

SERVANTS OF INDIA SOCIETY'S LIBRARY,
POONA 4.

FOR INTERNAL CIRCULATION

To be returned on or before the last date stamped below

4 APR 1967

13 MAY 1967

14 FEB 1983

14 MAR 1983

24 APR 1983

16 JUL 1984

15 MAY 1985

1 JUL 1985

27 JUL 1985

29 AUG 1985

5 JUN 1987

hanan Jayarao Gadgil Library



GIPE-PUNE-006396

6396

NOTE.

The estimated cost of the Tariff Board during its enquiry into the Cement Industry is as follows:—

	Rs.	A.	P.
(1) Salaries of members and staff	40,205	11	2
(2) Travelling allowance (including daily allowance)	5,415	2	7
(3) Printing	3,850	0	0
(4) Contingencies	1,483	6	8

REPORT
OF THE
Indian Tariff Board
REGARDING THE
GRANT OF PROTECTION
TO THE
CEMENT INDUSTRY



CALCUTTA : GOVERNMENT OF INDIA
CENTRAL PUBLICATION BRANCH
1925

Price As. 10 or 1s.

Government of India Publications are obtainable from
the Government of India Central Publication Branch,
8, Hastings Street, Calcutta, and from the following Agents :—

EUROPE.

OFFICE OF THE HIGH COMMISSIONER FOR INDIA,
42, GROSVENOR GARDENS, LONDON, S.W. 1.

Constable & Co., 10, Orange Street,
Leicester Square, London, W.C.
Kegan Paul, Trench, Trübner & Co.,
68-74, Carter Lane, E.C., and 39, New
Oxford Street, London, W.C.
Bernard Quaritch, 11, Grafton Street, New
Bond Street, London, W.
P. S. King & Sons, 2 & 4, Great Smith
Street, Westminster London, S.W.
Grindlay & Co., 54, Parliament Street,
London, S.W.
Lusac & Co., 46, Great Russell Street,
London, W.C.
W. Thacker & Co., 2, Creed Lane, London,
E.C.

T. Fisher Unwin, Ltd., 1, Adelphi Terrace,
London, W.C.
Wheldon and Wesley, Ltd., 2, 3 & 4,
Arthur Street, New Oxford Street,
London, W.C. 2.
East and West Ltd., 3, Victoria Street,
London, S.W. 1.
B. H. Blackwell, 50 & 51, Broad Street,
Oxford.
Deighton Bell & Co., Ltd., Cambridge.
Oliver and Boyd, Tweeddale Court, Edin-
burgh.
Ernest Leroux, 28, Rue Bonaparte, Paris.
Martinus Nijhoff, The Hague, Holland.
Otto Harrassowitz, Leipzig.
Friedländer und Sohn, Berlin.

INDIA AND CEYLON.

Provincial Book Depôts :

MADRAS :—Office of the Superintendent, Government Press, Mount Road, Madras.
BOMBAY :—Government Book Depôt, 1, Byramjee Jeejeebhai Road, Pooná.
SIND :—Library attached to the Office of the Commissioner in Sind, Karachi.
BENGAL :—Office of the Bengal Secretariat Book Depôt, Writers' Buildings, Room No. 1, Ground
Floor, Calcutta.
UNITED PROVINCES OF AGRA AND OUDH :—Office of the Superintendent of Government Press,
United Provinces of Agra and Oudh, Allahabad.
PUNJAB :—Office of the Government of Punjab, Lahore.
BURMA :—Office of the Superintendent, Government Printing, Burma, Rangoon.
CENTRAL PROVINCES AND BEHAR :—Office of the Central Provinces Secretariat, Nagpur.
ASSAM :—Office of the Superintendent, Assam Secretariat Press.
BIHAR AND ORISSA :—Office of the Superintendent, Government Printing, Bihar and Orissa.
P. O. Gulkarbagh, Patna.
COORG :—Office of the Chief Commissioner of Coorg, Bangalore.
NORTH-WEST FRONTIER PROVINCE :—Government Press, Peshawar.

Thacker, Spink & Co., Calcutta and Simla.
W. Newman & Co., Ltd., Calcutta.
R. Cambray & Co., Calcutta.
S. K. Lahiri & Co., Calcutta.
The Indian School Supply Depôt, 309, Bow
Basar Street, Calcutta, and 226, Nawab-
pur, Dacca.
Butterworth & Co. (India), Ltd., Calcutta.
Rai M. C. Sarcar Bahadur & Sons, 90-2A,
Harrison Road, Calcutta.
The Weldon Library, 17, Park Street,
Calcutta.
Standard Literature Company, Limited,
Calcutta.
Association Press, Calcutta.
Chukervetty, Chatterjee & Co., Ltd., 13,
College Square, Calcutta.
Higginbotham & Co., Madras.
V. Kalvanarama Iyer & Co., Madras.
P. R. Rama Iyer & Co., Madras.
Rochouse and Sons, Madras.
Bright & Co., Trivandrum.
V. S. Swaminathan, Bookseller, West
Tower Street, Madras.
Thacker & Co., Ltd., Bombay.
D. B. Taraporevala, Sons & Co., Bombay.
Sunder Pandurang, Bombay.
Ram Chandra Govind & Sons, Kalbadevi,
Bombay.
N. M. Tripathi & Co., Booksellers, Princess
Street, Kalbadevi Road, Bombay.
Proprietor, New Kitabhkhana, Pooná.
The Manager, Oriental Book Supplying
Agency, 15, Shukrawar, Pooná City.
R. S. Gondhalekar's Book Depôt, Publisher
and Bookseller, Budhwar Chawk,
Pooná City.
Managing Director, Co-operative Bookstall,
Booksellers and Publishers, Pooná City.
The Standard Bookstall, Karachi, Rawal-
pindi, Murree, Lahore, Peshawar and
Quetta.

Karsandas Narandas & Sons, Surat.
A. H. Wheeler & Co., Allahabad, Calcutta-
and Bombay.
N. B. Mathur, Supdt., Nasir Kanun Hind
Press, Allahabad.
The North India Christian Tract and Book
Society, 18, Clive Road, Allahabad.
Ram Dayal Agarwala, 184, Katra, Allaha-
bad.
Manager, Newal Kishore Press, Lucknow.
The North India Publishing House, Ltd.,
41, Aminabad Park, Lucknow.
Munshi Seeta Ram, Managing Proprietor,
Indian Army Book Depôt, Juhu, Cawn-
pore.
Rai Sahib M. Gulab Singh & Sons, Mufid-i-
Am Press, Lahore and Allahabad.
Rama Krishna & Sons, Booksellers, Anar-
kali, Lahore.
Puri Brothers, Booksellers and Publishers,
Katcheri Road, Lahore.
Manager of the Imperial Book Depôt, 63,
Chandni Chawk Street, Delhi.
Oxford Book and Stationery Company,
Delhi.
Supdt., American Baptist Mission Press,
Rangoon.
Proprietor, Rangoon Times Press, Rangoon.
The Modern Publishing House, Ltd., 30,
Phayre Street, Rangoon.
The International Buddhist Book Depôt,
Post Box No. 971, Rangoon.
Manager, the "Hitavada," Nagpur.
S. C. Talukdar, Proprietor, Students & Co
Cooch Behar.
Times of Ceylon Co., Ltd.
The Manager, Ceylon Observer, Colombo.
The Manager, The Indian Book Shop,
Benares City.
B. C. Basak, Esq., Proprietor, Albert
Library, Dacca.

1. X9(D15):53 :2 . 6396
 FS 6396

TABLE OF CONTENTS.

CHAPTER I.—INTRODUCTORY.

PARA.	PAGE
1. Reference to the Tariff Board	1
2. The Board's procedure	1
3. Claim to Protection	2
4. Arrangement of the Report	2
5. Composition of Portland Cement	2
6. Process of manufacture	3
7. Manufacture of Portland Cement in India	3
8. Natural advantages of the Cement Industry. Raw material	4
9. Natural advantages. Labour	5
10. Natural advantages. Power and Fuel	5
11. Natural advantages. The up-country market	5
12. Remoteness of the Indian Cement Factories from the great Ports	6
13. Problem of the Cement Industry in India	7
14. Growth of the Indian market for Portland Cement	7
15. Probable future growth of consumption	7
16. Opinions as to the growth of consumption	8
17. Opinions as to the effect of increased prices on consumption	8
18. Opinions as to the substitution of Cement for lime	9
19. Possible slackening of demand in the Presidency Towns	9
20. Views of the Board as to the probable growth of consumption	10
21. Prices of imported cement	10
22. Prices of Indian cement	11
23. Present prices of Indian cement unremunerative and due to internal competition	11
24. Countries from which cement is imported	12
25. Strong position of British cement	12
26. Tests of Indian cement	12
27. Opinions as to the quality of Indian cement	13
28. Board's views as to the quality of Indian cement	13
29. Packing of Indian cement	14
30. Cost of packing Indian cement in barrels	15
31. Summary	16

CHAPTER II.—THE COST OF PRODUCTION AND THE FAIR SELLING PRICE.

32. Cost figures supplied by the Companies	18
33. Method by which the reasonable cost of production has been ascertained	18
34. Works costs other than Power and Fuel	19
35. Works costs—Materials	20
36. Works costs—Labour	20

PARA.	PAGE.
37. Works costs—Repairs and Maintenance	20
38. Works costs—General and Miscellaneous	20
39. Probable reduction of works costs other than Power and Fuel, given a full output	21
40. Works costs—Power and Fuel	21
41. Cost of packing	22
42. Total cost f.o.r. works, without overhead	23
43. Overhead charges—Head office and Agency charges	23
44. Interest on Working Capital	24
45. Capitalisation of the cement factories	24
46. Fair capitalisation as estimated by the Board	25
47. Overhead charges—Depreciation	26
48. All-in cost f.o.r. works	26
49. Freight from the factories to the Ports	26
50. The manufacturer's profit and the fair selling price	27
51. Position of the Sone Valley Portland Cement Company, Limited	28
52. General result of this Chapter	28

CHAPTER III.—THE BOARD'S CONCLUSIONS AND RECOMMENDATIONS.

53. Price of imported Cement not likely to go lower	30
54. Eventual reduction of fair selling price to below Rs. 50	31
55. Result to the industry if protection is not given	31
56. Difference in price at which Indian cement would displace British	32
57. Probable decline of the Cement industry if protection is not given	32
58. Inability of the manufacturer to utilize his advantages in the up-country market	33
59. No allowance necessary for possible higher output on up-country sales	33
60. Proposed duty of Rs. 25 a ton not recommended	34
61. Impossibility of assisting the industry in present circumstances	34
62. Period of intense internal competition likely to be short	35
63. Bounties preferable to protective duties	36
64. Proposals must be workable whether a combine is formed or not	36
65. Position of Burma if protective duties imposed	37
66. Bounty on production not recommended	37
67. Possibility of subsidising cement and coal freights	37
68. Importance of cheap coal to industrial development	38
69. Bounties proportionate to freight on cement to the Ports not recommended	38
70. Bounties should be uniform and paid only on cement consigned to the Ports	39
71. No bounty to be paid on cement delivered under contract with Bombay Development Department	39
72. No bounty to be paid to the Sone Valley Portland Cement Com- pany, Limited	40
73. Amount of assistance required by the Cement industry	40
74. Specific protective duty of Rs. 9 a ton, and bounty of Rs. 8 a ton recommended	40

PARA.	PAGE.
75. Alternative scheme—Protective duty of Rs. 12 a ton and bounty of Rs. 5 a ton	41
76. Bounties to be payable on consignment through and <i>via</i> the Ports	42
77. Bounties to be payable on consignments to all Railway stations within a certain radius of the Ports	42
78. Bounties to be payable on all sales made by South India Industrials, Limited	43
79. Returns to be submitted by cement factories	43
80. Testing of cement	44
81. Proposals not operative until a preliminary condition is satisfied	44
82. Bill not to take effect until Notification is issued by the Government of India	44
83. Mr. Ginwala's proposal	45
84. Summary of recommendations	45
85. Proposed additional bounty on cement consigned to Burma	47
86. Conclusions	47

APPENDICES.

APPENDIX I.—The Indian Cement Manufacturing Companies—Statistics	50
APPENDIX II.—Statement showing the production of Indian cement and the quantities imported since the year 1914	52
APPENDIX III.—Analysis of works costs	53

APPENDICES.

APPENDIX I.

The Indian Cement Manufacturing Companies—Statistics.

Serial No.	Name of the Company.	Date of establishment.	Date when manufacture commenced.	Site of the works.	Full capacity of the plant.	Distance of the factory from the ports.	Nearest coal-fields and its approximate distance from factory.	Approximate distance of the factory from Bengal coalfields.	Fixed capital expenditure of the Company.
1	2	3	4	5	6	7	8	9	10
					Tons.	Miles.	Miles.	Miles.	Rs. lakhs.
1	South India Industrials Limited.	1879	1904	Washermanpet, Madras.	10,000	Nil (at Madras)	Singareni-362	1,000	8.8
✓ 2	Indian Cement Company, Limited.	1912	1914	Porbandar, Kathiawar.	30,000* or 40,000	Bombay-258 (by sea) Karachi-302 (by sea).	Central Provinces-885.	1,442	27.9
3	Katni Cement and Industrial Company, Limited.	1912	1915	Katni, C. P.	60,000	Bombay-673 Calcutta-674	Burhar (Rewa) 100.	450	47.5
✓ 4	Bundi Portland Cement Limited.	1913	1916	Lakheri, Rajputana.	65,000	Bombay-610 Calcutta-960 Karachi-720	Pench Valley-500.	800	48.0

* The present capacity of the plant is 30,000, but could be increased to 40,000 at a cost of Rs. 60,000. The figure in column 10 includes this sum.

Serial No.	Name of the Company.	Date of establishment.	Date when manufacture commenced.	Site of the works.	Full capacity of the plant.	Distance of the factory from the ports.	Nearest coal-fields and its approximate distance from factory.	Approximate distance of the factory from Bengal coalfields.	Fixed capital expenditure of the Company.
1	2	3	4	5	6	7	8	9	10
					Tons.	Miles.	Miles.	Miles.	Rs. lakhs.
✓ 5	Dwarka Cement Company, Limited.	1919	January 1922.	Dwarka, Kathiawar.	100,000	Bombay-323 Karachi-237	Central Provinces-860.	1,450	78-0
✓ 6	Sone Valley Portland Cement Company, Limited.	1922	October 1922.	Japla, E. I. R. (Daltonganj Br.)	50,000	Calcutta-370	Rajhara-39	200	77-0
7	Jubbulpore Portland Cement Company, Limited.	1920	December 1922.	Mehgaon, near Jukehi C. P., (10 miles from Katni).	60,000	Bombay-683 Calcutta-664	Burhar (Rewa) 100.	450	56-6
✓ 8	Gwalior Cement Company, Limited.	1919	April 1923.	Banmore (12 miles from Gwalior).	40,000	Bombay-775 Calcutta-819	Central Provinces-350	650	41-0
9	Punjab Portland Cement Limited.	1920	July 1923	Wah, near Hasan Abdal, Punjab.	36,000	Karachi-921	Makerwal-125	1,250	61-2
✓ 10	Central Provinces Portland Cement Company, Limited.	1919	October 1923.	Kymore, near Jukehi, C. P., (10 miles from Katni).	100,000	Bombay-683 Calcutta-664	Burhar (Rewa) 100.	500	130-6

APPENDIX II.

Statement showing the production of Indian Cement, and the quantities imported, since the year 1914 (in tons).

Name of Company.	1914.	1915.	1916.	1917.	1918.	1919.	1920.	1921.	1922.	1923.	1924.
1. South India Industrials, Limited . .			<i>Not given.</i>				4,931*	3,985*	2,720*	..	2,787
2. Indian Cement Company Limited . .	945	4,912	7,408	14,042	17,760	19,457	16,222	25,750	21,261	14,814	10,983
3. Katni Cement and Industrial Company Limited.	..	13,000	31,264	40,508	36,730	34,614	33,761	42,977	43,820	53,275	37,120
4. Bundi Portland Cement Limited . .	..	..	..	19,178	29,854	32,741	36,339	60,100	55,227	57,055	54,604 ^(a)
5. Dwarka Cement Company Limited . .	..			..	..	..	..	..	28,308	25,422 ^(b)	12,000
6. Sone Valley Portland Cement Company Limited.	..	..	..	..	..	..	..	..	..	23,000	41,400
7. Jubbulpore Cement Company Limited .	..	..	..	..	..	..	..	..	..	20,887	29,078
8. Gwalior Cement Company Limited . .	..	..	..	..	..	..	..	..	..	18,483*	9,945
9. Punjab Portland Cement Limited. . .	..	..	..	..	..	..	..	..	..	15,000 ^(a)	31,600
10. Central Provinces Portland Cement Company Limited.	..	..	..	..	..	..	..	..	..	7,000 ^(a)	34,229
Total Indian Production	945	17,912	38,672	73,728	84,344	86,812	91,253	132,812	151,836	234,936	263,746
Imports*	165,723	142,469	97,548	85,594	27,177	92,787	138,698	129,813	136,920	124,822	124,186
Total of Imports and Production . .	166,668	160,381	136,215	159,322	111,521	179,599	229,951	262,625	288,256	359,758	387,932

* Financial, not calendar, years, except for 1924.

(a) These figures are estimates. The Companies did not inform us of their actual output.

(b) Year ending September 30th, 1923.

APPENDIX III.

Analysis of works costs.

	SOUTH INDIA INDUS- TRIALS LIMITED.	INDIAN CEMENT COMPANY LIMITED.				KATNI CEMENT AND INDUS- TRIAL COMPANY LIMITED.	BUNDI PORTLAND CEMENT LIMITED.		JUBBULPORE PORTLAND CEMENT COMPANY LIMITED.	GWALIOR CEMENT COMPANY LIMITED.			PUNJAB PORTLAND CEMENT LIMITED.	CENTRAL PROVINCES PORTLAND CEMENT COMPANY LIMITED.
	Actual costs 1922-23.	Actual costs 1923.	Estimated costs 1923 if output had been equal to capacity.	Estimated future costs given capacity output.		Actual costs 1923.	Actual costs 1923.	Estimated future costs, given capacity output.	Actual costs 1923.	Actual costs 1923.	Estimated costs 1923 if output had been equal to capacity.	Estimated future costs, given capa- city output.	Actual costs 1923.	Actual costs 1923.
1	2	3	4	(a) as given by the Company originally.	(b) as revised by the Company.	7	8	9	10	11	12	13	14	15
Materials	29-04	3-50	3-50	3-50	3-06	5-00	2-60	2-50	3-14	3-10	3-10	2-30	1-66	4-38
Labour	8-30	4-18	2-09	3-00	3-00	1-06	3-08	3-00	1-74	1-93	1-75	1-65	3-57	2-27
Repairs and maintenance .	14-47	6-67	3-34	3-50	2-14	4-44	3-58	3-50	1-63	5-17	2-50	1-24	3-21	--
General and miscellaneous .	28-66	8-11	4-05	4-50	4-50	3-50	4-65	4-00	5-62	8-80	4-18	3-91	5-73	6-17
Total costs other than power and fuel	80-47	22-46	12-98	14-50	12-70	14-00	13-91	13-00	12-13	19-00	11-53	9-10	14-17	12-82
Power and fuel	23-05	20-50	20-50	15-75	14-71	13-00	16-90	12-00	19-83	13-93	9-18	7-30	11-13	9-89
Total works costs	103-52	42-96	33-48	30-25	27-41	27-00	30-81	25-00	31-96	32-93	20-71	16-40	25-30	22-71
Packing	4-82	9-25	9-25	7-25	6-65	8-00	9-17	9-06	8-00	9-00	9-00	7-30	8-80	7-15
Total costs f.o.r. works (ex- cluding overhead).	108-34	52-21	42-73	37-50	34-06	35-00	39-98	34-06	39-96	41-93	29-71	23-70	34-10	29-86
	--	-1-00*	-1-00*	-1-00*	-1-00*	--	--	--	--	-1-00*	-1-00*	-1-00*	--	--
TOTAL .	108-34	51-21	41-73	36-50	33-06	35-00	39-98	34-06	39-96	40-93	28-71	22-70	34-10	29-86

*These deduction entries are due to the system of book-keeping followed by the Companies (See oral evidence of Indian Cement Company).

CHECKED
2003-04