committee on the Standardisation of Export Qualities.

The Development Committee on Exports at its first meeting on 29th January, 1965, appointed a Sub-Committee consisting of Shri Bhaskar G. Kakatkar, Shri K. Venkatesalu, Shri Maruti Rao, Shri C. C. Sampat, Shri V. Rama Rao and Shri S. Viswanath to go into the cost of manufacture to international standards and in required piece lengths, of certain standard qualities, a list of which would be furnished by Texprocil and in the light of these, to determine whether extra price support would be necessary. The Sub-Committee held three meetings. Out of the list of 16 qualities recommended for standardisation by the Standardisation Committee of Texprocil. The Sub-Committee considered it advisable to concentrate attention on the following seven qualities:

- (1) 40s/40s, 124×72, fully combed poplin,
- (2) 40s/40s, 132×72, fully combed poplin,
- (3) 30s/38s, 100×60, carded poplin,
- (4) 36s/30s, 124×72, fully combed poplin,
- (5) 32s/30s, 96×64, carded poplin,
- (6) 18s/18s, 60×60, sheeting and
- (7) 16s/16s, 60×60, sheeting.

These qualities are in demand in overseas markets in minimum running lengths of 80 yards (and preferably 120 yards) in the grey condition and of 30 yards, 40 yards and 80 yards in the finished condition.

The Sub-Committee considered the cotton mixings, C.S.Ps. count variation percentages, minimum comber waste percentages as also the rejects which should be allowed in order that the quality required in overseas markets may be manufactured. The Sub-committee proceeded on the basis that the quality standards would have to conform to the Japanese standards. Details of the mixings, C.S.Ps., etc. recommended by the Sub-Committee are given in the attached statement.

After taking the above factors into consideration, the Sub-Committee was of the opinion that:—

(1) The following price supports would be necessary in respect of the seven qualities listed above:

Quality	Local price based on March 65 multiplier	Support for better cotton extra combing	Allowance for Higher Rejects		Total Price support necessary.
			As % of multiplier cost.	Actual allowance.	
	Ps/Yd.	Ps/Yd.	%	Ps/Yd.	Ps./Yd.
40/40, 124 × 72, 36" Fully Combed Poplin	180	8.00	4	7.20	15.00
40/40, 132 × 72, 36" —do—	190	8.60	4	7.60	16.00
36/30, 124 × 72, 36" —do—	189	13.00	4	7.56	21.00
30/38, 100 × 60, 36" Carded Poplin	133	12.00	3	3.99	16.00
32/30, 96 × 64, 36" —do—	130	14.00	3	3.90	18.00
18/18, 60 × 60, 41" Sheeting	116	7.00	—	—	7.00
16/16, 60 × 60, 41" —do—	125	8.00	—	—	8.00

(2) The Sub-Committee recommended that a pilot project should be undertaken for these seven qualities. About ten selected mills, which would agree to conform to the C.S.Ps. etc. as shown in the Statement and the Japanese standard for cloth defects etc. should alone be permitted to participate in this project. The mills must submit themselves to inspection for maintenance of these standards. This project should be undertaken for a period of six months within which an export target to all markets excluding the U.K. of five million yards should be achieved in respect of the five qualities of poplin (*i.e.* one million yards for each quality) and of four million yards for the two qualities of sheeting (*i.e.* two million yards for each quality). The price support should not be available for export to the U.K.

(3) Mills participating in this pilot project should be entitled to additional incentives at the rates given above (except for exports to U.K.).

(4) On the basis of the above price supports recommended by the Sub-Committee, the overall burden on the Export Promotion Pool will aggregate to Rs. 11½ lakhs.

(5) The price supports will have to be kept under constant review.

#### NOTE

The schedule of additional price supports under (1) above is based on multipliers as they existed upto 28th February, 1965.

Description of the quality	Cotton mixings	C.S.P.	Count variation percentage	Number waste percentage necessary	Rejects percentage to be allowed	Machinery requirements		Quality Std. required
						Autolooms	Better reeds	
40s/40s, 124 x 72 poplin, fully combed.	Same as for multiplier Gr. VII.	2300	not exceeding 5%.	18 to 20%	30% for bleached	Necessary	Necessary all-metal.	Japanese
40s/40s, 132 x 72 poplin, fully combed.	Same as for multiplier Gr. VII.	2300	not exceeding 5%.	18 to 20%	30% for bleached	Necessary	Necessary all-metal	Japanese
30s/38s, 100 x 60 poplin, carded.	Not specified, but should be suitable for CSP & CV %.	1900	not exceeding 5%.	Semi-combed 10 to 12%	25% for bleached	Necessary for dyed qlts.	Not necessary	Japanese
36s/30s, 124 x 72 poplin, fully combed.	(i) Same as for multiplier Gr. VII.	2000	not exceeding 5%.	Not stated	30% for bleached*	Necessary	..	Japanese
	(ii) Mixing for the weft should be the same as mixing for the warp.							
32s/30s, 96 x 64 poplin, carded.	Not specified but should be suitable for CSP & CV %.	1900	not exceeding 5%.	..	25% for bleached	Necessary	..	Japanese
18s/18s, 60 x 60 sheeting.	Digvijay cotton must be used.	1850	not exceeding 5%.	..	15% for bleached	Not necessary	..	Japanese
16s/16s, 60 x 60 sheeting.	Digvijay cotton must be used.	1850	not exceeding 5%.	..	15% for bleached	Not necessary	..	Japanese

**ANNEXURE 'D'**

**GROUP—A**

**List of mills which exported cotton textiles valued at about Rs. 1 crore and above in 1963.**

1. The Ahmedabad Mfg. & Calico Printing Co. Ltd., Ahmedabad.
2. The Ahmedabad New Cotton Mills Co. Ltd., Ahmedabad.
3. Anglo-French Textile Ltd., Pondicherry.
- 4 The Bombay Dyg. & Mfg. Co. Ltd., Bombay.
5. The Buckingham & Carnatic Co. Ltd., Madras-1.
6. The Century Spg. & Mfg. Co. Ltd., Bombay.
7. Delhi Cloth & General Mills Co. Ltd., Delhi.
8. Indian Mfg. Co. Ltd., Bombay.
9. Madura Mills Co. Ltd., Madurai.
10. Prakash Cotton Mills Pvt. Ltd., Bombay.
11. Sassoon Spg. & Wvg. Co. Ltd., Bombay.
12. Sayaji Mills No. 2, Bombay.
13. Sree Ram Mills Ltd., Bombay.

## **GROUP—B**

**List of mills which have exported cotton textiles between Rs. 50 lakhs and Rs. 1 crore (approximately) in 1963.**

1. The Burhanpur Tapti Mills Ltd., Burhanpur.
2. Coimbatore Cotton Mills Ltd., Coimbatore 5.
3. Elgin Mills Co. Ltd., Kanpur.
4. Gokak Mills Ltd., Gokak.
5. Hindoosthan Spinning & Wvg. Mills Co. Ltd., Bombay.
6. India United Mills Ltd., Bombay.
7. Jeeyajirao Cotton Mills Ltd., Gwalior.
8. Kamala Mills Ltd., Bombay.
9. Kesoram Industries & Cotton Mills., Calcutta.
10. Lakshmi Vishnu Cotton Mills Ltd., Sholapur (not in Kanpur).
11. Modern Mills Ltd., Bombay.
12. Morarjee Goculdas Spg. & Wvg. Co. Ltd., Bombay.
13. Narsinggirjee Mills (URS), Sholapur.
14. Seksaria Cotton Mills Ltd., Bombay.
15. Shree Sitaram Mills Ltd., Bombay.
16. Standard Mills Co. Ltd., Bombay.
17. Swadeshi Mills Co. Ltd., Bombay.
18. Western India Spg. & Mfg. Co. Ltd., Bombay.

## **GROUP—C**

**List of Mills which have exported cotton textiles between Rs. 25 lakhs and Rs. 50 lakhs (approx.) in 1963**

1. The Ahmedabad Laxmi Mills Co. Ltd., Ahmedabad.
2. The Ashoka Mills Ltd., Ahmedabad.
3. The Binod Mills Co. Ltd., Ujjain.
4. The Bradbury Mills Ltd., Bombay.
5. Cawnpore Textiles Ltd., Kanpur.
6. Central India Spg, Wvg. & Mfg. Co. Ltd., Nagpur.
7. Dhanalakshmi Mills Ltd., Tinpur.
8. Digvijay Spg. & Wvg. Co. Ltd., Bombay.
9. Elphinstone Spg. & Wvg. Mills Co. Ltd., Bombay.
10. Hukamchand Mills Ltd., Indore.
11. Kalyanmal Mills Ltd., Indore.
12. Khatau Makhanji Spg. & Wvg. Co. Ltd., Bombay.
13. Kohinoor Mills Co. Ltd., Bombay.
14. Lakshmi Mills Co. Ltd., Kovilpatty.
15. Mahalaxmi Mills Ltd., Bhavnagar.
16. Nandalal Bhandari Mills Ltd., Indore.
17. New Great Eastern Spg. & Wvg. Co. Ltd., Bombay.
18. New Jehangir Vakil Mills Co. Ltd., Bhavnagar.
19. New Swadeshi Mills Co. Ahmedabad Ltd., Ahmedabad.
20. Phoenix Mills Ltd., Bombay.
21. Podar Mills Ltd., Bombay.
22. Shree Nivas Cotton Mills Ltd., Bombay.
23. Tata Mills Ltd., Bombay.
24. Victoria Mills Ltd., Bombay.



## GROUP—D

**List of mills which have exported cotton textiles between Rs. 10 lakhs and Rs. 25 lakhs (Approx.) in 1963**

1. The Ahmedabad Advance Mills, Ahmedabad.
2. The Ahmedabad New Textile Mills Co. Ltd., Ahmedabad.
3. The Ahmedabad Sarangpur Mills Co. Ltd., Ahmedabad.
4. The Aruna Mills Ltd., Ahmedabad.
5. Arvind Mills Ltd., Ahmedabad.
6. Aryodaya Spg. & Wvg. Co. Ltd., Ahmedabad.
7. Ashar Textiles Ltd., Tirupur.
8. Atherton West & Co. Ltd., Kanpur.
9. Baroda Spg. & Wvg. Co. Ltd., Baroda.
10. The Birla Cotton Spg. & Wvg. Mills Ltd., Delhi-6.
11. Chakolas Spg. & Wvg. Mills Ltd., Alwaye.
12. Coorla Spg. & Wvg. Co. Ltd., Bombay.
13. Davangere Cotton Mills Ltd., Davangere.
14. Dawn Mills Co. Ltd., Bombay.
15. Dewan Bahadur Ramgopal Mills Ltd., Secunderabad.
16. Finlay Mills Ltd., Bombay.
17. Hira Mills Ltd., Ujjain.
18. J.K. Cotton Spg. & Wvg. Mills Co. Ltd., Kanpur.
19. Jam Mfg. Co. Ltd., Bombay.
20. Jehangir Vakil Mills Co. Ltd., Ahmedabad.
21. Jupiter Mill No. 2 (former Hind Mills), Bombay.
22. Katni Cotton Mills Pvt. Ltd., Surendranagar.
23. Lakshmiratan Cotton Mills Co. Ltd., Kanpur.
24. Maharana Mills Pvt. Ltd., Porbunder.
25. Maneklal Harilal Spg. & Mfg. Co. Ltd., Ahmedabad.
26. Minerva Mills Ltd., Bangalore.

27. Model Mills Nagpur Ltd., Nagpur.
28. Mukesh Textile Mills Pvt. Ltd. (former Colaba Textile Mills Pvt. Ltd.), Bombay-5.
29. Mysore Spg. & Mfg. Co. Ltd., Mysore.
30. New City of Bombay Mfg. Co. Ltd., Bombay.
31. New Gujarat Cotton Mills Ltd., Ahmedabad.
32. New Pratap Spg. & Wvg. Mfg. Co. Ltd., Dhulia.
33. New Shorrock Spg. & Mfg. Co. Ltd., Ahmedabad.
34. Nutan Mills Ltd., Ahmedabad.
35. Radhakrishna Mills, Ltd., Coimbatore.
36. Raghuvanshi Mills Ltd., Bombay.
37. Raipur Mfg. Co. Ltd., Ahmedabad.
38. Raja Bahadur Motilal Poona Mills Ltd., Poona.
39. Rajkot Spg. & Wvg. Mills Ltd., Rajkot.
40. Rajkumar Mills Ltd., Indore.
41. Saraspur Mills Ltd., Ahmedabad.
42. Shree Amarsinghji Mills Ltd., Vankaner.
43. Shree Ambica Mills Ltd., Ahmedabad.
44. Shree Madhusudhan Mills Ltd., Bombay.
45. Sri Ramalinga Choodambikai Mills Ltd., Tirupur.
46. Shree Sajjan Mills Ltd., Ratlam.
47. Sri Sahu Chhatrabati Mills Ltd., Kolhapur.
48. Shree Sivakami Mills Ltd., Madurai.
49. Sri Venkatesa Mills Ltd., Udamalpet.
50. Shree Yamuna Mills Co. Ltd., Baroda.
51. Sidhpur Mills Co. Ltd., Sidhpur.
52. Silver Cotton Mills Co. Ltd., Ahmedabad.
53. Swadeshi Cotton & Flour Mills Ltd., Indore.