

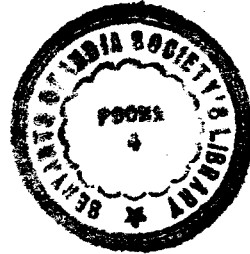
United Provinces of Agra and Oudh

REPORT

OF THE

Industrial Finance
Committee

1935



1837

ALLAHABAD:

SUPERINTENDENT, PRINTING AND STATIONERY, UNITED PROVINCES

1935

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APPENDIX I

QUESTIONNAIRE BY THE UNITED PROVINCES INDUSTRIAL FINANCE COMMITTEE

This questionnaire is issued by the Committee for the purpose of obtaining information, views, and suggestions from the public. It is not to be regarded as exhaustive. The Committee will welcome information, and suggestions on other matters relevant to the enquiry which are not covered by the present questionnaire. It is not necessary that all the questions be answered.

Persons or associations willing and in a position to help the Committee with separate statements or memoranda on any particular subject contained in the questionnaire and with which they are personally connected and have first-hand knowledge, are invited to do so.

All papers should reach the Secretary of the United Provinces Industrial Finance Committee, Council Chamber, Lucknow, before 31st January, 1935.

Oral evidence will be called for on the basis of and as required by the replies and statements received. Persons willing to appear as witnesses are requested to inform the Secretary before 20th January, 1935.

The Committee desire to collect information from all parts of the United Provinces. Persons not already supplied can obtain copies of this questionnaire on application to the Secretary of the Committee.

SORABJI N. POCHKHANAWALA,

Chairman,

United Provinces Industrial Finance Committee.

QUESTIONNAIRE

I.—MAJOR AND MINOR INDUSTRIES

1. What are the principal industries in the United Provinces which, in your opinion, suffer at present for want of credit facilities with special reference to—

(a) fixed capital expenditure—(purchase of land, “block,” etc.), and

(b) current requirements of working capital (raw material, working expenditure, etc.)?

What would be the best method of securing fixed and working capital for them?

2. State how and in what form the industrial concerns in the United Provinces receive financial assistance from Government, the Imperial Bank, Exchange Banks, Indian Banks, indigenous bankers and Co-operative Banks?

3. Do you know of instances where industrial concerns have been handicapped for want of credit facilities?

4. What is the average rate of interest charged to industries where finance is made available or credit facilities provided by Government, banks or money-lenders?

5. What kind of securities are generally offered to Government, banks and money-lenders when money is borrowed for industries? Are such securities, in your opinion, considered safe and adequate?

6. State what difficulties are experienced by persons engaged in industries to procure adequate banking and credit facilities and what principal objections are raised by banks while considering applications for such advances? Give instances within your knowledge.

7. To what extent, within your knowledge, have Government, banks and money-lenders suffered losses by extending credit facilities to industries in the United Provinces owing to trade depression, low prices of commodities and other causes?

8. If banks in the United Provinces have not financed industries quite freely, to what causes do you attribute their reluctance? Is it due to fraud or mal-practices committed by borrowers or to heavy losses incurred as a result of severe fall in prices of industrial products or to other causes?

9. Do banks in the United Provinces give credit facilities on personal security to those engaged in industries and lend freely on stocks of goods pledged or hypothecated with them?

10. Do you know of any instance where a loan required for extension purposes was refused to an established industry in the United Provinces?

11. Is short-term credit or long-term credit more easily available to industries from banks and money-lenders in the United Provinces ?

12. (a) Do any facilities exist in the United Provinces for the purchase of machinery on the "hire-purchase system?" If so, what are the terms usually demanded from the purchasers ?

(b) Are the existing facilities adequate and the terms reasonable ?

(c) Have you any suggestion for improving the existing facilities ?

13. Have banks in the United Provinces encouraged any big industrial or commercial project, private or public, with financial help ?

14. Could you suggest some scheme by which credit facilities could be made more easily available through Government or banks to those engaged in industries in the United Provinces ?

15. How far and in what manner, in your opinion, should Government give financial assistance to encourage and develop industries in the United Provinces ?

16. If you are interested in any of the following industries, give your opinion as to the credit facilities required by them and now available to them :

(a) Sugar.

(b) Textile.

(c) Glass.

(d) Leather.

(e) Soap.

(f) Bricks.

(g) Tiles.

(h) Paper.

(i) Matches.

(j) Biscuits.

(k) Cigar and cigarettes.

(l) Canning and fruit preservation.

(m) Oil.

(n) Flour mills.

(o) Hardware and Electroplating.

(p) Gold and silver thread.

(q) Woodwork.

(r) Engineering.

(s) Chemicals.

What special financial assistance would you recommend for developing the above and such industries ?

17. Do you know of industries in the United Provinces which have succeeded or failed after receiving financial help from Government either in the form of loans or free grants ?

18. What steps do you consider necessary to induce capitalists and men of enterprise in the United Provinces to take to industries ?

19. What help, if any, have local bodies (e.g. municipalities and district boards, etc.) rendered to major and minor industries ? Have you any suggestions ?

20. Is it advisable that Government should guarantee dividends on capital invested by share-holders in joint stock industrial enterprises to encourage the promotion and development of certain pioneer industries in the United Provinces ?

21. Do you think some kind of bounty or subsidy given by Government to select industries would help them to increase sales and compete successfully with articles manufactured outside the United Provinces ?

II—COTTAGE INDUSTRIES

1. Are rice milling, dairy farming, jaggery making, toy making, pottery, jewellery, brassware, silver and goldware, lace making, fruit growing, hand spinning, lock making, carpet and durree making or other cottage and small industries in existence in your district ? If so, how far are they financed by co-operative societies, banks and money lenders ?

2. In what way have the Co-operative Societies helped cottage industries ? Are they lending money only against promissory notes of borrowers and securities or are they advancing money against industrial products ?

3. Is there any link between banks and co-operative societies in the United Provinces ?

4. Has any attempt to start a new industry in your district failed because of difficulties in obtaining capital ? Please give instances ?

5. What encouragement and help have the local bodies (municipalities and district boards, etc.) given to cottage industries ? Have you any suggestions ?

III—CREDIT INSTITUTIONS

1. What part should Government play in the promotion and the future working and management of a credit institution formed to give financial help to industries in the United Provinces ?

2. What privileges would you ask from Government for such an institution ?

3. What part should the public take in the formation of the above credit institution ? Would you allow the public to subscribe to its capital and if so, to what extent ?

4. Should such an institution take deposits and do business on commercial lines ? If so, to what extent would it affect the business of existing credit institutions ?

5. What form of control would you suggest to safeguard Government's financial interest in it ?

6. Do you think that the public would come forward to invest their money in such a credit institution if started on sound lines and under experienced management without any Government guarantee ?

7. Should such an institution be empowered to underwrite or subscribe shares or debentures in industrial enterprises promoted as joint stock companies ?

8. Under what circumstances and conditions should such industrial concerns be helped by such an institution ?

9. Can you suggest any method by which the public in the United Provinces may be induced to invest more of their savings in industrial concerns and thereby support the industrial development of the provinces ?

10. Do you think the absence of a stock exchange in the United Provinces may be handicap in the promotion of joint stock companies in these provinces ?

11. Are you in favour of or against the United Provinces Government's participating directly in financing industrial business side by side with existing credit institutions ?

12. Have you any other suggestions for extending and improving the banking and investing habit among the public in order to develop industries in the United Provinces ?

IV—INDUSTRIAL BANKS

1. In your opinion, would an industrial bank in the province remedy the present difficulties of industries in the matter of financial aid ?

2. Would such a bank get sufficient business and succeed on commercial lines ?

3. Is it advisable to start an industrial bank with a substantial capital at a suitable centre in the province with branches, if necessary, to finance industries of the whole province, or would you advise the opening of several institutions for lending money to industries at different places ?

4. Should such an institution or institutions be started on joint stock lines ? Would the public come forward to subscribe to the capital ?

5. What part should co-operative banks play in financing small industries ?

6. Should such an institution or institutions or co-operative banks supply fixed capital or only working capital ?

7. What part should Government take in the formation and the working of such industrial banks ?

V—MARKETING AND PUBLICITY

1. What facilities have industrial products manufactured in the United Provinces at present for local sales and sales outside the provinces ?

2. What industrial products in your opinion have a good market locally or outside the United Provinces and what should be done to increase their demand ?

3. What part in your opinion should Government play to increase the sales and the demands for articles manufactured in these provinces and already on the market ?

4. What part does Government play in the marketing of manufactured articles and giving them due publicity within and outside the provinces ?

5. What financial help is given at present for marketing of manufactured articles by Government and other credit agencies ?

6. What further help in your opinion is needed from Government and credit agencies to improve the existing markets and to find new markets for articles manufactured in the United Provinces ?

7. What efforts has Government made so far to find new markets for United Provinces products ?

8. What part should the new credit institution, when started, play in the marketing of industrial products ?

9. Have you any suggestions to make for improving the marketing of industrial products in your district by co-operative or other methods ?

10. Have periodical exhibitions and industrial fairs helped in the marketing of United Provinces products ?

11. Would inter-provincial exhibitions be helpful ?

12. Has the United Provinces Government Arts and Crafts Emporium been useful in the marketing of United Provinces products ?

13. Would a commercial and industrial museum be useful ?

14. Do you think there is a good field for encouraging inland trade bills in the United Provinces for the purchase and sale of industrial products ?

VI—GENERAL

1. Can you suggest any plan to encourage large and small industries now in existence in the provinces and suffering for want of finance ?

2. Have you any scheme for financing the introduction of new industries in the provinces or in your particular district ?

3. What difficulties in your opinion have industries been feeling in getting technical and financial aid from the present Industries Department ?

APPENDIX II

STATEMENT I

Major industries in the United Provinces

NOTE—This list contains those industries which are carried on in central factories using mechanical power on a large scale.

1. Cotton spinning and weaving.
2. Sugar manufacture in vacuum pan factories.
3. Wool spinning and weaving.
4. Oil.
5. Generation of electricity.
6. Leather including tanning.
7. Printing Press.
8. Flour.
9. Distilleries and Breweries.
10. Paper.
11. Match.
12. Cotton ginning and pressing.
13. Glass.
14. Rosin and Turpentine.
15. Bobbin making.
16. Jute.
17. Tobacco-Cigarette
18. Iron rolling works.
19. Hosiery.
20. Manufacture of aluminium ware.
21. Iron foundries.
22. Kutch making.
23. Heavy chemicals.
24. Brush making.
25. Tea.
26. Saw mill.
27. Silk.
28. Rice.
29. Soap.
30. Opium.

STATEMENT II

Minor industries in the United Provinces

NOTE—This list contains those industries which are carried on in small factories in which mechanical power may or may not be used but in which workers are employed on wages to work on machines and appliances under the guidance and control of an employer or his agent. This list thus includes all medium and small power driven factories as well as non-power factories for handloom weaving, carpet, glass, etc. Naturally, therefore names of industries mentioned in statements I and III are also included in this statement.

1. Iron and Engineering Works including Electrical Works (small).
2. Tanning.
3. Soap.
4. Ink.
5. Cigarettes and biris.
6. Pencil.
7. Cardboard box making.
8. Tobacco chewing and smoking.
9. Woodworking and carving and saw mills.
10. Printing Press.
11. Lock making.
12. Iron foundry (small workshop).
13. Glass bangle.
14. Brass casting.
15. Shoe making.
16. Perfumery (Itars).
17. Biological specimens and slides.
18. Sun hemp baling.
19. Lace making.
20. Electric fans.
21. Fire works.
22. Shellac making.
23. Pharmaceutical works.
24. Lime.
25. Kutch making.
26. Tile and bricks.
27. Disinfectants.
28. Confectionery.
29. Embroidery with gold wire.
30. Cricket balls.
31. Open pan sugar.
32. Handloom weaving factories.
33. Carpet and durree weaving.
34. Saltpetre.
35. Chemicals including acids.
36. Scientific instruments.
37. Fountain pens.
38. Scents, hair oils and cosmetics.
39. Electroplating.
40. Wire drawing.

41. Enamelling.
42. Steel trunk making.
43. Hosiery.
44. Button making.
45. Cutlery.
46. Scissors making.
47. Marble work.
48. Boot lace.
49. Lead leaf making.
50. Saddlery.
51. Pottery.
52. Dyeing.
53. Mathematical and geometrical instruments.
54. Tent making.
55. Taxidermy.
56. Jam making.
57. Biscuit making.
58. Rice hulling.
59. Vinegar making.
60. Dal splitting.
61. Metal pressing.
62. Gold and silver ornaments.
63. Wool spinning.
64. Gold thread making.
65. Gota weaving.
66. Tin can making.
67. Metal utensil making.
68. Art brassware.

STATEMENT III

Cottage industries in the United Provinces

NOTE—This list contains those industries in which work is done in the homes of the artisans without the use of mechanical power.

1. Weaving of cotton wool and silk.
2. Shellac making.
3. Carpet weaving.
4. Durrie weaving.
5. Embroidery, silk cotton and gold wire.
6. Gold thread making.
7. Metal utensils.
8. Oil pressing.
9. Saltpetre refining.
10. Art brassware.
11. Whip making.
12. Cotton and silk printing.
13. Glue making.
14. Wood work and wood carving.
15. Scissors making.
16. Leather working.
17. Tatpatti weaving.
18. Marble work and stone dressing.
19. Silk rearing.
20. Glass bangle.
21. Cricket balls.
22. Saddlery.
23. Dyeing.
24. Lock making.
25. Steel trunks and iron safe making.
26. Cutlery.
27. Pottery.
28. Hosiery.
29. Tobacco-chewing and smoking.
30. Wire drawing.
31. Making of gold wire for embroidery.
32. Wooden and horn comb making.
33. Toy making.
34. Biri making.
35. Tent making.
36. Brass inlay on wood work—tarkashi.
37. Perfumery.
38. Namda or felt making.
39. Ebony work.
40. Gota weaving.
41. Ghee making.
42. Jewellery.
43. Gold and silver ornaments.
44. Lac bangles.
45. Vinegar making.

46. Kite flying yarn.
47. Lead leaf making.
48. Gold and silver leaf.
49. Pickle and jams.
50. Surma or antimony.
51. Tabla and other Indian musical instruments.
52. Brush making.
53. Ivory.
54. Basket making.
55. Rope making.
56. Clay figures.
57. Papier machie.
58. Glass bead curtains.
59. Rath and bullock cart making.
60. Confectionery.
61. Tin smithy.
62. Taxidermy.
63. Kutch making.
64. Bidar work.
65. Artificial flowers.
66. Fire work.
67. Moss stone work (Banda).
68. Munj mat and twine.
69. Cane and bamboo work.
70. Cast brass fitting.
71. Book binding.
72. Cardboard box making.
73. Picture framing.
74. Lampshade making.

APPENDIX III

Budget provision for and the amounts actually advanced as industrial loans from 1921-22 to 1934-35

Year	General loans for industrial purposes				Loans to Co-operative Banks		Loans to ex-students for purchase of tools		Total	
	Budget provision	Large loans to major industries	Large loans to minor industries	Small loans to minor industries	Budget provision	Amount actually advanced	Budget provision	Amount actually advanced	Budget provision	Amount actually advanced
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Up to 1920-21.	Not available.	66,000	20,000	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.	86,000
1921-21 ..	..	..	..	Nil.	Nil.	Nil.	Nil.	300	Nil.	300
1922-23 ..	5,00,000	11,00,000	12,000	Nil.	Nil.	Nil.	5,000	Nil.	5,05,000	11,12,000
1923-24 ..	2,00,000	..	..	..	..	..	1,000	Nil.	2,01,000	Nil.
1924-25 ..	2,00,000	1,42,000	..	2,000	20,000	14,000	1,000	Nil.	2,21,000	1,58,000
1925-26 ..	1,00,000	80,000	..	5,000	20,000	19,000	1,000	700	1,21,000	1,04,700
1926-27 ..	1,00,000	..	..	..	20,000	7,000	1,000	1,000	1,21,000	8,000
1927-28 ..	45,000	40,000	..	5,000	20,000	20,100	1,000	Nil.	66,000	65,000
1928-29 ..	90,000	40,000	..	..	10,000	Nil.	1,000	Nil.	1,01,000	40,000
1929-30 ..	90,000	..	..	..	10,000	Nil.	1,000	Nil.	1,01,000	Nil.
1930-31 ..	50,000	..	15,000	6,000	5,000	Nil.	1,000	800	56,000	21,800
1931-32 ..	30,000	..	..	18,000	5,000	5,000	1,000	900	36,000	23,900
1932-33 ..	20,000	..	..	..	5,000	Nil.	1,000	Nil.	26,000	Nil.
1933-34 ..	15,000	..	..	..	5,000	5,000	1,000	Nil.	21,000	5,000
1934-35 ..	15,000	..	..	..	5,000	..	3,000	500	23,000	500
Up to February, 1935.	..	..	..	..	..	..	..	..	..	..
Total ..	14,55,000	14,68,000	47,000	36,000	1,25,000	70,000	19,000	4,000	15,99,000	16,25,000

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