

13th
Annual Report

of the working committee
for the year ended 31st March

1968



ENGINEERING EXPORT PROMOTION COUNCIL

WORLD TRADE CENTRE
14/1B, EZRA STREET, CALCUTTA-1

ENGINEERING EXPORT PROMOTION COUNCIL

PAST CHAIRMEN OF THE COUNCIL

1955-56	..	..	..	SHRI D. N. JALAN
1956-57	..	..	..	SHRI K. L. CHOWDHARY
1957-58	..	..	..	SHRI S. L. KIRLOSKAR
1958-59	..	..	..	SHRI B. S. AGARWAL
1959-60	..	..	..	SHRI B. S. AGARWAL
1960-61	..	..	..	SHRI A. K. BHATTACHARYA
1961-62	..	..	..	SHRI A. K. BHATTACHARYA
1962-63	..	..	..	SHRI S. L. KIRLOSKAR
1963-64	..	..	..	SHRI S. L. KIRLOSKAR
1964-65	..	..	..	SHRI R. H. MODY
1965-66	..	..	..	SHRI R. H. MODY
1966-67	..	..	..	SHRI R. L. RAJGARHIA
1967-68	..	..	..	SHRI R. L. RAJGARHIA



Engineering Export Promotion Council

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TELEGRAM :
OCEANBORNE (

TO ALL MEMBERS OF THE COUNCIL

SUB : Thirteenth Annual General Meeting of the Council

Notice is hereby given that the Thirteenth Annual General Meeting of the Engineering Export Promotion Council will be held at 10.00 A.M. on Friday, the 20th December, 1968 at the Oberoi Inter-Continental Hotel, New Delhi, to transact the following business:

- (1) To consider and adopt the Audited Balance Sheet and Income & Expenditure Account and the report of the Committee and the Auditors for the year ended 31st March, 1968.
- (2) To record the nominations of the Working Committee for 1968-69 pursuant to Article 40 of the Constitution.
- (3) To appoint and fix the remuneration of the Auditors for the year 1968-69.
- (4) To consider any other matter that may be brought forward with the permission of the Chair.

The audited Balance Sheet and Income & Expenditure Account for the year ended 31st March, 1968 together with the reports of the Committee and the Auditors for the year ended 31st March, 1968, are being sent herewith.

R. K. SINGH
Secretary



13th Annual Report
of the Working Committee
for the year ended 31st March, 1968

ENGINEERING EXPORT PROMOTION COUNCIL

World Trade Centre,

14/1B, Ezra Street, Calcutta-1

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Report of the Working Committee

The Committee have pleasure in presenting this report for the year ended 31st March, 1968. The Committee was constituted at the Annual General Meeting held on the 29th December, 1967 and the report that follows covers the period from the 1st April, 1967 to the 31st March, 1968.

ADMINISTRATION

WORKING COMMITTEE

The Working Committee consisted of the following members:

Chairman:

Shri R. L. Rajgarhia

Vice-Chairmen:

Shri C. R. Bondre

Shri K. L. Chowdhary

Other Members:

Dr. Ramgopal Agarwal
Shri H. S. Bhatt
Shri M. C. Chopra
Shri Amitava Pal Choudhuri
Shri N. L. Dalmia
Shri Prakash Dayal
Shri M. Dhar
Shri S. C. Dutt
Shri S. K. Ghose
Shri G. R. Hada
Shri K. K. Jajodia
Shri F. A. Jasdanwalla
Shri B. K. Jhavar
Shri G. S. Joshi
Shri N. A. Kalyani
Shri G. N. Khaitan
Shri S. N. Khaitan
Shri Ranvir M. Khatau

Shri N. Krishnaswamy
Shri Ram D. Malani
Shri P. B. Menon
Rai Bahadur G. M. Modi
Shri S. D. Nagpal
Shri Satya Paul
Shri N. D. Panjabi
Shri J. V. Patel
Shri C. N. Pradhan
Lala Lajpat Rai
Shri K. Rajagopalan
Shri S. P. Saha
Shri S. Sahay
Shri D. D. Saraf
Shri O. P. Saraf
Shri S. K. Sen
Shri Sardar Raja Singh
Shri Chandubhai C. Udeshi

COMMITTEE OF ADMINISTRATION

The Committee of Administration consisted of the following members:

Chairman

Shri R. L. Rajgarhia

Vice-Chairmen

Shri C. R. Bondre

Shri K. L. Chowdhary

Other Members

Shri M. Dhar

Shri D. D. Saraf

Shri S. K. Ghose

Shri S. Sahay

Shri C. N. Pradhan

Shri S. K. Sen

Shri S. P. Saha

REGIONAL CHAIRMEN AND DEPUTY CHAIRMEN

Northern Region

Shri Brijmohan Lall

..

Chairman

Shri W. N. Talwar

..

Dy. Chairman

Southern Region

Shri A. M. M. Arunachalam

..

Chairman

Shri K. Easwaran

..

Dy. Chairman

Shri K. P. Ramswami

..

Dy. Chairman

Western Region

Dr. B. V. Bhoota

..

Chairman

Shri N. D. Panjabi

..

Dy. Chairman

Shri F. S. Baldiwala

..

Dy. Chairman

INTRODUCTION

The year 1967-68 will go down in the history of the Council as a momentous period inasmuch as not only export reached an all-time record of Rs. 42 crores but it also heralded beginning of a new era. The exports in the course of the last few years were no doubt increasing but they were propelled more by the entitlement scheme than by genuine desire on the part of many sectors of engineering industry to enter export on permanent basis. The entitlement scheme having been abolished after the rupee devaluation on the 5th June, 1966 exports were on a standstill basis for sometime. The schemes were announced in August/September 1966 but the full impact of the new scheme was felt only in the year under review. Faced with recession different sectors of engineering industry came forward to launch a vigorous export drive not as a temporary measure but as a long term policy. Leading manufacturing units realised for the first time that diversi-

fication of markets was most essential. The notion about Indian market that sky was the limit had been demolished. The industry realised that export market was essential not only for expanding business but also for improvement in quality and competitiveness. Government also came forward with an open mind and a series of dialogues were arranged between the representatives of the Government and the industry. Targets were fixed and in-puts/measures indicated for achievement of the targets. Different sectors of the industry went out in a big way to secure contracts against global tenders. Significant success was achieved in the field of railway wagons, coaches, wires and cables, structural fabrication, pipes and tubes and bicycles.

Keeping in view an ambitious target of Rs. 100 crores by 1970-71 which the Council has fixed and the new sets of problems which came to light consequent upon great potentialities discovered for export of plant and machinery and heavy equipment, the Council identified the following problems for concentrated attention. These problems were:

- (a) Working of the Foreign Offices;
- (b) Creation of an image overseas;
- (c) Shipping;
- (d) Drawback; and
- (e) Raw Material Supply.

Steps were taken to improve the working in the above spheres. The Overseas Committee and the Regional Overseas Committees were requested to keep a close watch on the working of the Foreign Offices and provide necessary guidance to the Foreign Offices so that they could become real instrument in our export effort.

With a view to creating proper image in overseas markets, opportunity was taken to meet the UNCTAD II Delegates and take them round different factories and showrooms. The UNCTAD Delegates were made in three batches:

- (a) Developed countries;
- (b) East European countries; and
- (c) Developing countries of Asia and Africa.

On the occasion of the Conference, special brochure and supplements were brought out to illustrate the achievement of the engineering industry. Factory visits were arranged and showrooms were shown in important industrial centres. The contacts with the UNCTAD Delegates created a profound impact on their mind. Many of the delegates were impressed at the progress made by the engineering industry and were heard remarking that if developing India was the one shown to them, the shape of the country could be completely different if it was fully industrialised.

The export of plant and machinery, structural fabrication, heavy and long cargo presented new sets of shipping problems. Opportunity was taken, therefore, to meet the Directorate General of Shipping, the Port Authorities and an attempt was made to acquaint them with the size of the problem which the industry faced and would face in future if the target had to be achieved. We are able to report that the Council achieved a great measure of success not only in generating an awareness in the minds of the authorities concerned about the shipping problems but also in securing relief both by way of availability of ships for certain destinations and reduction of shipping freight.

Another problem which received attention in the course of the year was in the field of drawback rates and settlement of claims. The Drawback Sub-Committee was charged with the responsibility of making an assessment of the size of the problem, meeting the officials concerned and seeking the redress as far as

possible. While the drawback problems have not yet been fully solved, we are happy to report that the difficulties in connection with drawback were sufficiently strongly brought to the notice of the Government and a special Sub-Committee was appointed under the Chairmanship of a Senior Officer which has submitted its report. It is hoped, if the recommendations of the Committee are fully implemented, the drawback problem will be solved to a very large extent.

Considering the change in the pattern of export and the new sets of problems which had come up, it was felt that matching organisation at the Head Office and the Regional Offices level was needed. With this object in view, the Chairman went into the working of the Office and recommended appointment of an Expert who could examine and report as to what measures were necessary to strengthen the organisation at home so that it could cope with the volume of work and provide prompt and efficient service to the exporters. This work has been entrusted to the Indian Institute of Management whose report is expected very soon.

SECTION I

IMPORTANT DEVELOPMENTS DURING THE YEAR

1. Devaluation of Pound Sterling

On the 18th November, 1967, the United Kingdom Government devalued Pound Sterling by 14.3 per cent (16.6 per cent in relation to the new rate of exchange). This important development came at a time when the exporters were just recovering from the set-back caused by the devaluation of Indian rupee in the month of June 1966. Since the incentives etc. had been worked out on the basis of the export realisation based on the rate of exchange as from the 6th June, 1966 the exporters had to face certain losses on account of revision of the exchange rate consequent upon the devaluation of Sterling Pound. Keeping in view these facts, the Council sent a memorandum to the Union Ministry of Commerce on the 9th December, 1967 requesting the Government to take immediate step for providing relief to Indian exporters as a result of the devaluation of Sterling Pound. It was contended that the exporters would suffer on account of:

- (a) Short realisation of the f.o.b. value to the extent of 14.3 per cent (16.6 per cent in relation to the new rate of exchange);
- (b) Increase in the shipping freight rates as a result of the imposition of Sterling devaluation surcharge. This meant that the c.i.f. price for a market remaining the same, the f.o.b. value realisation was further reduced to the extent of Sterling devaluation surcharge; and
- (c) Reduction in the amount of cash subsidy on account of loss of f.o.b. value.

In view of the comparative advantage gained by British goods as well as other such countries who had simultaneously devalued their currencies, it had become necessary that additional assistance be given to Indian exporters, so that they could offer Indian goods in the changed conditions of world competition.

The Council recommended to the Government of India for:

- (a) Increasing the existing cash assistance which ranged from 10 to 25 per cent of the f.o.b. value; or
- (b) Extending the same benefits which were available prior to Pound Sterling devaluation based on the exchange rate of Rs. 21/- per pound irrespective of the fact that the actual negotiation of documents was at Rs. 18/- per pound; and

- (c) Permitting free transfer of import entitlement to the manufacturers of engineering goods within the broad groups as was the practice prior to rupee devaluation.

2. Closure of Suez Canal

With the out-break of Arab-Israel Conflict, the Suez Canal route was closed for shipment of materials to the Middle East, Europe and Eastern Coast of the United States. This resulted into a serious set-back to our exports to these regions as Indian products were made incompetent. Subsequently, the matter was taken up with the Government of India for providing relief to the exporters.

Opportunity was also taken to intensify our export efforts to the Middle Eastern countries and members were requested to depute their representatives for contacting the buyers there who would have, in the normal course, obtained their requirements from countries other than India. A composite delegation was sponsored by the Federation of Indian Export Organisations in collaboration with the Export Promotion Councils for the on-the-spot study of the actual and immediate requirements of the war devastated Arab world.

3. Target for the Fourth Five-Year Plan

With the adoption of the resolution to have the Fourth Plan from 1969-70 the Government of India desired the Council to finalise and communicate to them the export targets for the entire Fourth Plan ending March 1974. The matter was subsequently discussed with the Government officials as well as in the Working Committee and in the Panels concerned. A statement showing the targets fixed for the entire Fourth Plan ending March 1974 is given below:

<i>Year</i>		<i>Targets (Rs. in crores)</i>
1969-70	..	85.00
1970-71	..	100.00
1971-72	..	112.00 (130.00)**
1972-73	..	120.00 (145.00)**
1973-74	..	129.00 (160.00)**

**The targets in brackets will be achieved, if the Russian order materialises.

4. Discussions with the Government Representatives and Priority Industries

With the announcement of the new Import Trade Control Policy for 1968-69 the 59 industries were included in the list of priority industries for receiving special treatment which were likely to play an important role in the country's economy. On the 12th June, 1967 the Council met Shri Dinesh Singh, Union Minister of Commerce in Calcutta along with the representatives of priority industries who impressed upon these industries the need for playing a vital role in the growth of country's export. Arising out of these discussions with the Union Minister of Commerce, a series of discussions with the representatives of priority industries were organised by the Council in Delhi which were attended by senior Government officials. As a result of these discussions, an export target of Rs. 50 crores was fixed for these industries. Other important decisions taken at these meetings were:

- (a) Formation of consortium of manufacturers of aluminium conductors;
- (b) Formation of consortium of manufacturers of power cables;

- (c) Formation of consortium of manufacturers of steel forgings;
- (d) Fixation of group targets for wire rope; and
- (e) Fixation of group target for steel pipes and tubes.

It was agreed that if the groups were successful in finalising contracts during 1968-69 stipulated target, the Government would give higher scale of assistance than what was available at that time. This had been possible because the group targets had been covered under the formula of large value contracts attracting special benefits.

It was further agreed that the industry would submit its proposals for fixation of drawback rates on industrywise basis which would receive immediate attention of the Government and drawback rates announced accordingly.

For development of new markets, the Government agreed to assist the deserving units under the MDF.

Shipping problems were discussed in detail and it was decided to take up the matter with the Union Minister of Shipping.

5. Discussions with Non-priority Industries

Discussions were also held with the members of the Council belonging to the non-priority industries. The Government officials also took part in the discussions. The Government agreed to accord similar treatment to non-priority industries in the case of their finalising large value contracts of Rs. 50 lakhs or more.

DYNAMIC MEASURES TO BOOST UP EXPORTS OF ENGINEERING PRODUCTS

During the year under review, the Council took the following measures to step up exports of Indian engineering goods:

1. Export Finance

Because of the tight money market, exporters were finding it difficult to raise rupee finance from banks and had to bear higher cost of credit. It was also noticed that exporters were not able to offer credit terms on the same lines as their competitors in other exporting countries. They were also finding it difficult to get permission from the Reserve Bank of India for replacement of parts under warranty obligations, business visits abroad, appointment of correspondents, agents etc. The matter was discussed with the officials of the Export Credit & Guarantee Corporation as well as with the Governor and Deputy Governor of the Reserve Bank of India. With the active representation of the Council to these organisations, the Reserve Bank of India announced on the 6th August, 1967 a Packing Credit Policy whereby they authorised banks to make packing credit advance to exporters at 6% per annum who, in turn, were eligible to get refinance from the Industrial Development Bank of India at 4½%. The Reserve Bank of India also extended credit terms up to 7 years in deserving cases and up to 10 years in specially deserving cases.

The post-shipment finance was also made available through commercial banks at 8% per annum. It was noticed that only 80% of the value of the contract was reported to be covered under the Packing

Credit Scheme as against 100% as was the practice sometime back. Since the export prices were much lower than the prices available in the country, the Reserve Bank of India was requested to make available packing credit at 6% for the full value of the contract.

Although refinance was available to banks, exporters were finding it difficult to get post-shipment finance from the banks. The Reserve Bank was requested to advise the commercial banks to make available adequate funds under the Refinance Scheme. It was also suggested that the Industrial Development Bank of India should directly finance the exporters.

A memorandum was also submitted to Shri A. Baksi, Deputy Governor, Reserve Bank of India on various problems relating to export finance. Towards the close of the year, with a view to encouraging banks to give packing credit and post-shipment finance to exporters, the Reserve Bank introduced a Scheme of Subsidy at the rate of $1\frac{1}{2}\%$ per annum on the export credit made available by them to exporters. It is hoped that this would serve as an inducement to banks to provide adequate finance to exporters.

2. Export Credit

During the year under review, the Council brought to the notice of the Reserve Bank of India and ECGC problems being faced by exporters in regard to submission of bid bonds and performance guarantee to the overseas buyers by exporters against specific enquiries and tenders. The Council has succeeded in inducing the ECGC to introduce a new guarantee entitled "Export Performance Guarantee". This guarantee is designed to help the exporters to secure on easy terms bank guarantee which they would be required to furnish in connection with their export operation. The guarantee was issued to commercial banks to protect them against 80% of the loss that they might suffer on account of the guarantee issued on behalf of exporters. With the protection afforded by the ECGC guarantee, in the nature of counter-guarantee to the banks, the banks were in a position to liberalise their policy in regard to issue of bank guarantee to the exporters.

The performance guarantee was also available in respect of letters of credit opened for import of raw materials provided such raw materials were specifically intended for manufacturing goods for export.

3. Export of Spare Parts under Warranty Obligations

Certain items like electric fans, refrigeration equipment, diesel engines etc. were sold under warranty for sending free spare parts and exporters of these items were finding it difficult to obtain permission from the Reserve Bank of India. It was suggested to the Reserve Bank of India to permit free replacement thereof without any formality up to a certain percentage of the f.o.b. value.

4. Foreign Exchange for Business Trips Abroad and Procurement of Tenders etc.

In regard to grant of liberal foreign exchange for business visits abroad and procurement of tenders etc., the representatives of the Council met the Deputy Governor of the Reserve Bank of India, Shri B. N. Adarkar as a result of which the Reserve Bank of India have liberalised conditions for granting foreign exchange for persons visiting abroad and for procurement of tenders etc. on the recommendation of the Council.

5. Supply of Tinplates and Electrode Quality Steel at International Prices

With the active co-operation of the Joint Plant Committee and the Government, the Council has been successful in providing tinplates and electrode quality steel to fabricators of engineering products at international prices in line with the policy formulated earlier for supply of steel at international prices to fabricators of engineering goods.

Originally, the Scheme of supply of steel at international price was confined to supplies made by main producers. The Scheme was, during the year, modified to give room for supplies effected by secondary producers and producer stockists.

6. Problems Relating to Shipping Space and Freight and Freight Rebate

The representatives of the Council met the Director General of Shipping and with the active co-operation of the Directorate General of Shipping and Freight Investigation Bureau, we have been successful in getting shipping space and rebate in shipping freight to exporters. Details of the shipping freight concessions obtained appear elsewhere in this report.

7. Creation of India's Image as a Supplier of Quality Industrial Products

With a view to projecting an image of India as one of the suppliers of a wide range of quality engineering products, the Council invited Mr. G. Garratt, Associate Editor of Machinery and Production Engineering, London, to visit India and go round the industrial centres and gain a first hand information with the ultimate object of publishing this information in Machinery and Production Engineering—a journal which has wide circulation throughout the engineering world. Mr. Garratt came to India in April 1967 and visited important industrial centres of India and wrote a number of articles on industrial and technological progress which the country had made during the last two decades and highlighted the export potential of Indian engineering products.

The Council also took the opportunity of inviting UNCTAD II delegates to Calcutta and to other industrial centres and arranged their visits to different engineering factories and various showrooms.

8. Representation to the Government for Providing Additional Assistance

The Council made a study of the export potential of various engineering items and the problems connected with them. After making a study, the Council took up the issue with the Government for providing additional assistance, so that these items could be sold abroad. As a result, scale of assistance for a number of engineering items was enhanced.

9. Port Facilities for Heavy Export Consignment

The Council had been making representations to the Port authorities for providing adequate facilities at the docks for shipment of heavier cargoes like railway wagons and choaches, cranes, transmission line towers etc. However, not much progress has been made in this regard by the authorities.

10. Creation of Export Consciousness Among Manufacturers of Engineering Goods

With a view to creating export consciousness among manufacturers of engineering goods, the Council had been organising seminars and conferences at different places within India. We organised a conference of export promotion on the 12th and 13th April 1967 in New Delhi which was inaugurated by the Union Minister of Commerce, Shri Dinesh Singh. This conference was followed by a luncheon meeting addressed by Shri K. B. Lall, I.C.S., Secretary, Union Ministry of Commerce. On the occasion, problems facing exporters of engineering goods particularly after rupee devaluation were discussed in detail. Apart from this, the following conferences/seminars were organised either by the Head Office or the Regional Offices of the Council at the following places on the dates mentioned against each:

	Places	Dates
1. Conference	Ernakulam	11th March, 1967
2. „	Poona	1st April, 1967
3. Seminar on Export Promotion	Faridabad	4th July, 1967
4. „	Ahmedabad	14th August, 1967
5. „	Simla	11th August, 1967
6. Conference	Cuttack	14th August, 1967
7. „	Bangalore	19th August, 1967
8. „	Bhopal	6th January, 1968
9. „	Agra	29th January, 1968
10. „	Jullundur	27th March, 1968

A conference of export promotion was organised by Hindustan Chamber of Commerce in Madras in collaboration with the Council from the 19th to 21st January, 1968 at the time of the Indian International Trade and Industries Fair, Madras.

11. Indo-German Engineering Export Promotion Project

Under the Agreement dated the 14th December, 1967 between the Government of India and the Government of Federal Republic of Germany, a team of five experts from West Germany, led by Mr. H. Vollrath, Project Director, spent from 3½ to 6 months in India visiting manufacturing firms producing engineering items such as machine tools, cutting tools, precision tools, production tools, diesel engines and diesel engine sets, industrial plant and machinery for the sugar, cement and chemical industries, foundry and forge products, structurals, heavy electric equipment, electric appliances, electronic items, general hardware items, bicycles, their components and accessories.

Out of some 2,000 manufacturing firms being members of our Council, some 250 factories were visited by the German team in an attempt to obtain a fair and representative sampling of what export products are now being turned out by Indian engineering units and to which extent such products might find a market in West European countries, especially in the ECM, and more specifically in West Germany. The reason behind this intensive survey is India's negative balance of trade with West Germany and the latter's realisation that the continuance of its own exports to India hinges upon the ability of the West German market to buy and absorb more goods from India. In fact, the correction of the adverse pattern of trade is a task to be tackled by corresponding efforts from either side.

On the Indian side the project is being implemented by our Council, whereas on the German side its implementation has been assigned to Messrs. Planungsgruppe Ritter, Development Consultants, of Koenigstein I.T., near Frankfurt/M. The latter have set up at their office a special liaison and backstopping section for their project under the guidance of Mr. G. Heymann (Foreign Trade Expert) who is assisted by Dr. R. Mueller and Dr. Heimer (Market Research Specialists).

Since November 30th, 1967 a basic German team had been travelling in India. Its members were:

Mr. H. Vollrath	.. Project Director
Mr. G. Lange	.. Foreign Trade Specialist
Dr. R. Uberoi	.. Metallurgical Engineer
Mr. G. Piper	.. Industrial Engineer
Dr. R. Mueller	.. Market Research Specialist

During December 1967 and January 1968 the team visited factories in the Eastern and Northern regions. In February 1968 the team went to Madras. It was joined there by another five German Products Experts —

- (i) Mr. F. D. Gathmann (Machine tools, tools)
- (ii) Mr. W. Bonk (Industrial plant and equipment)
- (iii) Mr. O. K. Mattern (Foundry and forge products)
- (iv) Dr. C. Sitting (Electric appliances, automobile accessories)
- (v) Mr. M. Ferretti (General hardware items)

Of the latter experts Mr. Bonk also was looking into electrical products such as power transmission equipment, transformers, insulators, motors etc. whereas Mr. Ferretti also looked into portable tools, hand tools and cutting tools, electrodes etc.

On the other hand, Mr. Lange took an interest also in surveying the marketing possibilities of India's bicycle industry.

At Madras the experts and counterparts studied at close range the engineering goods exhibited at the Indian International Trade and Industries Fair. They also visited manufacturing units in Madras, Mysore and Kerala States. Thereafter they went to Hyderabad before going to the Western region for a stay of five weeks.

The team has found encouraging prospects for exports in the following groups of products:

- Machine tools,
- Cutting, precision & measuring tools,
- Ceramic insulators,
- Hand tools and other hardware items,
- Bicycle components and
- Heavy castings.

A major field for exports might be found in building supplies of Indian structurals and other items such as E.O.T. cranes, machinery for sugar mills, cement mills, textile mills, food processing and chemical machinery into German manufacturers' turn-key offers to third countries. Possibilities in this direction exist and the same would be given a thorough study. The list of items may yet be added to as the collected data will be processed by the team in the next few months. Competitive price and the assurance of timely deliveries, of course, are of great importance for the success of the scheme.

On completion of their studies, members of the German team returned to their country in the course of March, April and May 1968. They have accumulated a mass of data and information which they are now evaluating in Germany so as to place the results of their survey before the respective authorities. Above all, they are now equipped with the knowledge of Indian industrial potential and with specific information on a wide range of products. This serves as material for public relations work to be carried out by the German experts during June-August 1968 vis-a-vis German trading houses, wholesalers, mail order houses, industrial buyers and other parties interested in the furtherance of Indo-German trade, specially Chambers of Commerce, industrial trade associations, commission and service agents and the like.

During their travels in India, members of the German basic team were accompanied by five counterparts from the Council and they assisted in the selection of fifteen counterparts from Indian engineering units. These counterparts proceeded to West Germany in June 1968 to participate in a practical training programme for exports lasting from 4 to 5 months. Upon completion of the programme, the counterparts from the

Council will re-join that body and reinforce the latter's potential for advising the industry in export marketing questions; the other counterparts will go back to their respective firms to participate in the strengthening of the latter's export efforts and also to pass on their experience and knowledge to other parties by participating in export meetings, conferences and seminars.

In Germany all counterparts are being given a general export orientation course which would take them to major trading places like Hamburg, Bremen, Duesseldorf, Colongne, Frankfurt, Stuttgart and Berlin. At Frankfurt, the general export orientation course will include a one-week special seminar on export problems to be held by the Academy for World Trade sponsored by the Frankfurt Chamber of Commerce. The second phase of the training programme provides for the placement of EEPC counterparts with the respective German experts in their public relations work, whereas the participants from Indian engineering industry would be placed for instruction with suitable German firms in their respective lines of interests (productwise), so as to gather knowledge and experience in such subjects as trade channels, sales methods, selling aids, approach to customers, processing of inquiries, orders and shipments, pricing, after-sale-service and so on.

In the third phase the counterparts from the Council will return to India together with the German basic team, whereas the participants from Indian engineering industry will be put to field work, i.e. conducting practical case studies in direct sales approach to German trade circles on whom by then they will have gained all necessary information. Thereafter, they will join a concluding seminar to be held by the Academy for World Trade at Frankfurt, again, upon completion of which they would return to India in November 1968.

The German basic team of experts, upon their return to India, may be strengthened again by a number of additional experts. The second stage of the programme will last from October 1968 to April 1969. During this period the emphasis of their work will be shifted from factory visits to discussions with and advise to individual manufacturers on their specific problems. There will also be meetings with groups of manufacturers, trade associations, chambers of commerce and other bodies so as to put before their members the results of the public relations work carried out in West Germany and thus to contribute towards spreading marketing information to a larger number of manufacturers.

Moreover, the German experts will assist again in selecting twenty-one counterparts from Indian engineering industry for the 1969 training programme, the latter to begin with a specially conducted tour of the International Industries Fair at Hanover.

12. Sub-Committees and Panels

Various Sub-Committees were reconstituted at the 1st meeting of the Working Committee held on the 13th February, 1968 in Calcutta. Immediately after the reconstitution, Sub-Committees started their activities in right earnest. Meetings of Sub-Committees were held from time to time and various problems connected with export effort and implementation of the programme of work of the Council were attended to.

Various panels were also activated and meetings were held during the period under review. These meetings provided an opportunity for the manufacturers/exporters to discuss their problems and submit proposals through the Convenor to the Working Committee for their consideration and appropriate action. Problems regarding fixation of drawback on industrywise basis, fixation of floor prices, supply of raw materials etc. were some of the common matters discussed by all the panels.

13. Evaluation of Activities of the Council

An important development during the period under review was the setting up of an Evaluation Sub-Committee to analyse the export performance and preparation of evaluation report on the programme of work of the Council.

The work of this Sub-Committee has been intensified and it is hoped that the deliberations of this Sub-Committee will have a significant bearing on our export efforts.

SECTION II

EXPORT PERFORMANCE

The Working Committee fixed a target of Rs. 42 crores for 1967-68. Against this, the actual performance came to Rs. 41.48 crores. Not only the target was achieved but also it recorded an increase of 33 % over the previous year (1966-67 exports being Rs. 31.14 crores). Among the items which recorded substantial increase in exports, mention may be made of mild steel pipes (Rs. 4.91 crores), auto and auto parts (Rs. 2.48 crores), railway wagons (Rs. 2.25 crores), bicycles and bicycle parts (Rs. 2.22 crores), hand tools and small tools (Rs. 2.15 crores), iron and steel castings (Rs. 1.76 crores), electric fans and parts (Rs. 1.69 crores), electric wires and cables (Rs. 1.68 crores), dry and storage batteries (Rs. 1.44 crores), data processing machines (Rs. 1.40 crores), diesel engines (Rs. 1.25 crores) and transmission line towers (Rs. 1.25 crores). Items which recorded exports of more than Rs. 50 lakhs were jute and textile machinery, aluminium utensils and capsules, wire ropes, machine tools, aluminium sheets, circles and foils, brass and copper utensils, builders' hardware, electrical accessories and appliances, sewing machines, bright steel bars, shaftings, telephone equipment, and mechanical pumps.

Almost all the regions recorded increase over the previous year, the maximum increase being in Australia and New Zealand. Countries in South East Asia and West Asia contributed 47 % of the total exports. Countries accounting for more than a crore rupees exports were Iran, Malaysia, U.S.A., Hungary, Kuwait, Kenya, Nepal, Czechoslovakia, Nigeria, Thailand, Ceylon, U.K., Australia, Burma and Egypt.

Table

(Value in Lakh Rupees)

Regions			April-March		Variation over 1966-67	% Contribution to the total export of Rs. 4148.00 lakhs in 1967-1968
			1966-67	1967-68		
1. South East Asia	..	..	863.13	1065.89	plus 23 %	26 %
2. West Asia	..	..	672.81	873.02	plus 30 %	21 %
Sub-Total Asia:	..	..	1535.94	1938.91	plus 26 %	47 %
3. Africa	..	..	628.02	719.08	plus 15 %	17 %
4. East Europe	..	..	299.49	659.63	plus 120 %	16 %
5. West Europe	..	..	286.20	320.26	plus 12 %	8 %
6. America	..	..	272.84	327.65	plus 20 %	8 %
7. Australia and New Zealand	..	..	45.87	141.45	plus 208 %	3 %
8. Others	..	..	45.36	40.68	— 10 %	1 %
Grand Total (Excluding Steel)	..	..	3113.72	4147.66	plus 33 %	100 %

FOREIGN OFFICES

All the six foreign offices of the Council at Beirut, Chicago, Duesseldorf, London, Nairobi and Singapore continued to function during the year under review. It will be noted from the regionwise export performance in Section 2 that exports to almost all the countries covered by the foreign offices have shown increase. The Working Committee had formed the Overseas Sub-Committees and Committees looking after the regional trade in order to keep a close and effective watch on the working of the Council's Foreign Offices in the various parts of the world. The Overseas Sub-Committee was mainly responsible for looking after the administrative matters connected with the operation of foreign offices whereas the regional trade Committees looked after the promotional work being done by these foreign offices.

As a result of the activities of these Sub-Committees, it was ensured that the foreign offices sent the monthly reports regularly as well as undertook market surveys for specified items as per the direction of the Head Office. The monthly reports and the adhoc market surveys conducted by the Foreign Officers were studied by these Committees and their comments for improvement in the monthly reports/market survey reports were communicated to the foreign office concerned for compliance. A pro forma for monthly report was also finalised by the Committee and comments of the foreign officers were called on the same. During the year under review, market surveys for the following items were conducted by the foreign offices:

1. Sewing Machines
2. Diamond Wheels and Dress Tools
3. Railway Track Material
4. Current prevailing price of Castings used for Machine Tool Industries
5. Insulated Power Cables
6. Air Compressors
7. Barbed Wire
8. Fasteners viz., Nuts and Bolts

These reports were circulated to the industry. The Foreign Officers also attended to the visitors from India as well as maintained contact with the local purchasing organisations, importers etc.

The Foreign Officers were also asked to undertake tours in the region served by them. It was, however, felt that due to paucity of funds, the foreign offices could not cover as many areas as the Council would have liked them to do.

In the course of the working of the Council's foreign offices and the changing pattern of exports, it was felt that there was an immediate need for re-organisation of these foreign offices, both in the matters of location as well as personnel. For example, it was felt that on account of various factors, Beirut was not the proper place for keeping an office. The industrial activity in the West Asian region centres round Iran and Persian Gulf territories. It has, therefore, been considered necessary that this office should be shifted to Iran. Similarly, in the South East Asian region, Australia and New Zealand are the biggest buyers of engineering goods. It will be noted from the export performance Section that the exports to this region during 1967-68 have shown an increase of roughly 200% over 1966-67 level. It has, therefore, become necessary that the Council is suitably represented in this vast market.

The neighbouring countries of South East Asia like Thailand, Malaysia, Singapore, South Vietnam, Hong Kong could be looked after by the Head Office itself. In the case of the U.S.A., the office in Chicago was set up to cover both the East and West coasts of the U.S.A. However, in view of the long distances involved, it has not been possible for the foreign office to effectively cover either the East Coast or the West Coast of the U.S.A. It has also been found that most of the business is emanating from the Coastal areas. Moreover, due to

closure of port facilities for nearly five months in a year, the trade from Chicago cannot be developed unless there are adequate ware-housing facilities which in case of the U.S.A. is a fantastically costly proposition. A thought has, therefore, been given about the shifting of this office as well to either the East Coast or the West Coast. Considering the vast scope which the U.S.A. offers for engineering items, the Council will have to open an office in the West Coast of the U.S.A. or Canada as well in due course.

Indian firms have also started receiving enquiries from various South American countries and it is essential that some sort of organisation be created in the South American Sub-Continent as soon as possible.

It is also necessary to take adequate steps for staffing these offices with the right type of personnel so that maximum possible advantage is obtained. The Council has been handicapped by finances for running these offices. In order to achieve desired advantage, it is necessary that adequate funds are made available for running these offices on a continuous basis.

SECTION III

PUBLICITY AND PUBLIC RELATIONS DIVISION

The work done in the Publicity and Public Relations Departments during the year under review is enumerated below:

EXTERNAL PROPAGANDA

Joint Foreign Publicity Scheme 1967-68

The Council operated Joint Foreign Publicity Scheme in accordance with which assistance was provided to member-firms for publicising their brand name in the potential overseas markets. The Scheme was first started in 1959.

According to the terms and conditions of allotment of funds under the JFP Scheme member-firms who have exported goods of the minimum value of Rs. 80,000.00 during the preceding calendar year are entitled to the assistance. Member-firms availing themselves of such assistance have to contribute 66.2/3 per cent of the allocated amount and the balance 33.1/3 per cent is provided by the Council. The Scheme proved popular and allocations were given to 74 member firms who were allocated Rs. 7.25 lakhs for expenditure on publicity under the programme. The export of engineering goods has been increasing every year. In 1958-59 it was Rs. 4 crores and in 1967-68 it has risen to Rs. 41.35 crores. On the export performance of 1958-59 the amount allocated was Rs. 2 lakhs. It was raised to Rs. 5 lakhs in 1966-67 when the export performance was Rs. 29.25 crores. The export of engineering goods has gone up by 41.36 per cent over the 1966-67 performance but the funds under the JFP Scheme have not been increased proportionately.

After devaluation of the rupee in June 1966 the quantum of allocation was raised by 57.5 per cent i.e. from Rs. 5 lakhs to Rs. 7.25 lakhs in 1967-68. During this long interval the export performance has increased manifold but the ratio of assistance has not gone up. Under the circumstances we have not been able to provide proportionate assistance to our member-firms. Unless and until the amount under the JFP Scheme is increased sufficiently, it may not be possible for the Council to entertain requests for the enhancement of allocations in respect of old member-firms who have been showing better export performance every year nor to grant fresh allocations to new member-firms.

EXTERNAL PUBLICITY

To present the image of industrial India in the overseas markets the Council has been releasing advertisements in the Foreign newspapers and periodicals. During the period under review, we released advertisements in the following countries:

East and West Africa

Kenya, Tanganyika, Uganda, Sudan and Nigeria

Middle East

Lebanon, Syria, Iraq, Saudi Arabia and Jordan

Far East & Australia

Thailand, Malaysia, Singapore, Hongkong and Australia

West Europe

U.K. and West Germany

With the limited budget, it has not been possible to release more than one or two advertisements in a year in each publication. Our publicity abroad was too general in nature. As a result of the paucity of funds it could also not be possible to have publicity on a regular basis. During the year under review our foreign publicity programme was carefully studied and we are now contemplating to direct our advertising to specific sections of buyers according to the nature of the product.

OVERSEAS JOURNAL: INDIAN ENGINEERING EXPORTER

Earlier, we were printing 3,500 copies of the Overseas Journal—Indian Engineering Exporter—but with effect from December 1967 the circulation of copies among the member-firms in India was stopped and the print order was reduced to 1,700. The saving in expenditure has been utilised for publishing an illustrated brochure on the engineering goods, mainly for overseas buyers. Advantage was taken of the UNCTAD II held at New Delhi and we published a Special Number of Indian Engineering Exporter which received an all-round acclaim. The following publications were brought out on the occasion of UNCTAD II:

- (i) Indian Engineering Exporter—January 1968 UNCTAD Number.
- (ii) Brochure entitled: India's Engineering Industry.
- (iii) Booklet on Indian Engineering Products Available For Export To Socialist Countries.

These publications were distributed amongst the foreign delegates who attended the UNCTAD II Session.

Indian Engineering Exporter carried articles on engineering goods having export potential. These articles were written by eminent writers in the respective engineering industry. Copies of the publication were distributed abroad amongst the Chambers of Commerce, Government purchasing organisations, leading importers of engineering goods and Indian Trade Representatives.

Participation: Hanover Fair, 1968

The two sections of the Fair in which Indian engineering industry was represented were:

- | | |
|--|------------------------|
| (i) International Centre; and | |
| (ii) Hall 7—Stall for small Tools and small Machines | Area 50 Sq. meter each |

International Engineering & Marine Exhibitions, London

A Brochure on our participation was brought out for distribution during the Exhibition. The participation was a great success. Quite a large number of enquiries were received from the visitors/interested importers which were passed on to the participating member-firms for their doing the needful. Some of the exhibits were also sold on the spot. Extracts from the report received from our Foreign Officer in London on our participation were also circulated amongst the member-firms. As per the terms and conditions laid down by the Ministry, expenses incurred for the Council's participation in the exhibition were realised from the participating member-firms.

- (i) Poznan International Fair, 1967
- (ii) 5th Pacific International Fair, 1967
- (iii) Bruno & Zagreb International Trade Fairs
- (iv) Kenya Agricultural Show, Nairobi
- (v) Izmir International Trade Fair
- (vi) Milan Trade Fair, 1968
- (vii) Plovdiv International Fair
- (viii) Zagreb International Fair
- (ix) Leipzig Spring Fair, 1967

- (x) Tripoli International Trade Fair
- (xi) International Fair Machinery Conference & Trade Fair, Manila
- (xii) 46th Milan International Fair
- (xiii) Budapest International Fair, 1968
- (xiv) Wholly Indian Exhibition in Prague

Recommendations in respect of deputation of the representatives of the participating member-firms during the exhibitions/fairs to attend to the enquiries and transact on-the-spot business, were sent to the Directorate of Exhibitions from time to time. Recommendations for release of foreign exchange for the representatives' visit were also forwarded to the Ministry from time to time. Apart from the above, details about the exhibitions/fairs wherein neither the Council nor the Government had the plan to participate were circulated through our Home Bulletin, so that the intending participants could plan their participation on their own.

Meetings were also held from time to time with the Government officials and the representatives of the Indian Council of Trade Fairs & Exhibitions, Bombay to discuss plans of participation in the exhibitions/fairs abroad.

Showrooms Abroad

Proposals received from the foreign officers for opening showrooms at Chicago and London were circulated amongst the members. The response received being encouraging, the proposals were put before the Government for their sanction and necessary financial assistance. The Council, however, continued to procure exhibits from the member-firms for the display centres/showrooms/show windows and the show cases abroad.

INTERNAL PROPAGANDA

We arranged publication of Council's advertisements in the following leading publications in India during 1967-68:

Dailies

- (i) Times of India, Bombay/New Delhi
- (ii) Economic Times, Bombay
- (iii) Financial Express, Bombay
- (iv) Hindustan Times, New Delhi
- (v) Statesman, Calcutta/New Delhi
- (vi) Amrita Bazar Patrika, Calcutta/Allahabad/Cuttack
- (vii) Hindu, Madras
- (viii) Indian Express, South India Edition

Periodicals

- (i) Foreign Trade of India
- (ii) Eastern Economist

Home Bulletin

To equip the member-firms and the trade in general with the latest information regarding overseas tenders, trade enquiries, commercial and shipping information, exhibitions and trade fairs, we have been

publishing Home Bulletin regularly. The export statistics of engineering goods are published every month in this Bulletin. 3,000 copies of the Bulletin are printed every week for distribution amongst the member-firms, subscribers, Government Departments, Chambers of Commerce, Indian trade representatives abroad and our foreign officers.

Newspaper Supplements

EEPC supplements were published in the following leading newspapers:

- (i) Economic Times
- (ii) Financial Express

Arrangements were also made to publish supplements in the following newspapers on the occasion of UNCTAD II with a view to disseminating information on Indian engineering goods having export potential:

- | | | |
|-----------------------|----|-----------------|
| (i) Financial Express | .. | dated 12.3.1968 |
| (ii) Indian Express | .. | „ 12.3.1968 |
| (iii) Economic Times | .. | „ 13.3.1968 |

We also published a booklet on Freight Concessions.

PRESS CONFERENCE AND PRESS COMMUNIQUE

During the period under review the following Press Conferences were arranged and handout distributed which were subsequently published in the newspapers.

Subject	Date of Publication
1. Conference of manufacturers/exporters of engineering goods	4th April, 1967
2. Conference of exporters of engineering goods in collaboration with the Govt. of Orissa	17th August, 1967
3. Determined efforts to achieve Rs. 100 crores exports of engineering products by 1970-71	12th August, 1967
4. Engineering goods exports—A period of trials and achievements: Outlook for Future	9th December, 1967
5. Visit of German Team to India under Indo-German Export Promotion Project	30th December, 1967
6. West German Schemes of Technical Assistance and Practical Training for Export Promotion	13th January, 1968
7. EEPC Meets Delegates from Developing Countries	17th February, 1968
8. EEPC Chairman welcomes Budget 1968-69	1st March, 1968

EXHIBITIONS WITHIN INDIA

1. Permanent Exhibitions in Calcutta/New Delhi/Madras

On the occasion of UNCTAD II the Council was asked to renovate the Exhibition at New Delhi. Certain rotational changes were also effected in the centres at Calcutta/Madras and new exhibits were procured. The rentals were collected from the participants. All the foreign delegations and the individual businessmen and the Govt. Officials who visited Calcutta/Delhi/Madras were shown round the exhibitions and comments appreciating the idea and maintenance of such exhibitions received from the foreign dignitaries were recorded in the visitors book maintained by the office. Enquiries about individual items were also passed on to the participating members concerned for their further necessary action.

2. Showwindow at Udyog Bhavan, New Delhi

One of the four show windows at the entrances of the Udyog Bhavan was made available to the Council for another year by the Directorate of Exhibitions, New Delhi and selected exhibits of member-firms were displayed by rotation.

REGISTRATION & REPLENISHMENT DIVISION

Under the New Export Assistance Scheme for Engineering Goods as in the last year, exporters registered with the Council were eligible to get export assistance by way of import replenishment licence at a certain percentage of F.O.B. value and cash assistance at a certain percentage of F.O.B. value, supply of raw materials at international price etc. In addition to registration with the Council, membership of the Council was made compulsory from the 1st April, 1967 for the Registered Exporters to be eligible for grant of export assistance.

93 firms were registered during the year and total number of Registered Firms at the end of the year stood at 397. Firms having exported engineering goods and/or holding export orders in hand were accorded new registrations.

Issue of Import Replenishment licences and grant of cash assistance were continued by licensing authorities.

During the year under report only the manufacturers-exporters and manufacturers nominated by merchants-exporters were eligible for import replenishment licences in their own name for import of raw materials, components, spares, intermediaries for actual consumption in their own factory or factories. Nominated manufacturers were required to be registered with the Government Registering Authorities as manufacturer of the exported products or parts, components or raw materials thereof. Import licences, issued to registered manufacturer-exporter against his own exports might on request be made valid for import of permissible types of jigs and tools and equipment for packaging and tagging and for import of plant and machinery needed for replacement balancing or modernisation up to a certain limit of the licence.

During the last year applications for assistance could only be made on quarterly basis. A relaxation was given by the Government in this provision in terms of which manufacturers/exporters only could submit applications for import replenishment licences provided applications were made in their own name. On Council's representation to the Government for allowing submission of applications for cash assistance also on monthly basis, the Government issued instructions that manufacturers/exporters could submit applications in their own name for import licence as well as for cash assistance on monthly, two-monthly or quarterly basis. Merchant-exporters, and manufacturers/exporters desiring to make nominations in favour of another

manufacturer, were also permitted to avail the above provisions provided their exports during the period was not less than Rs. 1 lakh. This provision for submission of applications on monthly or two-monthly basis came into force with effect from the 1st September, 1967.

At the beginning of the year, usual export documents, viz. Invoice, Shipping Bills, Bill of Lading (Airway Bill in case of exports by air) had to be submitted along with the applications for export assistance.

The procedure for submission of export documents for submission of applications for import licence and cash assistance was revised with effect from the 1st October, 1967. Under the revised procedure, the exporters had to submit, at the time of negotiation of export documents, a declaration to the negotiating banks in triplicate in a prescribed form against the invoices. The banks used to certify the exports and F.O.B. value for the invoices and used to send the original copy of the declaration to the licensing authorities direct and send the second copy to the exporters and retaining the third copy for their record. The exporters, at the time of submission of applications for export assistance, had to give the bank certificate reference along with the corresponding Shipping Bill. The procedure for submission of invoice and Bills of Lading was done away with. The above procedure was, however, not applicable for exports under value payable post parcel.

During this period clarifications were given by the Government regarding third-party exports. It was clarified that third-party exports might be accepted provided bill of lading and shipping bills were in the name of the Registered Exporters and bank attested invoice was in the name of the third-party clearly indicating that the exports were in the name of the shipper (Registered Exporter). It was also provided that in case the bank-attested invoice did not give the above indication, a declaration from the third-party to the effect that the invoice was drawn in relation to the shipment by the Registered Exporter was sufficient.

In order to provide imported raw materials and components to enable the manufacturers/exporters to execute specific export orders secured by them from overseas, import licence were granted on advance basis on application to the licensing authorities of the region in the prescribed forms which after scrutiny were forwarded to the office of the Chief Controller of Imports & Exports, New Delhi for approval.

At the beginning of the year, nominations for issue of import licence in the name of the nominees were to be made within 15 days from the date of export. Later during the year the nominations were permitted to be made at the time of submission of import applications in the name of the nominees, that is, within one month succeeding the period of exports for which applications were made. For this purpose, the application form for import licence was amended by incorporating nomination form therein.

After implementation of the revised procedure for submission of export documents as mentioned above, the application forms for import licence and cash assistance were revised providing columns therein enabling the exporters to furnish the bank certificate references etc. under the revised procedure.

At the beginning of the year under review clarifications regarding scale of assistance were issued for about 500 items. During the year clarifications were also issued by the Ministry of Commerce, New Delhi, regarding scale of assistance for about another 500 items.

In order to provide the exporters with ready information about the scale of assistance available on the exports of different engineering products, the Council published a booklet indicating the rates of import replenishment and cash assistance fixed on the items in terms of percentages of F.O.B. value of exports.

During the year an item 'Silver Solder (Rolled)' was included in the scheme allowing import replenishment licence @ 50% of F.O.B. value and cash assistance @ 10% of F.O.B. value in line with non-

ferrous manufactures n.o.s. (other than aluminium manufactures). This item was, however, deleted with effect from the 25th August, 1967.

After announcement of the new export assistance scheme some representations were made for revision of the rates of import licence and/or cash assistance for certain engineering goods as the scale of assistance announced was not adequate. During the year the Government announced revised rates of cash assistance for certain engineering products, details of which were circulated to the members for information. A list of the revised rates of cash assistance announced by the Government during the year under report is given below:

Sl. No.	Products	Rate of cash assistance originally (% of f.o.b value)	Revised note of cash assistance (% of f.o.b value)
1.	Machine tools with or without accessories and attachment, centre lathes milling machines, drilling machines, shaping machines, planing machines, hacksaw machines, power presses, machine tools n.o.s.	10%	20% from 1.6.67
2.	Hacksaw blades and Bandsaw blades	10%	15% ..
3.	Twist drills	10%	15% ..
4.	Milling cutters	10%	15% ..
5.	Wood working saws	10%	15% ..
6.	Diamond cutting tools of all types	10%	15% ..
7.	Small and cutting tools n.o.s.	10%	15% ..
8.	Turbine pumps	15%	25% ..
9.	Bicycle components and accessories	20%	25% ..
10.	Bicycle complete	20%	25% ..
11.	Engineers Steel Files	10%	15% ..
12.	Steel Bright bars and shafting	10%	15% From 1.9.67 subject to certain condition.
13.	Diesel engines, all types	10%	15% From 1.9.67
14.	Electric fans, all types	10%	15% ..
15.	Steel wire ropes	15%	20% ..
16.	Steel castings	20%	25% ..
17.	Steel pipes and tubes	20%	25% ..

In order to mobilise the exports further, Government have allowed additional cash assistance for 15 industries for exports effected during 1.3.68 to 28.2.69 subject to the condition that the manufacturers exporters of the items would export 10% more during this period in relation to exports effected during the preceding 12 months and merchant-exporters would export at least 10% more or Rs. 2.50 lakhs whichever is higher by the merchant-exporters during this period in relation to previous 12 months exports viz. for the period 1.3.67 to 29.2.68.

REPLENISHMENT

Replenishment Scheme for supply of raw material on export promotion Top Priority to the fabricators of engineering items has been considerably changed. Under the erstwhile Export Promotion Scheme raw material would be available to the fabricators at concessional export price announced by the Iron and Steel Controller. Following devaluation the concession of price was withdrawn on and from 6-6-1966. Green Form Scheme was introduced by the Ministry. The Scheme operated from 6-6-66 to 1-5-67. The Export

Promotion Quota under the Green Form only got top priority for supply. The raw materials were supplied at normal rate.

Reimbursement Scheme has been introduced by the Joint Plant Committee. The Scheme has been operating from the 2nd May, 1967. Under the Reimbursement Scheme the fabricators of engineering items get the benefit of international price on indigenous steel materials used in the items of export. The raw material is granted to the extent of 100% in the item of export. Recommendations for raw material (replenishment quota) and recommendations for reimbursement of the difference between domestic and international prices are made out separately. The recommendations are sent to the Joint Plant Committee for necessary action.

During the year under review the Council has issued recommendations under the Green Form Scheme as well as Reimbursement Scheme. All the recommendations against exports made from the 2nd May, 1967 onwards are under the Reimbursement Scheme. During the year the following quantities of steel, tin plate and pig iron has been recommended under the above Scheme:

Figures in M/T.

Month	Replenishment			Advance	Reimbursement		
	Steel	Pig Iron	Tinplate	Steel	Steel	Pig Iron	Tinplate
1	2			3	4		
1967							
April	42.425	796.207	—	—	—	—	—
May	1428.402	975.693	—	50.224	—	—	—
June	—	—	—	—	—	—	—
July	4.107	—	—	4572.037	—	—	—
August	3952.486	709.182	35.360	130.435	2491.324	556.635	—
September	104.786	607.182	59.080	7643.692	1678.769	905.203	—
October	—	—	—	—	—	—	—
November	969.082	113.746	—	530.497	744.837	1081.568	—
December	1587.000	1376.115	2.512	426.625	1509.512	1628.633	—
1968							
January	986.015	858.637	—	1155.458	5613.464	1008.419	—
February	—	—	—	—	—	—	—
March	1215.239	1879.670	3.881	1238.163	6184.684	2074.889	104.618
	10299.542	7313.432	100.833	15747.131	18222.590	7255.347	104.618

The department also sends representative to the meetings held quarterly by the Joint Plant Committee to fix tentative Rolling Programmes of the main producers. The representatives from the Council put up list of outstandings of angles, bars and channels etc. for supply from the current rollings. We have noted that the Executive Secretary, Joint Plant Committee accordingly advise the producers for the supplies.

Follow-up of Old Outstanding Supplies at Concessional Price

After devaluation on the 5-6-1966 concessional price was withdrawn and in consequence the main producers had stopped supply at concessional price against the Council's recommendations. The department

made constant follow-up for a final decision. The department had succeeded in getting the decision only in November 1967 after the matter was discussed with Shri J. Banerji, Director (Export Assistance), Shri K. Rajagopalan, Development Officer; DGTD, and Shri S. Sahay, Iron & Steel Controller and many others. It was decided that against all export made upto the 5th June, 1966 and where foreign exchange was realised before the 6-6-1966 supply should be made at concessional price. The Council was empowered to check up relevant bank certificates to ascertain the payment and issue certificate to that effect to the producers for the supplies. The department, in pursuance of the decision have checked up bank certificates of many firms who had got suspended old outstandings which involved concessional price. Where the department was satisfied it issued certificates for charging concessional price.

Fixation of Standard Net Weight and Wastage

The replenishment and reimbursement quota are granted on 100% of the raw materials consumed. To arrive at the 100% standard net weight and wastage are fixed. The DGTD approves the standard net weight and wastage. The department also checks up the wastage pro forma along with blue prints, drawings etc. sent by the fabricators for new items and takes up the issue with the DGTD New Delhi. In this connection, where necessary, representative from the department visits the factory of the fabricators.

Recommendations for reimbursement are issued for the same quantities of pig iron, steel and tinplate (except wire) which are recommended as replenishment quota. In some cases the fabricators only claim for reimbursement. In such cases recommendation for raw materials are not issued. The recommendations for raw materials are sent with indents of the manufacturers and these are planned on producers for supply at normal rate. The recommendations for reimbursement are sent for the payment of difference between the internal selling price (normal price) and international price.

Advance Allocation

Under the existing Scheme for priority supply of steel for export production the Council recommends steel, tin plate and pig iron as the case may be on advance basis against urgent demand of raw material to fulfil export commitment. Recommendations are issued usually after the verification of original export orders received by the exporters and the L.C. received in this connection from the overseas buyers. Among the outstanding advance recommendations mention may be made of Braithwaite and Co. (I) Ltd. against wagon export order and Jessop & Co. Ltd., against pressed steel tanks and stagings and bridge girders export order. Many other recommendations have been issued in favour of different engineering firms.

Supply of Recommended Raw Material

Many complaints are received from the fabricators regarding delay in getting supply of sheets and plates of thinner gauges. The complaints have been chronic for past few months. In fact the supply position which had deteriorated after devaluation has not been improved. The Council has made some earnest efforts for better supply to EPC quota holders on export promotion Top Priority next only to defence. It has tried to impress upon the Union Ministries of Commerce and Steel, Mines and Metals that exporters who require the material to fulfil export commitment cannot afford to wait for long to receive the supply. It affects adversely. The export target cannot be reached.

The Iron and Steel Controller who is also Director of Export Production to whom the problems are placed has always extended his cooperation. In many cases he has recommended for supply from the ISC's Reserve quota. He has also pointed out that production of sheets and plates of thinner gauges has declined, and is limited. Besides the automatic priority in planning the EPC quotas are having, the Steel Priority Committee of the Ministry of Steel, Mines and Metals, New Delhi allocate priority for supply of sheets and plates of thinner gauges. The Council sends details of works orders pending with different producers to the Steel Priority Committee, New Delhi for allocation of priority for supply. The Council acting on the

advice of the Iron and Steel Controller, had sent statements of outstandings to the SPC and obtained priority on many outstanding orders. The Council has also disseminated the information regarding SPC among the member-firms. Statements have also been sent to the SPC New Delhi and the Iron and Steel Controller, Calcutta for allocation of priority on the outstandings in its next meeting to be held shortly. The Iron and Steel Controller has assured to allocate SPC priority on the 100 % of the outstanding shown in the statement. Monthly joint meeting has also been revived. Statements of outstandings are sent every month regularly to the producers concerned, to the Dy. Director (Export Promotion), Iron and Steel Controller and to the senior officers in the Union Ministry of Commerce and the Ministry of Steel, Mines and Metals. The department is constantly reviewing the outstanding position of raw material against EPC quotas and taking its best care to see improvement in supply position. It may, however, be mentioned that despite the efforts made for improving the supply position it has not been possible to meet the export demand for various scarce categories of steel.

SHIPPING FREIGHT CONCESSIONS

The Council, as usual, recommended applications submitted by the member-firms for fixation of promotional ocean freight rates. Details of concessional freight rates secured through the Freight Investigation Bureau during the year have been published in a booklet entitled 'Freight Concessions'.

GENERAL INCREASE IN FREIGHT RATES

During the year under review, the following Shipping Conferences/Lines effected general increase in freight rates as shown against each:

Conference Lines	Trade	Rate of increase	Date effective
The Calcutta, East Coast of India & East Pakistan/USA Conference	India/U.S.A. Atlantic & Gulf of Mexico Ports	10%	11-10-67
The West Coast of India, Pakistan/USA Conference	-do-	10%	27- 9-67
The Shipping Corporation of India and M/s. Mackinnon & Mackenzie & Co. Ltd.	Calcutta/Australia	7½%	1-10-67
The Malabar Australia Agreement	Malabar/Australia	7½%	-do-
The Bombay Australia Agreement	Bombay, Saurashtra Ports and Mangalore/Australia	7½%	-do-
The British India Steam Navigation Co., Bombay	India/New Zealand	10%	15- 9-67
M/s. Turner Morrison & Co., Calcutta	Calcutta/East & West Africa Trades	7½%	End-December 1967
M/s. Ellerman & Bucknall Steamship Co. Ltd.	Calcutta, Bombay/East Canada	10%	End-Jany/Early Feb. 1968
M/s. Hansa Line, Calbus Line & R.A.J. Line	Calcutta/Persian Gulf	7½%	20-11-67
M/s. Hoegh Line (Local Agents-M/s. Volkart (I) Ltd., Bombay)	Bombay/East Canada	10%	20- 2-68
M/s. Nedlloyd & Hoegh Lines, American Mail Lines and Scindia Steam Navigation Co.	East Coast of India/U.S. Pacific Ports	7½%	18- 2-68
M/s. Nedlloyd & Hoegh Lines	West Coast of India/U.S. Pacific Ports	10%	-do-

The Council vehemently protested against these general increases in freight rates and submitted representations to the Shipping Lines, Directorate General of Shipping and the Shippers' Councils, urging upon them to exempt engineering goods from the purview of the general increase in view of the high incidence of freight on these items and also of the cut-throat competition prevailing abroad. At the instance of the Dy. Director General of Shipping most of the Shipping Conferences/Lines agreed to hold meeting with the Shippers' representatives in order to take them into confidence about the necessity of the general increase. Meetings with individual Shipping Conferences/Lines were accordingly arranged in the auspices of the Eastern India Shippers' Association. The Council attended these meetings and bargained hard to get exemption of engineering goods. As a result of our concerted efforts in co-operation with the Deputy Director General of Shipping and the Eastern India Shippers' Association, the Conferences/Lines agreed to give special considerations to engineering goods on individual application from Shippers and accordingly some of the items were exempted.

Diversion Surcharge

Consequent upon the developments in West Asia and the closure of Suez Canal the Shipping Conferences/Lines in the India/U.S. Atlantic, India/Canadian Atlantic and India/U.K./Continent etc. decided to impose surcharge as indicated below:

Trade	% Surcharge	Effective date
1. U.S.A. (Atlantic)/India	25	23-6-1967
2. India/U.S.A. (Atlantic)	20	23-6-1967
3. India/U.K./Continent (both East bound and West bound)	17½	8-6-1967
4. India/Eastern Canada (East bound & West bound operated by M/s. Scindia Steam Navigation Co. Ltd.)	15	30-6-1967
5. West Coast of India/Eastern Canada—East bound & West bound (operated by M/s. Ellerman & Bucknall Steamship Co. Ltd.)	15	-do-
6. India/U.S. Great Lakes—East bound & West bound (operated by M/s. Scindia Steam Navigation Co. Ltd.)	15	30-6-1967
7. India/Red Sea	10	8-7-1967
8. India/Middle East Ports—direct shipments (other than Suez and Aquaba)	25	-do-
9. India/Suez and Aquaba	10	-do-

The Council protested against the imposition of surcharge and as a result of its negotiation through the Directorate General of Shipping and the Eastern India Shippers' Association, the East Coast of India/U.S.A. Conferences and the India/U.K. Continental Conferences reduced the surcharge to 15%.

Sterling Devaluation Surcharge

Consequent upon the devaluation of the Pound Sterling by 16 % the U.K. Continental Conferences had levied a 12½ % surcharge with effect from the 24th November, 1967 in order to restore the monetary value of all the rates of freight at the level prior to devaluation. In support of their action the Conferences stated

that with the devaluation of sterling, which was principally the reserve currency, the yardstick against which the rates had been fixed had diminished in size and that although it had become necessary to impose a surcharge of 15% they had agreed to reduce it to the current 12½% following representations received from the India Government. The Council strongly protested against this unilateral decision of the Conference. At a meeting with the Conference representatives under the auspices of the Eastern India Shippers' Association it was argued that when the exporters were already paying surcharges due to the closure of the Suez Canal it was not understood how the Conference Lines stood affected by the devaluation because the freight was in terms of Pound. It was also shown to them that the Lines could, without application of the surcharge, remit more Sterling after its devaluation than they could prior to devaluation of Indian rupee. It was also added that there should be some uniform basis for imposing devaluation surcharge; if the benefit that accrued to the Lines from the devaluation of the rupee had not been passed on to the Shippers there appeared to be no justification for imposing a surcharge because of the devaluation of Sterling. The representatives of the Conferences reiterated that the stand taken by them in favour of the levy of the surcharge was just and proper while it was stated on behalf of the Shippers that the Conference stand could not be appreciated particularly after their tariff had been converted to Dollars. The whole matter needed thorough re-examination.

SHIPPING SPACE

The Council also continued its efforts to solve the Shipping Space problems encountered by the exporters, of which particular mention of the following may be made:

(a) Shipment to Ceylon

The problem of inadequacy of Shipping Space for Ceylon was regularly followed up with the Directorate General of Shipping. Although regular sailings could not be established in view of the continued congestion at the Colombo Port, the Deputy Director General of Shipping assured that if sufficient Cargo was available it would be possible to make arrangement for chartered ships. He instructed the Freight Investigation Bureau, Calcutta, to co-ordinate the cargo for Colombo. Since the ad hoc arrangements made, from time to time, for sailings to Colombo were not considered sufficient, the Council continued its efforts for establishment of regular sailings to Colombo. Meanwhile Messrs. R. A. Jadwet & Co. Pvt. Ltd., Calcutta, had agreed to declare vessels for Colombo occasionally. The question of extending the West Coast of India Service to cover Colombo was under examination by the Coastal Conference.

(b) Shipment to Afghanistan from Calcutta

It was reported that exporters in the Eastern Region were finding difficulties in quoting the C.I.F. prices to prospective importers in Afghanistan since there was no direct shipping service to Karachi from Calcutta whereas such services were available from Bombay. The problem was discussed with the Deputy Director General of Shipping who reported that so long as Pakistan would not cooperate there could be no improvement in the situation. The exporters were therefore advised to utilise the services from Bombay having availed of the Railway freight concessions.

(c) Shipment to Caribbean and South American Ports

The problem of direct shipment to Caribbean and South American Ports at reasonable freight rates had always been engaging the attention of the Council and was taken up with the Directorate General of Shipping as reported last year. It was regularly followed up with them. The Directorate General of Shipping assured that the question of introducing direct sailings to Caribbean and South American Ports was under constant examination but under the existing conditions the possibility was remote due to several reasons apart from lack of economic loads. So the immediate direction in which they could assist the Shippers was to prevail upon the Shipping Lines to try and lower the rates in deserving cases.

But in cases where transshipment was involved the Shipping Lines were generally found to express their inability to reduce the freight rates on the plea that they did not have any control over the on-carriers' tariff structure. In view of the above, the question was again discussed with the Deputy Director General of Shipping who expressed hope that the Shipping Corporation might be persuaded to start direct service provided economic quantum of cargo was available. The India-Brazil Trade Agreement could help tiding over the situation. However, the requirements of the trade were being reviewed periodically.

(d) Direct Shipping Service to Indonesia

In the absence of direct sailings to Indonesia, exporters were finding it difficult to develop their exports to that country. The problem was felt more acutely in view of the Rs. 10 crore Credit Agreement and also the conclusion of the India-Indonesia Trade Agreement. The problem was taken up with the Directorate General of Shipping as also the Union Ministry of Commerce. It was also discussed with the Deputy Director General of Shipping and the Addl. Director General of Shipping emphasising the need for direct Shipping Services at least once a month. The Directorate General of Shipping accordingly negotiated with the Shipping Corporation of India who agreed in principle to start such sailing and were reviewing the requirements of the trade.

It is now heartening to note that the Shipping Corporation of India have since declared a direct Shipping Service to Indonesia from the West Coast of India. It is expected that similar sailings will be started from Calcutta also.

(e) Shipment to Persian Gulf Ports

M/s. Hansa Lines and Calbas Line proposed to effect $12\frac{1}{2}\%$ general increase in their tariff rates with effect from the 1st October, 1967. The Council vehemently protested against the proposed increase to the Directorate General of Shipping and also at the joint meeting of the Carriers and the Shippers in the auspices of the Eastern India Shippers' Association. Having considered all aspects of the case, the Government advised them to restrict their increase to $7\frac{1}{2}\%$. The proposal was not acceptable to them and they, therefore, ultimately suspended their services to Persian Gulf Ports with effect from the 1st January, 1968.

With a view to mitigating the difficulties of the Shippers the Shipping Corporation of India were allowed to operate their services in this route in conjunction with other Indian Lines. At a meeting with the Shipping Corporation of India the following broad conclusions were reached at:

1. A new Tariff should be a nett rate Tariff after adding 7.5% to the nett rates which prevailed on the 30th October, 1967.
2. The Tariff so formulated would come into force from the 15th May, 1968 and remain in force normally for a period of 2 years.
3. The rates were to be quoted in Indian rupees.
4. The Shipping Lines should give due consideration to requests for adjustments in rates on individual items.

(f) Shipment to Aden and Red Sea Ports

It was reported that following Suezcanal crisis there were absolutely no sailings to Aden and Red Sea Ports on account of reluctance of the members of the Aden and Red Sea Freight Rate Agreement to declare vessels for these ports. The problem was discussed with the Additional Director General of Shipping and the

Deputy Director General of Shipping. It was suggested to them that the Shipping Corporation of India should come forward to help tide over the situation. The Deputy Director General of Shipping informed us that the Shipping Corporation of India were acquiring two vessels which would be pressed into service on this route.

(g) Shipment to Mediterranean and U.A.R. Ports

Following the Suezcanal crisis, difficulties were also experienced in shipments to Mediterranean and U.A.R. Ports. The problem was also taken up with the Deputy Director General of Shipping who reported that the U.K. vessels were not allowed to enter the U.A.R. ports. He, however, assured that the Government was considering the question of laying on some vessels on this route through the Shipping Corporation of India.

PORT PROBLEMS

The Government of India set up a Commission on Major Ports:

- (i) to examine the methods of working of major ports with a view to improving their operational efficiency,
- (ii) to consider broadly their development programmes in the context of present and future national needs with special reference to the changing shipping and port technology,
- (iii) to examine specifically the following aspects of port working: (a) Management, (b) Financing and (c) Personnel,
- (iv) to consider in the light of the above, the capacity of the ports to enhance the current rate of ex-gratia payment,
- (v) to review the arrangements that exist for coordination among the different ports and
- (vi) to make recommendations on the above and other ancillary matters.

The Council submitted a memorandum to the Commission direct and also through the Eastern India Shippers Association, pointing out the difficulties experienced by the exporters due to inadequate handling facilities, storage facilities, congestion, slow turn-round of ships, pilferage and other day-to-day problems at ports. The Council also discussed these problems with the Chairman, Calcutta Port Commissioners who assured to look into these problems. Following the Council's meeting, the Chairman appointed Shri K. K. Mitra, Planning Officer (Traffic) attached to the Calcutta Port Commissioners Planning and Research Cell to serve as a Liaison Officer between the Port Administration and the Users of the port. He would normally look into the difficulties and problems of the trade and shipping except the day-to-day problems of berthing of ships or movement of cargo which would continue to be dealt with by the appropriate officers at different departments of the port.

RAILWAY FREIGHT CONCESSIONS

The exporters continued to enjoy the railway freight concessions as usual during the year under review on various engineering items, details of which have been published in a booklet entitled—'Freight Concessions'.

Further cases were also sponsored by the Council for extension of railway freight concession to certain other items. These cases are still under consideration of the Railway Board.

Assistance was also rendered to individual exporters in getting refund of railway freight concessions.

COMPLAINTS

At the beginning of the year under review, there were 51 complaints outstanding from overseas buyers against Indian exporters, the nature of the complaints being as given below:

Defective supply	..	..	..	..	..	20 cases
Delay in execution of order			..	..	..	7 „
Delay in payment of commission	..	..	..	..	..	8 „
Short shipment	..	..	..	..	..	6 „
Non-refund of deposit money	..	..	..	..	..	1 case
Payment of demurrage charges	..	..	..	..	..	3 cases
Supply not according to specifications	..	..	..	..	..	5 „
Non-supply of spare parts	..	..	..	..	..	1 case

During the year the following 63 complaints were received:

Delay in payment of commission	..	..	..	..	..	12 cases
Delay in execution of order	..	..	..	..	..	22 „
Defective supply	..	..	..	..	..	16 „
Short shipment or short landing	..	..	..	..	..	2 „
Supply not according to specifications or samples				..	..	8 „
Payment of demurrage charges due to delay in sending documents					..	2 „
Supply of goods without markings	..	..	..	..	..	1 case

The Council in consultation with the Complaint Sub-Committee was able to settle 45 complaints, the remaining being under negotiation.

Complaints about payment of commission, delay in the execution or non-execution of orders etc. were solved more easily than those about defective supply since in most cases the complaints were not in a position to corroborate their complaints by furnishing documentary evidence such as Survey Reports of the defective goods from recognised Surveyors like Lloyds.

Certificate of Origin

During the year under report the Council's Regional Offices at Bombay, Delhi and Madras were also

authorised by the Government of India to issue certificates of origin. The number of such certificates issued by the Council were 456 as under:

Calcutta	..	..	..	320
Bombay	..	..	..	71
Delhi	..	..	..	42
Madras	..	..	..	23
Total				456

MEMBERSHIP

Membership as on the 31st March, 1968 stood at 2,029 after adjustment of firms having resigned during the year under review. Regionwise distribution was as under:

Eastern Region	..	..	510
Northern Region	..	..	405
Southern Region	..	..	234
Western Region	..	..	880
2,029			

754 new members were admitted to the membership of the Council.

PROBLEMS IN CONNECTION WITH DRAWBACK OF DUTY

As in the previous year, the Council continued to assist the exporters in having their rates of drawback fixed and their claims settled expeditiously by the Government/Customs and Central Excise authorities. It also assisted the exporters whenever they had some difficulty in the customs formalities in regard to their shipments.

The Council also took up the matter for revision of drawback rates fixed on industry basis on bicycles and components and automobile components where the actual incidence of duty was not commensurate with the rates fixed. Rate on bicycle chains was revised to 24% from 15% of F.O.B. value. Auto-electrical components and leaf-springs were brought under Schedule II of the Drawback Rules whereby the individual brand rates were fixed on application by furnishing data in the required pro forma. Rates of drawback on wire ropes were also revised and consolidated rates on the ropes with the fibre content were also fixed.

By persistent efforts the Council has also been successful in having the rates of drawback on steel tubular furniture and steel pipes & tubes revised keeping in view the higher incidence of duty.

While the rates of drawback either on industry basis or on brand basis were being fixed, wastage @ 5% was being taken into account. The Council represented to the Government that the quantum of 5% taken into account for wastage was inadequate as it was much more as in certain cases it was as high as 35 to 40%. Higher percentage of wastage should therefore be taken into account and the Government finally agreed to have this percentage revised to 8. The Council is, however, pursuing the matter with the Government to take into account the wastage as approved by the Directorate General of Technical Development. Problems confronting the exporters were discussed by the Council with the Inter-Departmental Committee which met periodically at different centres of the country.

The Council was also successful in having industry rates fixed for the following items:

1. Diesel Engines spares, parts and accessories
2. Pressure Stoves made of brass and components thereof made of brass/copper (including packing)
3. ACSR Conductors
4. Electric motors—3 phase squirrel cage not exceeding 20 H.P. excluding the vertical hollow shaft motors
5. Steel Castings

Efforts were also made to fix all industry rates on electric fans and components and on electric transformers and switch-gears.

In order to streamline and simplify the procedure involved in fixation of rates and settlement of claims, the Government of India appointed a High Power Committee under the Chairmanship of Shri B. N. Banerjee, Special Secretary in the Union Ministry of Commerce. This Committee has submitted its report in November 1967. The Council met the members of this Committee and emphasised the need for streamlining the legal and procedural arrangements for fixing the drawback rates and prompt settlement of the drawback claims. A number of recommendations were made by this Committee and these are under consideration of the Government.

PANEL DIVISION

With a view to increasing the export of engineering products and to identify the problems confronting the exporters, the activities of the 30 panels of the Council were intensified during the period 1967-68. In all, 110 meetings of the different panels were held. Opportunity was taken at these panel meetings to review the export performance of items covered by them and setting up of export targets for the entire industry. As a result of these discussions, a target of Rupees 42 crores was fixed by the Council for 1967-68. Attention of the Council was focussed on a large number of problems affecting the exports viz. inadequate incentives, availability of different categories of steel and pig iron, fixation of duty drawback and payment of drawback claims, high shipping freight rates for certain items, non-availability of shipping space and sailings to different ports, necessity of sending study-cum-sales teams to find out marketing possibilities abroad etc. The decisions taken at these meetings were followed up and necessary representations were made to various Government authorities for obviating the above mentioned difficulties.

In some of the engineering items it was reported that Indian exporters were indulging in price cutting with a view to obtaining business. Measures were, therefore, taken to arrest this unhealthy tendency of inter sec. competition which was not only likely to cause loss of foreign exchange to the country but also affect business on a long term basis. Minimum export prices for such items were fixed in consultation with the Panel members.

A significant feature of the year was the Government's decision to liberalise the import policy in respect of priority industries in order that their import requirements were met fully and they could be in a position to make larger contribution towards the export effort. With a view to balancing maintenance of imports with exports as quickly as possible, 20 meetings of priority industry were held and were attended by senior Officials of the Union Ministry of Commerce and Directorate General of Technical Development. Apart from highlighting the problems affecting exports of the products under these industries, these meetings were successful in inducing an export consciousness amongst the exporters and as a result export targets

were fixed. The helpful attitude of the Government enabled to solve many of the difficulties experienced by exporters.

The important achievements of the year under review were (i) introduction of the export levies/subsidies scheme for export of steel pipes and tubes, (ii) formation of two consortia viz. Aluminium Conductors and Power Cables, (iii) voluntary agreement by manufacturers of electrical steel stampings and winding wires to provide the same at concessional prices to exporters of electrical equipment to increase their competitive position in foreign markets and (iv) Government's decision to supply steel and pig iron to exporters at international prices.

Under the levy scheme, leading tube manufacturers combined with a view to increasing the exports of steel pipes and tubes and with the approval of the Union Ministry of Commerce raised their domestic prices of steel pipes and tubes by Rs. 80 per tonne. This increase in selling price was allowed for the specific purpose of subsidising exports. It was agreed that the Council would maintain the account of deposits made by the tube manufacturers and they would be paid Rs. 160/- per tonne (for 1 tonne of tubes exported by them against 2 tonnes despatched in the home market, i.e., at the ratio of 1 : 2).

With a view to successfully participating in global tenders involving huge quantities, it was felt that manufacturers should get together and form consortium in order that bids could be submitted for global tenders on behalf of the consortium. Discussions were held by the Council in this regard with the manufacturers concerned and two consortia, one for Aluminium Conductors and another for Power Cables were formed.

Considerable difficulty was being experienced by manufacturers of electrical equipment in marketing their products at competitive prices due to high cost of raw materials viz., winding wires and steel stampings. The Council took the lead in the matter and helped to bring out a voluntary agreement by the manufacturers of winding wires and steel stampings to provide these raw materials to manufacturers of electrical equipment at concessional prices.

The number of meetings held by different panels during the year 1967-68 were as under:

Panel						Number of meetings
1. Ferrous Castings	..	..	..	..	..	9
2. Ferrous Forgings	..	..	..	..	..	(This Panel was under the Ferrous Castings Panel till December 1967)
3. Fabricated Steel Structural	..	..	..	..	..	3
4. Steel Pipes, Tubes and fittings thereof	..	..	..	..	..	8
5. Ferrous Hollow-ware	..	..	..	..	..	1
6. Wire Ropes and Wire Strand	..	..	..	..	..	5
7. Steel Wire Products n.o.s. (other than Wire Ropes and Strand but including steel Fasteners)	..	..	..	..	..	3
8. Steel Products n.o.s.	..	..	..	..	..	7
9. Ingot Aluminium, Semis of Aluminium and manufactures of Aluminium	..	..	..	..	..	(This Panel was under Non-Ferrous Panel till December 1967)
10. Non-Ferrous (Other than Aluminium) Semis and manufactures	..	..	..	..	..	1
11. Internal Combustion Engines	..	..	..	..	..	—

Panel					Number of meetings
12. Pumps and Compressors	..	..	..	..	1
13. Textile Mill Machinery and Accessories	..	..	..	..	3
14. Food Processing Machinery	..	..	..	..	1
15. Industrial Machinery for the manufacture of Sugar, Paper, Cement and Chemicals	..	..	..	..	2
16. Industrial Machinery—Others	..	..	..	..	2
17. Sewing Machines and Accessories	..	..	..	..	2
18. Batteries—Dry and Storage	..	..	..	..	1
19. Electric Fans	..	..	..	..	1
20. Electric Cables and Wires	..	..	..	..	4
21. Electric Generators, Power and Distribution Transformers, Motors, Switchgears and Controlgears	..	..	..	..	6
22. Electrical manufactures n.o.s.	..	..	..	..	3
23. Electronic Equipment, Apparatus, Appliances and Instruments	..	..	..	..	1
24. Machine Tools	..	..	..	..	1
25. Small and Cutting Tools and Hand Tools	..	..	..	..	1
26. Bicycles and Bicycle Components and Accessories	..	..	..	..	4
27. Automobiles, Automobile Ancillaries and Accessories	..	..	..	..	1
28. Railway Equipment	..	..	..	..	6
29. Miscellaneous Engineering Manufactures—n.o.s.	..	..	..	..	6
30. Technical Services	..	..	..	..	(This Panel has been created from January 1968)

The following Priority Industries' meetings were held during the year:

1. Electric Wires and Cables	..	..	..	..	1
2. Steel Castings	..	..	..	..	1
3. M.S. Pipes and Tubes	..	..	..	..	1
4. Dry Batteries	..	..	..	..	1
5. Steel Forgings	..	..	..	..	1
6. Storage Batteries	..	..	..	..	1
7. Hand Tools	..	..	..	..	1
8. Wire Ropes	..	..	..	..	1
9. Fabricated Steel Structurals	..	..	..	..	2
10. Diesel Engines, Pumps and Compressors	..	..	..	..	1
11. Paper, Sugar and Cement Machinery	..	..	..	..	2
12. Construction Machinery	..	..	..	..	2
13. Industrial Refrigeration Equipment	..	..	..	..	1
14. Commercial Vehicles and Automobiles Ancillaries	..	..	..	..	1
15. Bicycles	..	..	..	..	1
16. Elec. Motors, Switchgears and Controlgears, Transformers etc.	..	..	..	..	1
17. Welding Electrodes	..	..	..	..	1

Other meetings Number of meetings

1. Joint meeting of manufacturers/exporters of Electrical Equipment with the suppliers of Winding Wires and Steel Stampings	..	2
2. Indian Consortium for Aluminium Conductors	..	6

Some of the major decisions taken at the Panel Meetings and Priority Industries' meetings were as under:

Panels	Decisions
1. <i>Ferrous Castings</i>	(a) Minimum export prices for manhole covers to the U.K. were revised. (b) Minimum export prices for all types of Ferrous Castings were fixed for the U.S.A. (c) Minimum export price of Rs. 551/- was abolished in respect of Malaysia, Singapore and Hong Kong. (d) Minimum export prices for C.I. Pipes for Canada were fixed. (e) It was decided to represent to the Government for increasing cash assistance for counter balancing the loss due to (£) Sterling devaluation. (f) It was decided to represent for waiving the clause of 10% increased export for availing the additional cash assistance of 5%. (g) It was decided to send a study team to the U.S.A.
2. <i>Ferrous Forgings</i>	(a) It was decided to represent to the Government for allowing cash assistance on export of steel forgings. As a result of this representation, the Government decided to give 15% cash assistance and further agreed to give up to 20% subject to certain conditions. (b) It was decided to represent to the Government to make indigenous raw material available to exporters of forgings at international prices.
3. <i>Fabricated Steel Structural</i> s	(a) Forming of consortium for offering package deal and consultative service to overseas buyers for export of fabricated steel structural was discussed. (b) It was decided to send delegation to selected markets for assessing the overseas demand. (c) It was decided to represent to the Government for making available inch sections of steel at international prices for executing export orders.
4. <i>Steel Pipes, Tubes and Fittings</i>	(a) Minimum export prices for Iran, East Africa, Ceylon and Australia were revised upward to counteract the Pound Sterling devaluation.

Panels

4. *Steel Pipes, Tubes and Fittings (Contd.)*

5. *Ferrous Holloware*

6. *Wire Ropes and Wire Strand*

Decisions

- (b) Levy/Subsidy Scheme was introduced for increasing export of Steel Pipes and Tubes. Exporters of Steel Tubes were allowed to increase their domestic price by Rs. 80/- per tonne and get the subsidy of Rs. 160/- per tonne of export provided the export maintained a ratio of 1 : 2 with home sales.
- (c) It was decided to represent to increase the cash assistance. Subsequently, the cash assistance was increased to 25% of the f.o.b. value.
- (d) It was decided to represent for supply of HR Coils and Skelp at international price to the exporters of Steel Tubes.
- (e) It was decided to represent for fixing the drawback rate in conformity with actual incidence of duty paid by the manufacturers.
- (a) It was decided to represent for increasing the rate of import replenishment on Venylits spotted crown corks. It was subsequently raised to 60%.
- (b) It was decided to represent for increasing the rate of import replenishment on G.I. Buckets. It was subsequently raised to 30%.
- (c) It was decided to represent for making supplies of B.P. Sheets and G.P. Sheets at international prices against export of buckets. B.P. Sheets and G.I. Sheets have subsequently been allowed to exporters of buckets at international prices.
- (d) Difficulty was expressed in regard to high shipping freight rate to certain destinations in respect of G.I. buckets. A representation was made to the authorities concerned. Similarly, the matter was taken up for reducing the shipping freight rate for steel trunks to some destinations.
- (e) Minimum export prices were fixed on Steel Ghamellas for West Africa.
- (a) Minimum export prices of Wire Ropes for Yugoslavia and the U.A.R. were fixed.
- (b) It was decided to send study team to selected countries.

Panel

Decisions

6. *Wire Ropes and Wire Strand (Contd.)*

- (c) It was decided to represent for increasing the rate of cash assistance for wire ropes. It was subsequently raised to 20 %.
- (d) It was decided to represent for including Wire Ropes in the Tripartite Agreement between India, the U.A.R. and Yugoslavia.
- (e) It was decided to represent for inclusion of Wire Ropes in the INDIA-U.S.S.R. Trade Agreement.
- (f) It was decided to represent for making available funds from Marketing Development Fund for developing export market in Latin American countries where the incidence of shipping freight was very high and sailings were very few.

7. *Steel Wire Product n.o.s. (other than ropes and strand but including steel fasteners)*

- (a) It was decided to represent for supply of wire at international price to the exporters of wire products. It was also decided to represent for making available billets at concessional prices to the firms who were having drawing facility.
- (b) It was decided to represent for increasing the cash assistance on the products covered by the Panel to counteract Pound Sterling devaluation.
- (c) It was decided to represent for increasing the scale of import replenishment in respect of certain items where it was found that the present import replenishment was not sufficient.
- (d) It was decided to send study teams to selected countries for exploring the possibilities of developing exports.

8. *Steel Products n.o.s.*

- (a) It was decided to represent for waiver of the clause of 133-1/3 per cent of the actual raw materials used for availing cash assistance on bright bars.
- (b) It was decided to represent for fixing drawback rate on steel folding furniture in conformity with the actual incidence of duty paid.
- (c) It was decided to take up with the authorities for reduction of shipping freight rates in respect of steel furniture for certain destinations.

Panel

Decisions

9. *Ingot Aluminium, Semis of Aluminium and Manufactures of Aluminium*

(a) It was decided to make representation for allowing export of Aluminium Ingots. The Government had since allowed export of Aluminium Ingots.

(b) It was decided to make representation for allowing cash assistance against export of Aluminium Ingots and Alloys.

(c) It was decided to represent for fixing drawback rate on aluminium products viz. Aluminium Utensils in conformity with the actual incidence of duty paid by the manufacturers.

10. *Non-ferrous (other than Aluminium) Semis and Manufactures*

It was decided to represent for allowing export of nonferrous alloys other than Aluminium.

11. *Internal Combustion Engines*

(a) It was decided to represent for increasing cash assistance on Diesel Engines. The cash assistance was raised from 10 to 15% of the f.o.b. value.

(b) It was decided to represent for providing funds for developing markets in Latin American countries from the Marketing Development Fund.

12. *Pumps and Compressors*

(a) It was decided to represent for increasing cash assistance and import replenishment on pumps and pumping sets. The cash assistance on Turbine Pumps was increased from 15 to 25% with effect from the 1st June, 1967.

(b) It was decided to write to the Government to prevail upon the authorities in Burma and Saudi Arabia to provide visa facilities to the Indian exporters for visiting these countries to negotiate business.

13. *Textile Mill Machinery and Accessories*

(a) It was decided to represent for increasing cash assistance and import replenishment on Textile Mill Machinery and Accessories.

(b) It was decided to make representation to the Government for clearly spelling out the items covered by the Textile Mill Machinery and Accessories, so that, no difficulty was faced for getting import replenishment and cash assistance applications settled.

14. *Food Processing Machinery*

(a) It was decided to represent for increasing the rate of import replenishment on oil mill machinery. It was subsequently enhanced from 10 to 20%.

Panels

Decisions

14. *Food Processing Machinery (Contd.)*
- (b) It was decided to survey the markets of East Africa for Tea-Machinery by sending a delegation.
15. *Industrial Machinery for the manufacture of sugar, paper, cement and chemicals*
- (a) It was decided to send a study team to countries where there were sugar and cement industries.
- (b) It was suggested that credit facilities at special interest should be available to the exporters of sugar and cement mill machinery as they had to extend a long term loan to their purchasers in the overseas markets.
16. *Industrial Machinery—others*
- (a) It was noted that road building programmes were being undertaken in different countries. Members expressed desire to obtain the details of these programmes to explore the possibilities of supplying equipments like Road Rollers, Concrete Mixers, Vibrators, Hot Mix Plants etc. The Office requested the Indian Trade Representatives abroad as well as its Foreign Offices to forward the details of road building programmes in the respective countries.
- (b) Import replenishment on export of excavators was increased from 10 to 20% of the f.o.b. value.
17. *Sewing Machines*
- It was decided to import sample of packaging material from West Germany for scrutiny of members for improving packaging techniques of sewing machines.
18. *Batteries—Dry and Storage*
- (a) It was decided to represent to the Reserve Bank to grant sufficient daily allowance to senior representatives of the exporting firms going abroad, so that, entertainment could be provided to the purchasers as was being done by the other exporting countries.
- (b) It was suggested that the Reserve Bank should grant sufficient foreign exchange to carry out publicity campaign in overseas countries.
- (c) It was decided to represent that the duty drawback should be fixed to the extent of actual incidence of duty paid by the manufacturers of storage batteries.
- (d) It was suggested that the problem of getting shipping space for Arabian ports at the time of Haj should be solved.

Panels

19. *Electric Fans*

20. *Electric Cables and Wires*

Decisions

- (a) It was decided to make available winding wires and steel stampings at concessional prices on export of Electric Fans.
- (b) It was decided to represent for fixing drawback duty on complete fans and CKD fans on all-industry basis.
- (c) In order to improve the design of table fans to compete with the fans of other exporting countries, it was suggested that funds should be available from Marketing Development Fund to carry out research and development work.
- (a) Minimum export prices for AAC and ACSR fixed to South East Asian countries excepting Ceylon were revised downward.
- (b) It was decided to represent for allowing higher rate of cash assistance on Aluminium Conductors.
- (c) It was decided to represent for allowing cash assistance on copper conductors and cables.
- (d) It was decided to represent for waiver of the condition of minimum export value of £1,00,000 for each order to avail cash assistance on export of PILC cables.
- (e) It was decided to represent for fixing duty drawback on Aluminium conductors on the basis of actual incidence of duty paid by the manufacturer.
- (f) It was decided to take up the matter for making available EC Grade aluminium at concessional price to the exporters/manufacturers of aluminium conductors.
- (g) It was decided to take up the matter either to allow import of PVC Resin and Compound or to make available the same at reduced price to the exporters of PVC Insulated Cables.
- (h) Two Consortia, one for Power Cables and the other for Aluminium Conductors were formed to handle large enquiries.

Panels

Decision

21. *Electric Generators, Power and Distribution Transformers, Motors, Switchgears and Controlgears*

- (a) It was decided to represent for simplifying the method of calculating drawback rate on kVA basis for Transformers.
- (b) It was decided to represent for fixing industry-wise drawback rates for Electric Motors.
- (c) A voluntary scheme for supply of electrical steel stampings and winding wires at concessional rate on export of items covered under the Panel came into effect from the 1st April, 1967.
- (d) The question of forming Consortium to undertake turn-key job for electrical projects in the overseas countries and to handle large enquiries effectively was discussed.
- (e) It was decided to represent for waiver of the condition of 10% higher export for availing 10% additional cash assistance on export of Electric Motors, Transformers and Switchgears.

22. *Electrical Manufacturers—n.o.s*

- (a) It was decided to request the Government to allow import of compressors against export of refrigeration equipment. The representation of the Council was not accepted.
- (b) It was suggested that effort should be made to include industrial refrigeration equipment in Bilateral Trade Agreements.

23. *Electronic Equipment, Apparatus and Instruments*

- (a) A list of components and spare parts was sent to the Government for allowing their import against export of Radios and P.A. Equipment.
- (b) It was suggested that import of prototypes should be encouraged for improving the design and quality of Indian products.

24. *Machine Tools*

- (a) It was suggested that Machine Tools should be included in the Bilateral Trade Agreements with East European countries.
- (b) It was decided to represent for increasing cash assistance on Machine Tools from 10 to 20%. It was subsequently raised to 20%.

Panels

24. *Machine Tools (contd.)*

25. *Small and Cutting Tools and Hand Tools*

26. *Bicycles, Bicycle Components and Accessories*

27. *Automobiles, Automobile Components and Accessories*

Decisions

(c) It was decided to represent for waiver of the condition of 10% increased export for availing 5% additional cash assistance on export of Machine Tools.

(a) It was decided to represent for categorising various hand tools and cutting tools according to the metal used in their manufacture for the purpose of incentives.

(b) It was decided to represent for allowing 50% import replenishment and 15% cash assistance against export of high speed steel tools.

(c) It was decided to represent for providing additional cash assistance on export of hand tools and cutting tools to counteract (£) Sterling devaluation.

(a) It was decided to request the Government for discussing with the Iranian authorities to lift the quota restriction on import of bicycles from India. This restriction was subsequently lifted.

(b) It was decided to represent for increasing the drawback rate on 'Friction' material which attracts higher rate of duty.

(c) Suggestion was made to request the Freight Investigation Bureau for reduction of high shipping freight for bicycles and parts for certain destinations.

(d) Suggestion was made for exempting sales tax in respect of items entering the export field.

(e) It was decided to represent for settling cash subsidy against export of bicycles before the 5th June, 1966 but payment received after the 5th June, 1966 and also against payment received prior to the 5th June, 1966 but exports made after the 5th June, 1966.

(f) It was decided to represent for allowing special subsidy for export of bicycles to the U.S.A. in view of the special types of packaging, high shipping freight and different specification required by the U.S. market.

(a) It was decided to make a representation for increased rate of cash assistance for automobile parts viz. spark plugs, elements and nozzles.

Panels

27. *Automobiles, Automobile Components and Accessories (contd.)*

28. *Railway Equipment*

29. *Miscellaneous Engineering manufactures*

Decisions

- (b) It was decided to represent for increasing the drawback rate in conformity with the actual incidence of duty paid.
- (c) It was decided to represent for inclusion of important automobile ancillaries under the Trade Plans with East European countries.
- (d) It was decided to request the Government to extend bonded warehouse facility to the interested manufacturer-exporters.
- (a) It was decided to request the Freight Investigation Bureau and Shipping Lines for indicating the frequency of sailings and shipping space available for wagons from different ports of India to various foreign ports.
- (b) Members expressed the desire to have the tenders circulated well in advance of the closing date. The Council requested the Indian trade representatives abroad and its Foreign Officers to pass on tender information to the Head Office as quickly as possible and provision was made by the Council to make photostate copies of specifications and translation of tenders from various languages to English.
- (c) It was decided to request the port authorities for improving handling facilities for wagons in Calcutta Docks.
- (d) It was decided to make a representation for reducing the freight rate for wagons to certain destinations.
- (e) It was decided to take up the matter for making available odd sections of steel required by exporters to execute export orders.
- (a) It was decided to write to the Government for upward revision of cash assistance and import replenishment licence for umbrella ribs and import replenishment licence for umbrellas.
- (b) It was decided to write to the Government for giving general clearance for import of the items required in the manufacture of automatic umbrella and garden umbrella.
- (c) It was decided to write to the Government for giving additional cash assistance to counteract the losses on account of (£) Sterling devaluation.

COMPULSORY QUALITY CONTROL AND PRE-SHIPMENT INSPECTION SCHEME FOR ENGINEERING GOODS

During the year 1967-68 the following engineering items were brought under the purview of the Pre-shipment Inspection Scheme:

Item	Date of implementation
1. Electric Cables and Conductors	31.3.1967
2. Diesel engines	3.10.1967
3. Sewing Machines	3.10.1967
4. Electric fans	3.10.1967
5. Power Driven Pumps	3.10.1967
6. Automobile spares, components and ancillaries	3.10.1967
7. Small Tools and Hand Tools	13.10.1967
8. Steel Trunks	12.1.1968
9. Expanded Metal Steel Sheets	22.1.1968
10. Bicycles and its spare parts Components and Accessories	1.2.1968
11. Stainless Steel Utensils	1.3.1968

Specifications for the above mentioned items were laid down by the Export Inspection Council in consultation with the EEPC and trade.

In respect of certain items viz. Diesel Engines, Power Driven Pumps, Small Tools and Hand Tools, Automobile spares Components and Ancillaries, Bicycle spare parts, Components and Accessories, with a view to giving them sometime to bring their units to the level of inprocess quality control, it was decided to allow consignment-wise inspection until the 31st July '68. However, exporters of these items expressed the view that the time given to them for implementing the inprocess quality control was inadequate and therefore, the Council recommended to the Export Inspection Council to extend consignment-wise inspection upto the 31st December, 1968. The recommendation of the Council was accepted and consignment-wise inspection was extended upto the 31st December, 1968.

The exporters of Steel Trunks represented to the Council that the specifications laid down by the Export Inspection Council were too rigid and some of the procedures needed to be simplified. It was also stated that the inspection fees in respect of Steel Trunks was on the higher side. The Council took up the matter with the Government on behalf of the trade and as a result, the minimum inspection fees was reduced from Rs. 50/- to Rs. 20/- with effect from the 1st April, 1968.

REGIONAL OFFICES

BOMBAY: The contribution of the Western Region of the Council which comprises the States of Maharashtra, Gujarat and Madhya Pradesh in the export of engineering goods was Rs. 19 crores during 1967-68 as against Rs. 8.5 crores during the same period in the last year. In terms of percentage, the increase, therefore, was 123.5%. Among the items which contributed significantly to this increase were steel pipes, buses and trucks, transmission line towers, diesel engines, steel files, bicycles and parts, storage batteries, aluminium utensils, textile and knitting machinery, wires and cables. The all-India target for 1968-69 has been fixed at Rs. 65 crores, and it is hoped that the Western Region will contribute substantially in the export target.

The year under review was full of activities which are outlined in the following paragraphs. The Export Assistance Scheme which was announced after the devaluation of the Indian rupee in August 1966 continued without any change and exports had settled down. One of the most important facilities which our exporters got in 1967 was the supply of indigenous steel at the international price with effect from the 2nd May 1967. With the help of these as well as other facilities exports started picking up, which is reflected in the spectacular rise in our performance. However, there was major dislocation in our exports as a result of devaluation of pound sterling in November 1967. Except in a few cases, the Government did not give any relief although representations with full facts were made suggesting to them to neutralise the effect of devaluation of pound sterling.

The Regional Office organized two conferences in Poona and Bhopal as a result of which there was more awareness about export both in State Government and manufacturers. The Madhya Pradesh Government accepted our suggestion to set up an Export House for undertaking the export of engineering and other goods manufactured in their State.

1. Registration Sub-Committee (Non-Ferrous)
2. Registration Sub-Committee (Ferrous)
3. Replenishment Sub-Committee
4. Technical Sub-Committee
5. Exhibitions & Fairs Sub-Committee
6. Complaints Sub-Committee
7. Foreign Exchange Sub-Committee
8. Administration Sub-Committee

The following meetings took place during the year under review:

1. Working Committee (Meeting held in Bombay)	..	..	1 meeting
2. Regional Committee	..	..	8 meetings
3. Administration Sub-Committee	..	..	2 "
4. Registration Sub-Committee (Ferrous)	..	..	12 "
5. Registration Sub-Committee (Non-ferrous)	..	..	10 "
6. Replenishment Sub-Committee	..	..	10 "
7. Technical Sub-Committee	..	..	4 "
8. Complaint Sub-Committee	..	..	2 "
9. Drawback Sub-Committee	..	..	1 meeting

In order to stimulate and create consciousness among the exporters of engineering goods, Seminars/Conferences were held in Bombay and elsewhere in the Western Region. These Seminars/Conferences, among others, provided platform to the exporters to express their views and highlight the difficulties they were facing.

SEMINARS/CONFERENCES

1. Conference in Poona

A conference of manufacturers and exporters of engineering goods was organized in Poona by the Council with the help of the Mahratta Chamber of Commerce & Industries on the 1st April, 1967. The Conference was attended by over 100 representatives representing various firms in the Western Region. The Conference was presided over by Dr. B. V. Bhoota, the Regional Chairman of the Council. Shri S. L. Kirloskar was the Chief Guest.

2. Seminar in Ahmedabad on "Export Promotion"

A Seminar on Export Promotion was organized jointly by the Gujarat Board of All-India Manufacturers Organisation, The Ahmedabad Productivity Council and the Engineering Export Promotion Council (Western Region). The Seminar was inaugurated by the Gujarat Industries Minister, Shri Jaswant Mehta and presided over by Mr. Nanubhai Amin. Among others, Dr. B. V. Bhoota, the Regional Chairman and Shri F. S. Baldiwala, a member of the Regional Committee also spoke.

3. Conference in Bhopal

A Conference was organized in Bhopal jointly by the Council, State Board of All-India Manufacturers Organisation, Indore and the State Directorate of Industries, Bhopal on the 6th January, 1968. The Conference was largely attended by the Manufacturers of engineering goods, Senior Officers of the State Government, members of the Regional Committee of the EEPC, State Trading Corporation etc. The Conference was inaugurated by Shri Gopal Sharan Singh, Minister of Industries, Government of Madhya Pradesh and was presided over by Dr. B. V. Bhoota, the Regional Chairman. At this Conference the following important decisions were taken:

- (i) The Government of Madhya Pradesh will establish an Export Cell in the Directorate of Industries. This Cell will work in close cooperation with the Export Promotion Councils and guide all the exporters in the State.
- (ii) The Government of Madhya Pradesh will establish an Export House on the similar lines as those of Punjab and Gujarat.
- (iii) The Directorate of Industries will send their officers by rotation to EEPC, Bombay, for training.

PANEL MEETINGS

Following panel meetings were held during the year under report:

- (a) Umbrellas and Umbrella Fittings (3 meetings)
- (b) Furniture—All Types (2 meetings)
- (c) Mild Steel Pipes, Tubes & Fittings (2 meetings)
- (d) Pressure Stoves, Lanterns, Blow Lamps, Burners (2 meetings)
- (e) Bicycle Parts & Accessories (4 meetings)
- (f) Internal Combustion Engines (2 meetings)
- (g) Wires & Cables
- (h) Radios, Gramophone & Public Address Equipment
- (i) Light Engineering Manufacturers including Agricultural Implements
- (j) Textile Machinery Manufacturers (2 meetings)
- (k) Cement Machinery Manufacturers
- (l) Bright Bars Manufacturers (2 meetings)
- (m) Industrial Mill Stores
- (n) Electric Motors, Transformers etc. (2 meetings)
- (o) Refrigerators
- (p) Fasteners including Wire & Wire Products
- (q) Automobile & Automobile Parts
- (r) Steel Trunks

OTHER MEETINGS

The following meetings were attended by the officials of the Council:

1. Meeting with Shri Dinesh Singh, Minister of Commerce, New Delhi, in Bombay.
2. Meeting with Mr. Abond M. Maalim, Minister of Commerce & Industries and Mr. M. G. Abdullah, Ministry of Commerce & Industry, Dar-Es-Salaam.
3. Meeting with Shri K. B. Lall, Secretary, Union Ministry of Commerce, New Delhi.
4. Meeting with Shri K. M. Kannampilly, Ambassador-designate to Indonesia.
5. Meeting with Shri V. M. M. Nair, Indian Ambassador in Poland.
6. Meeting with Shri A. C. Banerjee, Joint Secretary, Union Ministry of Commerce, New Delhi, in January, 1968.
7. Meeting with Shri C. N. Modawal, Director, Quality Control, Union Ministry of Commerce, New Delhi.
8. Meeting with Shri P. B. Satagopan, Dy. Director, Export Promotion, Union Ministry of Commerce, New Delhi.
9. Meeting with Shri P. D. Kasbekar, Chief Controller of Imports & Exports.
10. Meeting with Shri K. S. Bajpai, Consul General for India (Designate), San Francisco, USA.
11. Meeting with Shri N. H. Nagarwalla, JCCI&E., Bombay together with Shri K. Rajagopalan, Development Officer, New Delhi, in Bombay.
12. Meeting with Shri Manubhai Shah, Ex-Union Commerce Minister.
13. Meeting with the Libyan Delegation.
14. Three meetings of the Regional Export Import Advisory Committee.
15. Two meetings of the Inter-Departmental Drawback Committee.
16. Meeting organized by the Federation of Indian Export Organization.
17. Meeting of the All India Conference of the Small Scale Industries organized by the All India Manufacturers Organization, Bombay.
18. Meeting of the Sub-Committee set up to fix export target.
19. Meeting of the Panel for Engineering goods organized by the Directorate of Industries, Bombay.
20. Meeting convened by the Freight Investigation Bureau.
21. Radio & Electronics Exhibition organized by the Small Scale Electronic Industries Association, Bombay.
22. Meeting of the Export Promotion Sub-Committee of the Engineering Association of India, Bombay.
23. *Meeting with the Indo-German Export Promotion Team*

The Vollrath Team consisting of nine German Experts and three Indian counterparts arrived in Bombay on the 9th March, 1968. The office arranged for their visits to different factories located in Bombay as well as Poona, Ahmedabad, Baroda etc., in March and April, 1968.

A meeting of the Regional Committee and prominent exporters of the Western Region was arranged on the 25th March, 1968 to meet Mr. H. Vollrath and his team. In this meeting the members of the Team gave the details of their Project and also the impressions gathered by them. The meeting was very fruitful inasmuch as the exporters were able to get the idea of the Indo-German Export Promotion Project.

24. *Five-Day Indo-German Conference on Export Management & Promotion*

A Five-Day Conference on "Export Management & Promotion" organized by the All India Manufacturers' Organisation in cooperation with The Deutsche Stiftung Fur Entwicklung-

slander (German Foundation) was held in Bombay from the 22nd January to 26th January, 1968. The Conference was inaugurated by the Deputy Commerce Minister Shri Mohamed Shafi Qureshi and many experts in trade and commerce participated in the Conference. The following subjects were discussed at the Conference:

- (i) Principles of Foreign Trade
- (ii) Export Promotional Organizations in Germany and India
- (iii) How German and Indian Firms organize their exports
- (iv) Problems of Conditioning Exports; Marketing and Cataloguing
- (v) Export Promotion in the Field of Agriculture
- (vi) Problems of Conditioning Exports, Packings, Handling and Transportation
- (vii) Training in the Field of Exports
- (viii) Role of Publicity and Public Relations in Export Promotion
- (ix) Export Pricing Policy—Competition in Export and Joint Ventures for Export Promotion
- (x) Short-term and Long-term Policies in Export

The Regional Chairman, the Regional Officer and the Asstt. Regional Officer attended the Conference.

Two Men Team from Denmark

A two men team comprising Mr. Jorgen Gerrild, Director, Textile Wholesellers Association, Copenhagen and Mr. J. Lorenz Christensen, Director Elmarkog Lorenz Christensen Marketing A/s., Copenhagen visited Bombay, in order to make on the spot study of the import of certain engineering and other goods from India to Denmark. The Regional Officer was later on sent to Denmark along with two other representatives for conducting the market survey for the following engineering products:

- (i) Sewing Machines;
- (ii) Hand tools and Machine tools accessories.

The Regional Officer participated in the UN Group Training Programme in Trade Promotion at Copenhagen from the 21st August through 28th October, 1968.

VISITORS

The following important visitors called at the Regional Office and discussed with the Regional Officer the possibilities of exporting some of our engineering goods to their countries:

1. Mr. G. Garrat, Associate Editor of "Machinery & Production Engineering", London.
2. Mr. C. L. Armstrong & Mr. R. O. Marsach, Fiji.
3. Mr. Abdylrehman Sayid Kashim Al-Gharabally of Kuwait and Mr. El-Kurdi of Sudan.
4. Mr. Henry. J. B. Lwanga, Dy Chairman, Uganda Coffee Marketing Board, Uganda.

Visit of the Rumanian Delegation

The Rumanian Delegation consisting of the following members visited the office on 29th February, 1968:

- (i) Mr. Boldur Ton : Machinoimport
- (ii) Mr. Eugen Elinescu : Machinoexport

A meeting was arranged with the members of the Regional Committee and also with the exporters of the items in which the delegation was interested. The delegation showed considerable interest in the various types of machine tools, automobile parts, radio components etc., manufactured in India. During their stay in Bombay, the Council also arranged for their visits to different factories in Bombay and Poona. Later on, the Minister of Foreign Trade, Rumania, Mr. Gheorghe Ciaora attended the reception given by the Regional Chairman.

Visit of UNCTAD II Delegates to Bombay

The Regional Chairman met the above delegates on the 23rd March, 1968, in Bombay and discussed with them the prospect of exporting Indian Engineering Goods to their respective countries.

EXHIBITIONS

(a) BRNO International Fair

A meeting of the exporters of Western Region was arranged with Shri S. L. Mehra, Joint Director (Foreign Trade), Ministry of Commerce, New Delhi. This was arranged specially to finalise the participation of the exporters in BRNO International Fair. The meeting was attended, among others, by Shri S. K. Sen of the State Trading Corporation of India Ltd., New Delhi and Shri I. S. Gupta of the Indian Council of Trade Fairs & Exhibition, Bombay.

(b) Leipzig Trade Fair

A meeting of the prominent manufacturers and exporters in connection with the Leipzig Trade Fair was held on the 5th December, 1967, when Shri Mehra, Joint Director, Ministry of Commerce, New Delhi, was also present. Officials from the Indian Council of Trade Fairs & Exhibitions attended this meeting.

(c) Indian Exhibition at Prague (Czechoslovakia) and in the Budapest Fair in May and June, 1968

A meeting of the prominent manufacturers and exporters of engineering goods was held on 21.2.1968 which was also attended by Shri S. L. Mehra, Joint Director, Ministry of Commerce, New Delhi, Shri N. H. Advani, Dy. Director (Exhibition), Ministry of Commerce and presided over by the Regional Chairman. Various problems connected with the exhibition were discussed and some of the doubts of the member firms were clarified. As a result of the discussion and personal request seven firms agreed to participate in the Prague Fair. Besides the Council had also recommended exhibits of few other firms.

FACTORY VISITS

A number of factories in Bombay, Poona and Baroda were visited by the officials of the Council.

MEMBERSHIP

431 firms joined the Council as its members during the year under report from the Western Region. The total number of members from this region stood at 880 as on 31.3.1968.

EXPORT PROMOTION SCHEME FOR ENGG. GOODS

264 firms were registered during the year under report for a total target of Rs. 3,19,29,637/-.

Advance Quota

Two applications for advance quota of indigenous iron and steel materials were considered and a total quantity of 329 M/T was recommended.

Replenishment Quota

During the year under review, 302 applications were received and 182 applications for replenishment quota were disposed of for the total quantity as mentioned below:

Steel	:	22647.502 M/T
Pig Iron	:	122.720 M/T
Tinplate	:	78.992 M/T

Release of Foreign Exchange

26 cases were recommended to the Reserve Bank of India for release of foreign exchange for undertaking the export promotional tours.

Foreign Enquiries

307 trade enquiries were received from abroad and were circulated amongst the prominent manufacturers and exporters.

Overseas Complaints

37 complaints from overseas parties were received regarding non-payment of commission, etc., and 26 were settled amicably. Steps were taken to settle the remaining complaints also amicably.

The office continued to assist the exporters in the matters connected with drawback claims, shipping freights, etc. The office also took up the individual cases of exporters with the authorities concerned for expeditious disposal of their cases.

NEW DELHI: The Regional Office of the Council in New Delhi covers the States of U.P., Punjab, Haryana, Rajasthan, Jammu and Kashmir and centrally administered area of New Delhi. The Regional Office is working under the guidance of Regional Committee consisting of 33 members, including representatives from Directorate General of Technical Development, Licensing authorities, Directorate of Industries of different States. During the year under review, the office received valuable guidance from the Regional Committee in implementing the Programme of Work of the Council.

EXPORT PERFORMANCE

The export of engineering goods from the Northern Region registered an increase of 57 per cent and surpassed the target of Rs. 6 crores fixed for the year under review. While in the year 1966-67, the export performance was to the tune of Rs. 4.72 crores, it reached a figure of Rs. 7.41 crores during 1967-68 because of the spectacular rise in respect of the commodities shown in page 50.

Item	Performance	
	1966-67 Rs.	1967-68 Rs.
1. Industrial machinery and parts including data processing machines, textile, sugar, oil mill machinery and parts and machine tools ..	71,10,947	1,52,14,143
2. Mild steel and galvanised pipes, tubes and fittings including conduit pipes	82,67,550	1,52,14,143
3. Bicycle and bicycle parts	71,75,000	94,64,740
4. EPNS ware, german silver ware and brass utensils	39,81,145	62,52,151
5. Builders' hardware including locks and padlocks (ferrous and non-ferrous)	12,38,495	37,82,162
6. Non-ferrous sanitary and water fittings	4,57,344	32,57,343
7. Electric wires and cables including P.V.C. cables and conductors (copper and aluminium)	3,53,771	19,50,862
8. Agricultural implements	3,29,300	18,68,815
9. Hosiery and knitting machines and needles	10,72,947	15,81,393
10. Air compressors	75,362	6,03,312
11. Scientific, surgical and medical instruments	2,46,098	4,80,149
12. Others	1,69,34,739	1,43,98,107
Total	4,72,42,698	7,40,59,158

It will also be seen that several items as mentioned below, the export performance of which was negligible at the initial stage, have played an important role in the list of items exported from the Region during the period under review:

1. Bolts, nuts, screws, nails and other wire products.
2. Ball bearings.
3. Electrical lighting fittings and iron clad switches.
4. Iron presses.
5. Non-ferrous castings and other manufactures.
6. Railway wagon components.
7. Stoves and lanterns.
8. Steel fabricated structurals.

EXPORT DURING 1968-69

As a result of the discussions held in various Conferences and Seminars organized under the auspicious of the Regional Committee and also in the meetings of the various Panels, it has been observed that tremendous scope for export of engineering goods from the Region exists and every endeavour should be made to increase the exports. The Regional Committee had decided to achieve a target of Rs. 10 crores of exports during 1968-69. In order to achieve the target, the programme of the following nature would be undertaken:

1. Group discussions with the Export Executives in Conferences/Seminars or otherwise at various Industrial Centres of the Region.

2. Prompt dissemination of overseas enquiries, tenders among the concerned manufacturers with proper follow-up.
3. Frequent visits of the factories with foreign delegates/trade representatives for the purpose of creating image of the industrial progress of India and emanating tangible business through personal contacts.
4. Frequent meetings of the Industry-wise Panels.
5. Maintenance of liaison work with the Reserve Bank of India, Licensing authorities and the other Institutions in order to make available necessary assistance to the exporters needed by them for accelerating their efforts on export promotion.

CONFERENCES/SEMINARS OF EXPORTERS OF NORTHERN REGION

In order to provide a forum for mutual discussion on export and export problems and to stimulate export consciousness among the industrialists to contribute their share to exports, several Conferences and Seminars with the active help of the State Directorate of Industries and other Organisations were held during the year under review. These functions provided an opportunity to the exporters to come closer to the Central and the State Governments in understanding their points of view and at the same time helped the Government officials to understand the problems of the exporters in the right perspectives. The list of such Conferences and Seminars held during the year 1967-68 is given below:

- | | |
|--|---|
| 1. Conference of Exporters of Engineering Goods | — On the 6th April, 1967 at Vigyan Bhavan, New Delhi. |
| 2. Seminar on Export Promotion | — On the 4th July, 1967 at Faridabad. |
| 3. Seminar on Export Promotion | — On the 11th August, 1967 at Simla. |
| 4. Conference of Exporters of Engg. Goods of Uttar Pradesh | — On the 29th January, 1968 at Agra. |
| 5. Northern Region Exporters' Conference | — On the 27th March, 1968 at Jullundur. |

Discussions and Recommendations

1. Conference of Exporters of Engineering Goods, Vigyan Bhavan, New Delhi

The Conference of Exporters of Engineering Goods organised on the 6th April, 1967 in Vigyan Bhavan was inaugurated by the Union Commerce Minister and attended by nearly 400 delegates from all over the country. Shri K. B. Lall, I.C.S., Secretary to the Government of India, Ministry of Commerce addressed the Luncheon Session and several other dignitaries like Shri S. L. Kirlskar, Ex-Chairman of the Council, Shri P. A. Narielwala, President, F.I.E.O., participated in the discussions. Among the points raised by the various representatives of the Industry, mention may be made of the following:

- (a) Supply of steel at international prices;
- (b) Improvement in the procedure for fixation of drawback rates and settlement of claims;

- (c) Import of samples;
- (d) Prompt disposal of applications for import licences and cash assistance;
- (e) Availability of shipping space & reduction in freight rates;
- (f) Rupee finance and credit;
- (g) Foreign visits;
- (h) Issuance of import licence and grant of cash assistance on the basis of the value declared in the invoice and not in the shipping bills;
- (i) Supply of steel against exports prior to devaluation at concessional rate; and
- (j) Arrangement for supply of non-standard sections.

2. Seminar on Export Promotion, Faridabad

A Seminar on Export Promotion was organized in Faridabad on the 4th July, 1967 which was inaugurated by Shri H. D. Shourie, Director General, I. I. F. T., New Delhi and presided over by the Regional Chariman of the Council. Leaders of the Trade & Industry and several other dignitaries like Shri P. A. Narielwala, President, F. I. E. O., Shri R. L. Rajgarhia, Chairman of the Council and Senior Officers of the Ministry of Commerce participated in the discussions. Useful dialogue took place about the problems of the Industry in stepping up exports from the Region and the following recommendations were made:

- (a) Export should be taken on a joint venture footing. Group export marketing should be introduced and bulk orders for a particular item should be distributed to different manufacturers according to their production capacity;
- (b) Emphasis was laid on packaging and proper mode of handling export consignments;
- (c) Participation in International Fairs and Exhibitions should be popularized and arrangement should be made to make available to the interested visitors in those Exhibitions/Fairs, technical details about the products and its operation and other business details like price, quantum of availability and minor modification if needed.
- (d) Pre-shipment inspection should be made for the exhibits selected to be sent abroad for International Fairs/Exhibitions.
- (e) A High powered Committee consisting of the representatives of the Exhibition Directorate, Indian Council of Foreign Trade and Fairs and other various Councils should be set up to undertake co-ordination, planning, selection and participation in International Fairs and Exhibitions and Show-rooms in order to have selective approach to the problem.
- (f) India's Show-rooms abroad required improvement in its location and arrangement, selection of products and training of personnel to look after the enquiries emanating from visits of overseas parties to these show-rooms.
- (g) Procedural delay in getting import replenishment and cash subsidy and other refunds and even in procurement of raw materials should be eliminated.

3. Seminar on Export Promotion at Simla

With the collaboration of the State Government of Himachal Pradesh, a Seminar on Export Promotion was organized on the 11th August, 1967 in Simla, which was inaugurated by the Chief Minister of Himachal Pradesh and presided over by the State Industries Minister, who was associated with the discussions throughout the proceedings of the Seminar. A beautiful exhibition was also organized in the vicinity of the venue of the Conference wherein display of not only engineering goods but also handicrafts, leather products, fruits, fruit juice, jelly and jam was also made. Mostly the industrialists of Himachal Pradesh were not conversant with the procedure and policy of export, and that Seminar was an eye-opener to them to bring to their knowledge the benefits and significances of export in the present context of industrial development of the country. The facilities and assistance given by the Government, the Export Promotion Council and other Institutions were explained by the members of the Regional Committee who attended the Seminar. Emphasis was laid on standardisation of the products manufactured in Himachal Pradesh, easier mode of procurement of raw materials, encashment of incentive at single point, and maintenance of close contact in between the Industries Department of the State Government and the Council for providing adequate guidance to the exporters in the matters of export promotion.

4. Conference of Exporters of Engineering Goods of Uttar Pradesh (Agra)

The Conference was sponsored jointly by the Northern Regional Council and the Agra Region Exporters' Association, Agra and was inaugurated by the Deputy Commerce Minister. More than 200 delegates from various industrial centres in the State attended the Conference. The unique feature of the Conference was that a number of exporters of Punjab, Haryana, Delhi and other neighbouring State actively participated in the deliberations and Senior officers of the Ministry of Commerce and State Government focused attention of the exporters on the objectives and policy of export promotion of Government of India. The following points emerged out of the discussion:

- (a) Export Finance should be available to exporters at cheaper rate from the bankers;
- (b) Incentive applications should be disposed of promptly;
- (c) Duty drawback rates should be generalized on industry basis and the procedure for fixation of refund rates should be simplified. Delay in settlement of claims be eliminated;
- (d) Foreign exchange for export promotion tours, procurement of samples, overseas advertisements etc. should be provided more liberally;
- (e) Trade discounts and agency commission to overseas agents should be allowed up to 10% as a general rule;
- (f) Blanket permit for foreign exchange should be allowed to those exporters whose exports exceeded Rs. 5 lakhs instead of Rs. 25 lakhs and
- (g) Sales to foreign tourists in India be considered as export.

5. Northern Region Exporters Conference (Jullundur)

The Northern Region Exporters Conference, sponsored jointly by the Council and the Directorate of Industries, Punjab with active support of the I.I.F.T., New Delhi, was inaugurated by the Union Deputy Minister of Commerce and presided over by the State Industries Minister. More than 300 delegates

participated and important matters relating to exports were discussed with the Senior Officials of the Union Ministry of Commerce, State Government, State Bank of India and the Export Inspection Agency. A small exhibition of the products manufactured in the State like drilling machines, automobile components, hand tools, household wares, fountain pen, leather products etc. were put up nicely. Important dignitaries like Shri H. D. Shourie, Director General, I. I. F. T., New Delhi, Shri K. L. Chowdhary, Vice-Chairman of the Council and the Director of Industries, Punjab were present in the Conference and useful dialogue took place on the various problems confronting the export trade and several ways and means to overcome those problems were suggested. The following points were raised by the representatives of the Industry and Trade:

- (a) Emphasis was laid on vital need of building an 'image of industrialized and modernized India' in the world market. Quality consciousness, constant development and research in design, adequate publicity and participation in International Fairs/Exhibitions, Packaging expertise and after-sales-services would go a long way in developing the image of the country as a potential supplier of engineering goods;
- (b) The State Government was advised to set-up a testing laboratory in the State;
- (c) The exporters should acquire overseas marketing competence and packaging expertise through different sources;
- (d) Establishment of an Industrial Design Development and Research Centre in Punjab be initiated by the State Government;
- (e) Additional cash subsidy of 5% to 10% should be allowed against export of all the engineering goods;
- (f) Issuance of ad-hoc licences to established exporters for certain raw materials and components to meet the contingency of shipping the manufactured articles at short notice should be made;
- (g) Grace period of validity of a licence should be extended up to 30 days;
- (h) The reimbursement of difference between domestic and international prices of steel be available on those materials procured from sources other than the Producers;
- (i) Income Tax relief should be available to the exporters; and
- (j) Establishment of High-powered body to co-ordinate various activities of agencies assisting the exporters in many fields and forms, and solve the problems of exporters.

VISIT OF FOREIGN DELEGATIONS

During the year under review, the following visitors from abroad visited factories of some of the manufacturers of Northern Region. Arrangements for their factory visit were made by the Regional Office.

Mr. G. Garrat, Associate Editor, Machinery & Production Engineering Limited, London, was invited by the Council to visit some of the leading industrial units with a view to bringing out his assessment of the industrial progress of the country in their magazine. This was an effort towards projecting the 'image' of the country as a potential supplier of engineering goods. He visited the factories of M/s. Escorts Ltd. The National Physical Laboratory was also shown to him.

Trade Representative from the Indonesian Embassy visited this office for getting in touch with the manufacturers of a number of items in which they were interested. The concerned manufacturers were contacted and arrangement was made for their mutual discussion on business.

Shri M. G. K. Menon, Abu Dhabi (Arabian Gulf) came to this office for establishing contacts with the manufacturers of electric motors, cycles, G. I. pipes, C. I. products, ceiling fans, P. V. C. wires and cables, auto cables and other engineering goods in which he was interested to import from India. The concerned manufacturers of this Region were put in touch with him for business negotiation.

Mr. Alfred Lewis, Director of Leo Rogaly & Lewis Pty., Sydney, Australia visited this office and wanted to have details of manufacturers of small tools, children's cycles etc. He was put in touch with the concerned manufacturers for purpose of discussion and business negotiation.

Mr. Jerzy S. Szumski of POLIMEX Ltd., Poland, approached this office with enquiry for import of earth moving equipment and machinery and concrete asphalt & vibrators and other machinery & components. Necessary arrangement was made to get the manufacturers in touch with him for the enquiry in question.

Mr. C. H. Chick, Sales Manager of M/s. Greenhill Ellis (Eastern) Ltd., London visited this office. He stayed in Delhi for four days and was interested in the import of various kinds of hand tools, cutting tools etc. Mr. Chick was taken around some of the factories of this Region manufacturing above items and was impressed with the progress made by those units. He selected some of the small tools manufactured by units in Delhi for business negotiation.

Mr. M. Chitnis, Representative of Import Export, 2-Hamburg, 36-West Germany visited this office as desired by the Council's Foreign Officer, Dusseldorf and had discussions about the possibility of import of machine tools, hand tools etc. He was taken to PANORAMA OF PROGRESS-EEPC Exhibition Stall, New Delhi, where he saw some of the machine tools having been displayed. He visited the factory of M/s. Bombay Machinery Manufacturing Co., Faridabad, and got interested in some of the factories of Punjab also. Arrangement was made for his visit to some of factories of Jullundur and Ludhiana as well. He was very much impressed and had business discussions with the representatives of the firms whose factories were visited by him.

GERMAN TEAM'S VISITS TO FACTORIES

The German Team headed by Mr. H. Vollrath, functioning under the Indo-German Export Promotion Project for stepping up exports of engineering goods from India to West Germany and West European countries, visited 32 factories in the Region during the period of their stay for 15 days from the 15th January to 1st February, 1968.

Two meetings of the Regional Committee and the Leading exporters were convened to discuss the details of the Project with the Leader and members of the Team—one before start of the visit of the factories in Northern Region and the other at the end of their visit of the selected factories in the country. These meetings provided an opportunity to the members of the Regional Committee and leading exporters to look into the prospect and fruitfulness of the Project.

UNCTAD-II CONFERENCE, NEW DELHI—FEBRUARY-MARCH, 1968

Get-together of the leading Exporters with the UNCTAD-II Delegates

Nearly 2,000 delegates from more than 100 countries from all over the world assembled in New Delhi for discussion on matters of Commerce, Trade and Economic Development. The Council took an opportunity

to arrange a get-together of the leading exporters of the country with the representatives of commerce and trade from the territorial divisions and leaders of delegations of different countries, with the object of establishing closer contacts to focus their attention towards the industrial progress made by the country in the short span of period after her independence and acquaint them with the past performance in the field of export of not only light engineering goods but also of highly sophisticated items manufactured in the country. The function was organized at OBEROI INTERCONTINENTAL HOTEL, New Delhi on the 11th, 12th and 13th March, 1968. In the above get-together, delegates to the UNCTAD-II from the following countries participated:

- | | |
|---|---|
| 1. Commonwealth countries and other developed countries. (11th March, 1968) | Ireland, New Zealand, Pakistan, Malawi, Nigeria, the U.K., the U.S.A., Uganda, France, Italy, Columbia, Belgium, Finland, Algeria and Central Africa. |
| 2. Socialist and other Rupee Trading countries. (12th March, 1968) | Afghanistan, Burma, the U.S.S.R., Ukrainian SSR, Bylorussian SSR, Hungary, Poland, Romania, Bulgaria, Czechoslovakia, GDT, Mongolia, Cuba and Yugoslavia. |
| 3. Latin American and African countries. (13th March, 1968) | Cyprus, Syria, Lebanon, Bolivia, Togo, Mexico, the U.A.R., Senigal, Indonesia, Mali, Sudan, Dominican Republic, Ivory Coast, Trinidad and Togago and Upper Volta. |

The above function was considered very much fruitful for purpose of creating an image of the country and its achievement in the field of industrial development and progressive exports. The Deputy Union Commerce Minister and the Commerce Secretary to the Government of India graced the occasion. Needless to mention that the above get-together was very successful in creating an impression in to the minds of the UNCTAD-II delegations of the various countries of the world who attended the same that business relations could be developed with India in meeting their industrial developmental problems.

MEETINGS OF COMMITTEE AND SUB-COMMITTEES

During the period under review meetings of the following Committees and Panels were held:

	No. of meetings held
(i) Working Committee	1
(ii) Regional Committee	5
(iii) Administration Sub-Committee	5
(iv) Delegation Sub-Committee	1
(v) Export Assistance Sub-Committee	10
(vi) Replenishment Sub-Committee	8
(vii) Development and Research Sub-Committee	4
(viii) Public Relations Sub-Committee	1
(ix) Working Committee of Indian Consortium for Aluminium Conductors	1
(x) Sewing Machine Panel	2
(xi) Agricultural Implements Panel	1
(xii) Builders' Hardware Panel	1
(xiii) Electric Appliances and P.A. Equipment Panel	1
(xiv) Household Utensils Panel	1
(xv) Trade with East Europe Sub-Committee	1
(xvi) Panel Sub-Committee	1

No. of meetings held

(xvii) Overseas Sub-Committee	1
(xviii) Joint Meeting of the manufacturers of electric motors, transformers, electric fans, stampings and winding wires	1
(xix) Machine tools, cutting and small tools Panel	2
(xx) Meeting of wire and cables Manufacturers	2
(xxi) Industrial Refrigeration Equipment Manufacturers Panel	1
(xxii) Welding electrodes Panel	1
(xxiii) Meeting of the Collaborating Units	1
(xxiv) Bicycle Panel	1
(xv) Dry Batteries Panel	1
(xvi) Mild Steel Pipes, Tubes and Fittings Panel	1
(xvii) Meeting of Manufacturers of steel Forgings	1
(xviii) Meeting of Manufacturers of Storage Batteries	1
(xix) Meeting of Wire Ropes Panel	1
(xxx) Meeting of Manufacturers of Paper, Sugar and Cement Machinery	1
(xxxi) Meeting of Manufacturers of construction machinery	1

REGISTRATION

During the period under review registration was granted to 112 firms for a total target of Rs. 1,21,40,175/-. Three of the de-registered firms on the ground of having no exports were re-registered under the current Scheme on account of having received overseas orders for export of their products.

REPLENISHMENT OF INDIGENOUS IRON & STEEL AND DUNLOP TYRES, TUBES & RIMS FOR COMPLETE BICYCLES

Applications for replenishment of indigenous iron and steel materials were received from 103 firms and were disposed of. The re-imbursement of price difference was also recommended against exports made on or after the 2nd May, 1967. The following quantities of Iron & Steel materials were recommended:

Pig Iron	:	799.710 M/T
Steel	:	12527.239 M/T

Applications from 30 firms were received for Dunlop Tyres, Tubes and Rims against export of complete bicycles and following quantity (pairs) of tyres, tubes and rims were recommended:

Dunlop Tyres, Tubes and Rims : 36,457 pairs each.

Foreign Exchange Applications

Applications for release of foreign exchange were received from 47 member firms whose representatives intended to undertake foreign trips for export promotion purposes and their applications were recommended to the Reserve Bank of India.

MEMBERSHIP DRIVE

The membership applications along with annual subscription were received from 81 firms and forwarded to the Head Office for their election.

PUBLIC RELATION AND LIAISON WORK

On receiving a large number of representations from exporters of the U.P. regarding delay in disposal of import and cash subsidy applications at the Office of the Deputy Chief Controller of Imports and Exports, Kanpur, the Regional Officer visited the above office on the 20th July, 1967. Nearly 50 applications were thoroughly checked and most of them have since been disposed of.

During the period under review considerable attention was diverted to establish public relations and liaison work not only with the licensing authorities and Senior Officials of the Ministry of Commerce, Export Inspection Agency, E.C.G.C. but also with the UNCTAD-II Delegations and Embassies on account of the following activities:

1. Get-together of leading exporters with the UNCTAD-II Delegations on 11th, 12th and 13th March, 1968;
2. Visit of VIPs and Foreign Trade Delegates to the Exhibition Stall;
3. Visit of overseas Trade Representatives from time to time.

PANORAMA OF PROGRESS—EEPC STALL

Many foreign dignitaries visited the Council's Stall in the Export Products Exhibition during the period under review which include trade delegations from the UAR, Indonesia and Japan. Shri and Shrimati John Nelson from San Francisco and Maj. Gen. Mabratu Fessena of Ethiopia also visited the stall. Exhibition was renovated and re-named as 'Panorama of Progress' on the occasion of UNCTAD-II Conference held in February-March 1968. The above Exhibition was inaugurated by Shri Fakhruddin Ali Ahmed, Minister for Industrial Development and Company Affairs on the 31st January, 1968. In addition to the local visitors, a number of UNCTAD-II delegates from various countries viz., Czechoslovakia, Bulgaria, Norway, Afghanistan, Columbia, Burma, Korea, Turkey, South Africa, East Africa, Russia, Switzerland, France, Spain, Brazil, Belgium, Jordan, Greece, Venezuela, Mali and Chile visited the Stall and found it very interesting. One French delegate remarked about Escorts Tractor as 'FANTASTIC', much better than what they are manufacturing in France. The President, Vice-President, Prime Minister, Cabinet Ministers of India and President of Burma, Gen. Ne Win also visited EEPC Stall and they were very much impressed.

GENERAL

The office circulated Trade enquiries received from the Council's Foreign Offices and Head Office during the period under review and undertook follow up action. The office continued to assist the exporters in the matter connected with drawback claims, shipping freight and enquiries about registration, membership, import replenishment and cash assistance etc. Individual cases of exporters were taken up with the authorities concerned for expeditious disposal.

Export Performance

MADRAS: The total export performance of registered exporters from the Southern Region during the year 1967-68 stood at Rs. 2,54,96,893.18.

Meetings

The following meetings were held during the year under report:

	No. of meetings
1. Regional Committee	4
2. Registration Sub-Committee	2
3. Replenishment Sub-Committee	3

Registration

During the period under review 63 firms were registered under the Export Assistance Scheme with a target of Rs. 2,54,37,382. The total number of registered firms for Ferrous and Non-ferrous items stood at 267 as on 31st March, 1968.

Advance quota and Replenishment of Indigenous Iron and Steel Materials

21 applications for replenishment of iron and steel and 18 applications for reimbursement of the difference between domestic and international prices of steel and pig iron, were recommended as per details given below:

Pig Iron	60.457 M.T.
M.S. Plates	107.995 M.T.
Tin Plate	22.851 M.T.
Light Structural	56.189 M.T.
13A Bars	6.727 M.T.
CRCA Strips	81.842 M.T.
M.S. Black Sheets	2.530 M.T.

Meetings and Conferences of Exporters and Panel Meetings

The following meetings and conferences were also held during the year under review with a view to devising ways and means of boosting exports and arousing export and quality consciousness:

- (a) Mr. G. Garratt, Associate Editor, Machinery and Production Engineering, London had been taken to various factories during his visit to Madras between the 27th April, 1967 and 1st May, 1967.
- (b) A meeting of the Libyan Team arranged by the Southern India Chamber of Commerce held at Hotel Connemara on the afternoon of the 1st April, 1967 was attended by some of the prominent members of the Council. A few members also had discussions with Shri K. R. Narayanan, Ambassador designate to Thailand on the same day by 4.00 p.m. when he was addressing a meeting arranged by the Office of the J.C.C.I. & E., Madras in the Council's premises.
- (c) The Regional Officer with prominent exporters attended the meeting of the Regional Export-Import Advisory Committee at Andhra Chamber of Commerce, Madras-1 on 18th May, 1967.
- (d) Prominent exporters from Southern Region attended the meeting addressed by Shri K. R. F. Khilnani, Ambassador accredited to Senegal, Ivory Coast, Upper Volta and Maniteanea and High Commissioner of Zambia in the Committee Room of the Handloom Export Promotion Council, Madras at 3.00 p.m. on 29th May, 1967.

- (e) Shri Menon, Sales Manager of M/s. T.I. Cycles of India, Madras and Shri R. O. Marsack had discussions regarding the purchase of bicycles in the premises of the Council on 31-5-1967.
- (f) The Regional Officer attended the meeting of the Export Promotion Advisory Committee held at Port Trust Office on the forenoon of the 15th June, 1967.
- (g) The Regional Officer attended the meeting of the Engineering Industries held at Andhra Chamber of Commerce on the 15th June, 1967.
- (h) Members of the High powered Delegation from Ceylon were taken to the following factories wherein they have discussed about their requirements from India:
 - 1. M/s. Ashok Leyland Ltd.
 - 2. M/s. Standard Motor Products Ltd.
 - 3. M/s. Hackbridge, Hewittic and Easun Ltd.
 - 4. M/s. Binny's Engineering Works Ltd.
 - 5. M/s. K.C.P. Ltd.
 - 6. The Rural Electrification Scheme
- (i) Members of the Australian Team consisting of Mr. R. Moore, Executive Producer of Australian Broadcasting commission and Mr. M. P. Cole Adams, the Foreign News Editor of leading daily have visited the following factories:
 - 1. M/s. Hindustan Machine Tools Ltd., Bangalore.
 - 2. M/s. Indian Telephone Industries Ltd., Bangalore.
 - 3. The Integral Coach Factory, Madras.
- (j) One of the representatives of the Council attended the meeting held in the Indian International Trade and Industries Fair site on the 13th September, 1967.
- (k) Joint meeting of all the Regional Officers of the Export Promotion Councils and Officials of the Export Promotion Division of the Office of the Joint Chief Controller of Imports & Exports, Madras with Shri K. B. Lall, Secretary, Ministry of Commerce, New Delhi, held at the State Trading Corporation Office, Madras, was also attended by the Regional Officer on the 16th September, 1968.
- (l) The Regional Officer attended the meeting of the Inter-Ministerial Drawback Committee held on the 13th and 14th November, 1967 at the 'Committee Room' of the Handloom Export Promotion Council, 123, Mount Road, Madras, where specific problems of our member Firms were discussed.
- (m) The Regional Officer with principal members of the Council attended the Joint meeting of the Export Promotion Councils held on the 14th December, 1967 in the Conference Hall of the Handloom Export Promotion Council, Madras. This meeting had been arranged by the Export Promotion authorities during the Bharath Darsan Tour of Shri S. S. Dhawan, High Commissioner designate of India to the United Kingdom.
- (n) The Regional Officer has attended the Seminar on Export Promotion on the 20th January, 1968 at Rajaji Hall, Madras. The Seminar was organized by the Hindustan Chamber of Commerce, Madras.

- (o) The Indian International Trade and Industries Fair, Madras was inaugurated on the 21st January 1968 and the Council participated in this Fair.
- (p) The German Team consisting of 10 German experts along with 4 Indian counterparts was here from the 1st February, 1968. They were taken to various leading engineering units in Madras and also to the Indian International Trade and Industries Fair, Madras in accordance with their programme.
- (q) Shri N. S. Vaidyanathan, Deputy Secretary, Ministry of Commerce, New Delhi held discussions with Mr. H. Vollrath, Leader of the German Team, on the 23rd February, 1968 in the office premises.
- (r) Mr. Chick, Sales Manager of M/s. Greenhills & Ellis (Eastern) Ltd., London, had discussions with the General Manager, M/s. Addison & Co. Ltd., Madras and he had been taken to M/s. S.R.P. Tools Ltd., Madras as he was very much interested in the purchase of Hand Tools and Small Tools. Further, he was also taken to the Indian International Trade and Industries Fair where he had shown keen interest in other items such as leather, textile and chemicals.
- (s) Members of the Rumanian Delegation consisting of Mr. Boldurlon of Machinoimport and Mr. Eugen Elinescu of Machinexport have visited some of the factories in the Southern Region during their visit to this Region. They have also paid a visit to our stall at the Indian International Trade and Industries Fair, Madras, where the necessary illustrated catalogues and literature and other commercial information were provided to them. The representative of the Council at the Fair site took them around to some of the important stalls in the above Fair and necessary assistance was rendered to them.

Foreign Exchange

During the year 21 member firms were recommended for the release of foreign exchange and 4 member firms were recommended for issue of passport and visa.

General

The office continued to serve the members and registered exporters in the Southern Region and assistance was rendered to solve the difficulties relating to Customs, Drawback, Foreign Exchange, Passport etc. All the visitors who called on us were afforded the requisite assistance and guidance.

Liaison was also maintained with the various Government Departments, especially the J.C.C.I. & E., and Assistant Iron and Steel Controller, Madras in matters connected with the operation of the scheme. The drive for increasing the membership of the Council was also continued vigorously and 64 new firms were enrolled as members in this Region. The total number of members from this region as on the 31st March, 1968 stood at 234.

Foreign Enquiries and Tenders

Foreign enquiries, tenders, market survey reports etc. received from the Head Office as well as from the Foreign Offices were also circulated by the Regional Office and follow up maintained with the members and exporters in this Region.

ACCOUNTS

The Audited Statement of Accounts for the period under review are appended to this report.

R. K. SINGH
Secretary

R. L. RAJGARHIA
Chairman

Auditors' Report

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Balance Sheet

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Income & Expenditure Account

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Schedule "A"

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Schedule "B"

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Auditors' Report to the Members

We have audited the Balance Sheet of ENGINEERING EXPORT PROMOTION COUNCIL (Limited by Guarantee) as at 31st March, 1968 and the Income & Expenditure Account of the Council for the year ended on that date, both annexed hereto, and report that:—

1. Expenses incurred in excess of limit as per Budget are subject to the sanction of the Working Committee in consultation with the Union Government under Clause 67 of the Articles of Association of the Council;
2. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
3. In our opinion, proper books of account as required by the Companies Act, 1956 (as amended) have been kept by the Council so far as appears from our examination of those books. Proper returns adequate for the purpose of our audit have been received from Indian and foreign Branches which have not been visited by us;
4. The Balance Sheet and Income & Expenditure Account are in agreement with the Books of Account and Returns and
5. In our opinion and to the best of our information and according to the explanations given to us, the annexed Accounts, read with the Notes & Statements thereon, give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view—
 - (a) In the case of the Balance Sheet, subject as aforesaid, of the state of affairs of the Council, as at 31st March, 1968 and
 - (b) In the case of Income & Expenditure Account, subject as aforesaid, of the excess of Income over Expenditure of the Council for the year ended on that date.

1-B, Old Post Office Street,
Calcutta, October 31, 1968.

S. R. BATLIBOI & CO.
Chartered Accountants.

ENGINEERING EXPORT

(LIMITED BY
BALANCE SHEET)

As at 31st
March, 1967
Rs. P.

LIABILITIES

Rs. P. Rs. P.

RESERVES AND SURPLUS:—

INCOME & EXPENDITURE ACCOUNT:

As per last Balance Sheet 1,14,487.82

Add: Balance being excess of Income over Expenditure
for the year transferred from Income &
Expenditure Account

1,20,441.33

1,14,487.82

2,34,929.15

—

EXPORT DEVELOPMENT FUND

3,00,000.00

5,34,929.15

CURRENT LIABILITIES & PROVISIONS:—

(A) CURRENT LIABILITIES:

47,468.00	Grant-in-Aid received in advance against Exhibi-		
6,37,712.38	tion rent for Hanover & London Fair	—	
	Sundry Creditors	4,83,856.52	
1,26,710.11	Unspent Contribution of Joint Foreign Publicity		
1,05,000.00	Scheme	1,95,413.34	
	Subscription received in advance	81,500.00	
43,260.00	Contribution received in advance towards		
4,050.00	Exhibition	23,065.00	
5,133.38	Contribution for Foreign Importers' Visit	—	
4,748.68	Temporary Overdraft from Bank (Singapore)	—	
—	Temporary Loan	—	
1,37,939.53	Other Advances	5,339.28	
3,06,435.55	Other Finances (Suspense)	1,09,592.29	
	Marketing Development Fund	62,937.89	
947.05	Provident Fund Trust Fund (Amount not depo-		
	sited as on 31st March, 1968)	2,318.63	9,64,022.95

(B) PROVISIONS:

Staff Gratuity Fund (not specifically invested):

35,000.00	As per last account	35,000.00	
	Added during the year	10,000.00	45,000.00
67,058.95	For Expenses	59,715.23	1,04,715.23

16,35,951.45

Carried over

16,03,667.33

PROMOTION COUNCIL

GUARANTEE)

AS AT 31st MARCH, 1968

As at 31st March, 1967		ASSETS	Rs.	P.	Rs.	P.
		FIXED ASSETS:—				
3,41,524.49		As per Schedule 'A' annexed				3,08,058.33
		CURRENT ASSETS, LOANS & ADVANCES:—				
		(A) CURRENT ASSETS:				
52,333.71		Stock of Paper, Publications and Stationery (Paper and Stationery at cost and Publications at selling price) (As taken, valued and certified by the Management)	18,040.05			
		<i>Sundry Debtors (Unsecured):</i>				
		<i>Debts outstanding for a period exceeding six months:</i>				
		Considered good	1,25,499.12			
1,43,773.24		Considered doubtful and not provided for	21,320.61		1,46,819.73	
1,04,597.59		<i>Other Debts (Unsecured, considered good)</i>	43,024.34			
12,567.27		Contributions Receivable (exceeding six months considered good)	7,759.09			
9,563.48		Cash Balance on hand (including at Foreign Offices—Rs. 3,933.92, Regional Offices Rs. 1,323.36 & Postage Stamps Rs. 71.52)	5,525.35			
—		Cash-in-Transit	19,356.00			
		<i>Balances with Scheduled Banks:</i>				
		In India	7,05,109.31			
		At Foreign Offices	19,020.64			
3,48,925.04		Non-Scheduled Banks at Foreign Offices	40,746.26		7,64,876.21	
		<i>Maximum amount due from Non-Scheduled Banks at Foreign Offices at any time during the year—</i>				
		The First National Bank of Chicago, Chicago	56,047.56			
		The British Bank of Middle East, Beirut	9,720.54			
2,000.00		Post Office Savings Bank Account	2,000.00			
3,06,435.55		Balance with a Scheduled Bank (For Marketing Development Fund)	62,937.89		10,70,338.66	
55,000.00		<i>Provident Fund Account</i>				
13,76,720.37		<i>Carried over</i>				13,78,396.99

ENGINEERING EXPORT

(LIMITED BY
BALANCE SHEET

As at 31st
March, 1967
Rs. P.

LIABILITIES

Rs. P. Rs. P.

16,35,951.45

Brought forward

16,03,667.33

NOTES:—

- (1) CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:
 - (a) Advertisement Bills under J.F.P. Scheme and not yet ascertained Rs. 83,442.85 (Previous year Rs. 1,34,067.98).
 - (b) Liabilities arising as a result of the judgement of City Civil Court given in favour of an employee that he is still in the service of the Council Rs. 11,500/- approx. Appeal pending in High Court.
- (2) FOREIGN CURRENCY HAS BEEN CONVERTED @
 - (a) West Germany DM. 0.84 =Rs. 1/-
 - (b) Straits Dollar 1 =Rs. 1.55 P.
 - (c) Kenyan Sh. 1.50 =Rs. 1/-
 - (d) Lebanese Currency 66 Piastras =Rs. 1/-
 - (e) United Kingdom £. 1 =Rs. 21.14 in respect of remittances made at Pre-Sterling Devaluation rate of exchange and Rs. 18.15 in respect of remittances made at Post-Sterling Devaluation rate of exchange.
 - (f) United States of America U.S. \$ 1 =Rs. 7.51 P. and
- (B) in respect of (a) to (d) conversion has been made as per the rates indicated above and the sum so arrived at has then been increased by 57.5%.
- (3) Every Member of the Company other than the Officials of Government, undertakes to contribute to the assets of the Company in the event of the same being wound up during the time that he is a Member or within one year afterwards, for payment of the debts and liabilities of the Company contracted prior to the date on which he ceases to be a member and of the costs, charges and expenses of winding up the same, and for adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding Rs. 500/-.
- (4) Maximum balance at any time during the year due from an officer of the Council Rs. 500/- (Closing Balance Rs. 299/-).
- (5) Estimated value of Contracts remaining to be executed on Capital Account and not provided for Rs. 22,122/- (Advance paid Rs. 2,000/- by deposit in Savings Bank Account and Pass Book deposited with Vehicle Supplier).
- (6) SUNDRY DEBTORS:
Amount due from Concerns wherein some of the members of the Working Committee are interested as Director/Partner or Proprietor:

	Over six months
	Rs.
Messrs. Rita Mechanical Works	3,468.70
Messrs. Shalimar Industries Pvt. Limited	2,600.00
Messrs. Saraf Industries	300.00
- (7) The deposit and investment relating to Provident Fund are being separately reflected in Provident Fund Account and as such they are not reflected in this account.
- (8) Previous year's figures have been re-grouped and re-arranged wherever found necessary.

16,35,951.45

16,03,667.33

PROMOTION COUNCIL

GUARANTEE)

AS AT 31st MARCH, 1968—(contd.)

As at 31st
March, 1967
Rs. P.

ASSETS

13,76,720.37

Brought forward

Rs. P.
Rs. P.
13,78,396.99

CURRENT ASSETS, LOANS & ADVANCES (Contd):—

(B) LOANS & ADVANCES (UNSECURED CONSIDERED GOOD):

1,33,268.48	Advances (recoverable in cash or in kind or for value to be received and/or to be adjusted)	1,17,689.01	
926.69	Units in Franking Machine	668.75	
24,588.81	Prepaid Expenses	7,461.92	
74,634.86	Security Deposits (including Foreign Offices—Rs. 21,371.56 of which Rs. 7,000.00 is under dispute)	75,380.21	
5,375.00	Other Deposit (After adjustment)	5,000.00	
20,437.24	Suspense Pending Adjustments	19,070.45	2,25,270.34

16,35,951.45

In terms of our attached report of even date.

16,03,667.33

1-B, Old Post Office Street,
Calcutta-1, October 31, 1968.

S. R. BATLIBOI & CO.
Chartered Accountants.

ENGINEERING EXPORT

(LIMITED BY
INCOME & EXPENDITURE ACCOUNT

For the year
ended 31.3.1967

EXPENDITURE

Rs.	P.		Rs.	P.	
		To ADMINISTRATION WITHIN INDIA:—			
3,93,894.60		Salaries & Allowances (including Staff Welfare Rs. 15,154.06 and Provident Fund Rs. 13,382.53)	3,92,366.91		
10,000.00		Ad-hoc Provision for Gratuity	10,000.00		
1,11,153.00		Rent	1,11,275.50		
98,316.67		Printing, Stationery, Postage & Telegrams, Telephones etc.	99,477.42		
4,400.77		Electricity	4,522.38		
21,372.56		Common Facilities (including Rent Rs. 17,820.00)	23,959.15		
21,251.43		Travelling & Conveyance	21,924.11		
11,789.72		Motor Car Up-keep	10,326.55		
19,457.03		Miscellaneous Expenses	36,175.07		
3,94,816.38		Regional Office Expenses (as per Schedule 'B')	3,76,995.57		10,87,022.66
		„ ADMINISTRATION OUTSIDE INDIA:—			
9,63,185.98		Foreign Office Expenses (as per Schedule 'B')			9,95,377.44
2,40,313.29		Study Teams Expenses (includes unsupported Vouchers as approved by the Working Committee and Provision Rs. 5,500.00)			31,214.50
		„ EXPENSES FOR PROPAGANDA OUTSIDE INDIA:—			
60,675.39		Advertisement	72,265.50		
4,01,436.29		Joint Foreign Publicity	5,38,095.29		
		Brochures, Leaflets, Directory, Overseas Journal & Foreign Publications (after adjustment of stocks and including cost of Blocks)	1,47,666.47		
30,226.05		Less: Sales and Advertisement receipts	1,11,547.69	36,118.78	
1,02,937.01		Exhibition (Hanover Fair and London Exhibitions)	2,04,658.10		
12,467.77		Entertainment to Foreign Delegation etc. in India	5,063.19		8,56,200.86
		„ EXPENSES FOR PROPAGANDA WITHIN INDIA:—			
28,561.19		Advertisement	33,866.19		
		Home Bulletin (after adjustment of Stocks)	68,865.64		
53,422.46		Less: Sales and advertisement receipts	9,923.43	58,942.21	
29,79,677.59		Carried over	92,808.40		29,69,815.46

PROMOTION COUNCIL

GUARANTEE)

FOR THE YEAR ENDED 31st MARCH, 1968

For the year
ended 31.3.1967

INCOME

Rs.	P.		Rs.	P.	Rs.	P.
		BY MEMBERSHIP SUBSCRIPTION:—				
6,51,500.00		(Including Rs. 11,500.00 for 1966-67 and Rs. 1,000.00 receivable for the year)			9,44,500.00	
		„ SPECIAL CONTRIBUTION:—				
		Towards Joint Foreign Publicity Scheme transferred from last year's Account	1,26,710.11			
		Less: Adjustment made during the year	1,262.45			
			1,25,447.66			
		Add: Contribution received during the year	4,28,721.91			
2,67,368.31		Less: Unspent Balance carried forward	5,54,169.57		3,58,756.23	
9,275.12		J.F.P. Contribution forfeited	1,95,413.34			
2,02,499.01		Towards Study Teams Expenses			26,910.58	
1,77,755.00		Towards Permanent Exhibition and Madras Fair			2,00,941.30	
31,237.50		Towards Hanover Fair and London Exhibition			59,154.77	
		„ GRANTS RECEIVED UNDER MARKETING DEVELOPMENT FUND BROUGHT FORWARD FROM LAST YEAR	3,06,435.55			
		Received during the year	53,000.00			
			3,59,435.55			
		Add: Refund against last year's disbursement	83.66			
			3,59,519.21			
		Less: Disbursements & Refund to Government	2,96,581.32			
			62,937.89			
		Less: Carried over to Balance Sheet	62,937.89			
18,99,834.00		„ GRANT-IN-AID FROM GOVERNMENT OF INDIA			21,61,768.00	
1,453.51		„ LIABILITY NO LONGER REQUIRED WRITTEN BACK			20,185.08	
3,012.00		„ MISCELLANEOUS RECEIPTS			640.00	
46,875.17		„ SPECIAL CONTRIBUTION FROM WEST GERMAN GOVERNMENT TOWARDS HANOVER FAIR EXPENSES			37,878.41	
675.06		„ RECEIPTS FROM SALE OF DRILL				
151.50		„ SUNDRY CREDIT BALANCES & EXCESS PROVISIONS WRITTEN BACK			15,139.81	
1,45,002.44		„ BALANCE BEING EXCESS OF EXPENDITURE OVER INCOME				
34,36,638.62		Carried over			38,25,874.18	

ENGINEERING EXPORT

(LIMITED BY

INCOME & EXPENDITURE ACCOUNT

For the year
ended 31.3.1967

EXPENDITURE

Rs.	P.		Rs.	P.
29,79,677.59		<i>Brought forward</i>	29,69,815.46	
		To Expenses for Propaganda within India (contd.):—B/F Rs. 92,808.40		
		Journal & Books (after adjustment of Stocks)	16,734.87	
11,956.64		Less: Sales of Publication	6,432.90	10,301.97
3,44,039.84		Exhibitions (including Rent)		2,54,065.21
16,405.91		Entertainment		4,876.96
2,381.73		Samples	2,772.81	3,64,825.35
		„ SUNDRY ADJUSTMENTS (relating to previous year):—		
		Debit	21,196.67	
19,827.91		Credit	7,214.47	13,982.20
420.23		„ LOSS OF CASH BY THEFT (London Office)		—
266.67		„ INTEREST ON TEMPORARY BANK OVERDRAFT		12.42
		„ AUDITORS' REMUNERATION:—		
4,000.00		Audit Fee	4,000.00	
4,476.00		In Other Capacity	1,000.00	5,000.00
50,802.22		„ DEPRECIATION		44,702.07
2,383.88		„ SUNDRY DEBIT BALANCES WRITTEN OFF		7,095.35
—		„ BALANCE BEING EXCESS OF INCOME OVER EXPENDITURE		4,20,441.33
34,36,638.62				38,25,874.18
1,45,002.44		„ BALANCE BROUGHT FORWARD		—
—		„ EXPORT DEVELOPMENT FUND		3,00,000.00
1,14,487.82		„ BALANCE TRANSFERRED TO BALANCE SHEET		2,34,929.15
2,59,490.26				5,34,929.15

In terms of our attached report of even date.

PROMOTION COUNCIL

GUARANTEE)

FOR THE YEAR ENDED 31st MARCH, 1968 (contd.)

For the year
ended 31.3.1967

INCOME

Rs. P.
34,36,638.62

Brought forward

Rs. P. Rs. P.
38,25,874.18

34,36,638.62

38,25,874.18

2,59,490.26

BY BALANCE BROUGHT FORWARD

1,14,487.82

„ BALANCE BEING EXCESS OF INCOME OVER EXPENDITURE
BROUGHT DOWN

4,20,441.33

2,59,490.26

5,34,929.15

In terms of our attached report of even date.

1-B, Old Post Office Street,
Calcutta-1, October 31, 1968.

S. R. BATLIBOI & CO.
Chartered Accountants.

NOTES:—

- (1) All unutilised Air Passage and unspent Travellers Cheques in respect of Study Teams are adjusted in the account as and when received. Amount outstanding as on 31-3-1968 unascertained.
- (2) Subscriptions due from Members for 1966-67 Rs. 17,500.00 for 1967-68 Rs. 82,000.00 not credited as the subscription is adjusted on cash basis.
- (3) Salary & Allowances, Regional & Foreign Offices Expenses include Provident Fund Contribution Rs. 24,427.17.
- (4) Sale of Publications have been taken on cash basis.
- (5) The break up of expenditure on exhibitions is as under:—
(A) Exhibitions in India:

	Rs.
(i) Permanent Exhibitions at Calcutta, Delhi & Madras (Recurring Expenditure)	84,338.02
(ii) Madras Fair	1,15,959.87
(iii) Unctad Exhibition	53,730.76

- (6) Stocks of Publications lying at Branch Offices have not been adjusted in the absence of details.
- (7) Joint Foreign Publicity Expenses for 1967-68 for which bills were not received within 31-3-1968 are adjusted on Cash basis and the liability is not provided.
- (8) Miscellaneous Expenses include Rs. 293.48 due to difference in short and excess credit given by the bank over the years.
- (9) Liabilities in respect of Gratuity have not been ascertained but provided on estimated basis.
- (10) Previous year's figures have been re-grouped wherever found necessary.

ENGINEERING EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)

SCHEDULE "A" of FIXED ASSETS annexed to and forming part
of the Balance Sheet as at 31st March, 1968.

DEPRECIATION AND WRITE OFFS

DESCRIPTION	Cost to 31.3.1967		Additions during the year		Sales/ adjustments during the year		Total Value of assets to 31.3.1968		Up to 31.3.1967		For the year		Less: on Sales adjustments		Total up to 31.3.1968		Net Value as at 31.3.1968 as per Balance Sheet		Net Value as at 31.3.1967 as per last Balance Sheet	
	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
Motor Car and Other Vehicles ...	89,666.03		—		—		89,666.03		44,828.39		8,967.48		—		53,795.87		35,870.16		44,837.64	
Furniture, Fixture, Electric Fittings, Office Equipment, Air-conditioner	4,04,279.27		8,800.91		640.00		4,12,440.18		1,43,400.78		31,275.36		—		1,74,676.14		2,37,764.04		2,60,878.49	
Library ...	7,202.69		2,700.00		—		9,902.69		4,168.18		328.86		—		4,497.04		5,405.65		3,034.51	
Share of Assets under Joint Ownership with other Export Promotion Councils ...	43,063.68		—		—		43,063.68		10,289.83		3,755.37		—		14,045.20		29,018.48		32,773.85	
Total ...	5,44,211.67		11,500.91		640.00		5,55,072.58		2,02,687.18		44,327.07		—		2,47,014.25		3,08,058.33		3,41,524.49	
Figures for the corresponding previous year ...	4,85,480.19		59,162.03		430.55		5,44,211.67		1,53,509.96		49,177.22		—		2,02,687.18		3,41,524.49			

NOTE: Profit or Loss on Sales of Furniture etc., has not been adjusted as the original cost is not ascertainable.

ENGINEERING EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)

SCHEDULE "B" annexed to and forming part of the Income & Expenditure
Account for the year ended 31st March, 1968.

Offices	Salary	Provident Fund Contributions	Rent	Miscellaneous (including difference in exchange due to conversion)	Total	For the year ended 31st March, 1967
	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.
I. REGIONAL OFFICES:						
(1) Bombay	99,046.87	3,311.20	67,800.00	39,830.56	2,09,988.63	2,16,874.43
(2) New Delhi	49,990.93	1,638.07	24,867.04	19,187.22	95,683.26	1,05,919.78
(3) Madras	47,328.46	1,651.61	11,737.50	10,606.11	71,323.68	72,022.17
	Rs. 1,96,366.26	6,600.88	1,04,404.54	69,623.89	3,76,995.57	3,94,816.38
II. FOREIGN OFFICES:						
(1) London	79,980.16	950.94	88,546.62	68,679.31	2,38,157.03	2,23,529.18
(2) Dusseldorf	78,224.28	949.15	69,424.01	68,817.70	2,17,415.14	2,58,293.50
(3) Beirut	47,362.13	717.50	28,098.01	39,770.12	1,15,947.76	1,08,068.87
(4) Singapore	66,304.90	461.20	25,602.99	39,541.48	1,31,910.57	1,31,359.36
(5) Nairobi	43,301.67	539.27	26,460.00	34,101.76	1,04,402.70	85,654.06
(6) Chicago	80,385.04	825.70	45,839.83	51,045.21	1,78,095.78	1,46,826.17
(7) Rangoon (Correspondent's salary)	9,448.46	—	—	—	9,448.46	9,454.84
	Rs. 4,05,006.64	4,443.76	2,83,971.46	3,01,955.58	9,95,377.44	9,63,185.98

NOTE: The above expenses include unsupported expenses as approved by Working Committee.

ENGINEERING EXPORT PROMOTION COUNCIL

Head Office:

Engineering Export Promotion Council,
"World Trade Centre",
14/1-B, Ezra Street (3rd Floor),
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Phone: 34-5251 (5 lines)
Gram: OCEANBORNE

Regional Offices:

BOMBAY

Engineering Export Promotion Council,
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Gram: OCEANBORNE

MADRAS

Engineering Export Promotion Council,
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Phone: 87501
Gram: OCEANBORNE

NEW DELHI

Engineering Export Promotion Council,
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Foreign Offices:

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Shri V. Lakshmipathy,
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Beirut (Lebanon),
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Gram: ENPROCIL

DUESSELDORF (WEST GERMANY)

Shri D. S. Ahluwalia,
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