

BOMBAY

Powerloom Enquiry  
Committee, 1955

Report.

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GOVERNMENT OF BOMBAY

# Report of the Powerloom Enquiry Committee

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**Report of the  
Powerloom Enquiry Committee**

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# CHAPTER I

## Introduction

### APPOINTMENT OF THE COMMITTEE AND TERMS OF REFERENCE

The Textile Enquiry Committee appointed by the Government of India considered *inter-alia* the desirability and justice of continuing the existing reservations of the varieties of production in favour of the larger powerloom units. The Committee agreed that the larger powerloom industry operating upto say 50 powerlooms per unit was still only a slightly improved version of the small-scale industry and that winding, warping, sizing etc. are still often carried on in these units in very much the same way as for the smaller units. While conceding that this sector of the industry should not be thrown out of gear by the withdrawal of reservations, the Committee recommended that the larger powerloom units should be warned that after 1960, they should be considered to be on the same footing as the large scale organised mill industry and should expect no concessions. The Committee also recommended that as the powerloom industry was concentrated in Bombay State, the Bombay Government should hold an inquiry with a view to taking steps to facilitate an increase in the economic efficiency of the powerloom industry. Accordingly the Bombay Government by its resolution in the Development Department No. IDL 1655(a)-A, dated 22nd September 1955, which is reproduced below, appointed us to conduct the inquiry :—

“The Textile Enquiry Committee appointed by the Government of India, Ministry of Commerce and Industry recommended *inter-alia* and requested that as there is concentration of the powerloom industry in the State of Bombay, the Bombay Government should conduct an inquiry as it deems fit, into matters affecting the powerloom industry (consisting of units with more than 5 looms) and take steps to facilitate an increase in the economic efficiency of the powerloom industry by the provision of centralised winding, warping, sizing, yarn supply on beams, dye houses, finishing plants etc. This recommendation has been accepted and Government is pleased to appoint a Committee consisting of the following persons :—

#### *Chairman*

- (1) Shri Purshottam Kanji.

#### *Members*

- (2) Shri S. C. Edke, M. L. C., Bagalkot.
- (3) Shri A. G. Kulkarni, Hon. Secretary, Deccan Manufacturers' Association, Sangli.

- (4) Shri R. G. Kakade, Servants of India Society, Poona.
- (5) The Director of Industries, Bombay.
- (6) The Joint Registrar for Industrial Co-operatives and Village Industries, Poona.
- (7) The Deputy Registrar (Handlooms), (Non-Member Secretary).

The terms of reference of the Committee should be as follows :—

- (i) To conduct an enquiry into matters affecting the powerloom industry with a view to taking necessary steps to facilitate an increase in the economic efficiency of the powerloom industry by the provision of centralised winding, warping, sizing, yarn supply on beams, dye houses, finishing plants etc., and
- (ii) To suggest ways and means to avoid the conflict with the handloom industry”.

2. Though we were asked principally to concern ourselves with suggesting steps for increasing the economic efficiency of units consisting of more than 5 powerlooms, we felt in the very early stages of our deliberations that we could not over-look and lose sight of the integrated nature of the industry. We were fortified in this opinion because we were asked to suggest ways and means of lessening the conflict between the handloom and the powerloom industries. The basis of our recommendations has been that our Committee was appointed because of the recommendation No. 116 of the Textile Enquiry Committee appointed by the Government of India and also because of its specific recommendation that the larger powerloom units should be warned that after 1960, they can expect no more concessions in respect of reservations of production and should stand on par with the large-scale textile industry. We also felt that with the increase in the economic efficiency of the powerloom units, the conflict between the powerloom and the handloom industries may, in the absence of proper safe-guards, be heightened rather than lessened. We have, therefore, in a later chapter of this report recommended what safe-guards and reservations are necessary and what steps should be taken to reduce the conflict between these two sectors of the textile industry.

#### MEETINGS AND VISITS OF THE COMMITTEE

3. The Committee held in all seven meetings and visited important powerloom and handloom weaving centres in Bombay State. The itinerary of the Committee is reproduced as *Annexure I*. We also issued a questionnaire which appears at *Annexure II*. 2285 questionnaires were issued to various institutions and individuals. 196 replies were received, details of which are given at *Annexure III*,

**REASONS FOR DELAY IN SUBMISSION OF REPORT**

4. We were expected to submit our report to Government within three months of our appointment. But in view of the fact that we had to visit a large number of powerloom and handloom weaving establishments in Bombay State and have discussions with units engaged in these industries, as also due to delay in receiving replies to our questionnaire, we regret we were obliged to seek an extension of this period upto 30th June 1956.



## CHAPTER II

### The evolution and structure of the Powerloom Industry

#### NUMBER OF POWERLOOMS RUNNING ON COTTON YARN AND ARTIFICIAL YARN

5. Over 75 per cent of the total number of powerlooms in the country are found in Bombay State. According to the statistics furnished by the Textile Commissioner, Bombay, there were 60,280 powerlooms in India out of which 24,215 were running on cotton yarn and the remaining 36,065 on art-silk. *Annexure 'IV'* indicates the state-wise distribution of these powerlooms. Again, there are 15,383 powerlooms working on cotton yarn and 29,897 on art-silk in Bombay State. *Annexures 'V' and 'VI'* give details of district-wise and centre-wise location of these powerlooms. These annexures also contain the break-up according to the size of the various units in the powerloom industry in the different centres. It will be seen from these figures that Bombay State accounts for approximately 64 per cent of the total number of powerlooms running on cotton yarn in the country and about 83 per cent of those running on artificial yarn.

#### EVOLUTION OF THE POWERLOOM INDUSTRY

6. We have not been able to obtain accurate information about the evolution of the powerloom industry. We, however, feel that the first powerlooms may have been installed during the early part of the twentieth century in some of the present important centres of the powerloom industry. But the industry has not grown up evenly in all parts of the State. Actually, there has been a concentration in certain centres like Surat, Malegaon, Dhulia, Ichalkaranji, Bhiwandi, Cambay and Greater Bombay. Many of these centres also contain a large concentration of handlooms which, with the introduction of the powerlooms, have gradually diminished in number. It would be safe, therefore, to assume that the credit for establishing this industry would go to the more prosperous among the handloom weavers though, at a later stage, there did appear non-hereditary entrepreneurs who set up powerloom establishments and ran them on the factory system. The availability of certain preparatory processing facilities and also facilities for bleaching, finishing and calendering within easy distances also accounts for the growth of the powerloom industry at certain important centres. A detailed survey of the powerlooms at these various centres has never been undertaken but it appears that a large number of the powerlooms initially installed were obtained second-

hand from the mills. This is particularly so in the case of those handloom weavers who saved a little money and switched over to the production of cloth on powerlooms.

**GROUP-WISE DISTRIBUTION OF  
POWERLOOMS**

7. We reproduce below a statement showing the group-wise distribution of powerlooms running on cotton yarn and those on artificial yarn. In general conformity with the principles laid down by the Union and State Governments for the reservation of spheres of production, levy of and exemption from excise duty and sales tax as also for the purpose of convenience, we have divided the industry into 5 groups consisting of 1 to 4 powerlooms, 5 to 9 powerlooms, 10 to 24 powerlooms, 25 to 49 powerlooms and 50 and more powerlooms.

Type of yarn used,	1 to 4 power looms.		5 to 9 power-looms.		10 to 24 power-looms.	
	No. of power-looms.	Percentage to total number of powerlooms in Bombay State.	No. of power-looms.	Percentage to total number of powerlooms in Bombay State.	No. of power-looms.	Percentage to total number of powerlooms in Bombay State.
1	2	3	4	5	6	7
Cotton ..	3,559	23.14	2,621	17.04	3,881	25.23
Art-silk ..	1,387	4.64	2,330	7.79	2,932	9.8

Type of yarn used,	25 to 49 power-looms.		50 and more power-looms.	
	No. of power-looms.	Percentage to total number of powerlooms in Bombay State.	No. of power-looms.	Percentage to total number of powerlooms in Bombay State.
1	8	9	10	11
Cotton ..	1,742	11.32	3,580	23.27
Art-silk ..	7,691	25.73	15,557	52.04

N. B.—(1) Total number of powerlooms working on cotton yarn in Bombay State .. 15,383

(2) Total number of powerlooms working on art-silk in Bombay State .. 29,897

8. It will be seen from the statement that 40·18 per cent of the powerlooms working on cotton yarn have less than 10 powerlooms in each unit and 25·23 per cent are in units having between 10 to 24 powerlooms. It follows from this that the powerlooms working on cotton yarn in Bombay State are mostly (65·41 per cent) in units owning less than 25 powerlooms which do not generally employ more than 50 workers and could, therefore, legitimately be entitled to all the facilities being offered for small-scale industries. The basis for assistance to such small-scale industries is that they are inherently incapable for quite sometime to come to compete with the large-scale industry. We are, therefore, of the view that it would not be advisable to bracket such units with the composite mills. We also consider that this recommendation is consistent with the policy of continuing the reservations for units owning less than 4 powerlooms on the same basis as in the case of the handloom industry. Out of the remaining number of powerlooms working on cotton yarn, 11·32 per cent consist of units between 25 to 49 powerlooms in each unit and only 23·27 per cent owning 50 and more powerlooms in each unit. The problem, therefore, narrows down to the consideration of how the economic efficiency of the last group should be improved in order that it may be able to develop sufficient strength and stand on par with the composite mill industry in due course. As regards the powerlooms engaged on art-silk, it will be seen that 77·77 per cent of the total number of powerlooms are found among units which own 25 or more than 25 powerlooms each. We have also noticed that many of these establishments are carrying on preparatory processes in a mechanised fashion and are able to take advantage without much difficulty, of finishing facilities. We, therefore, do not consider it necessary to recommend any special concessions in respect of the Art-silk Sector of the Powerloom Industry.

## CHAPTER III

### Supply of Raw Materials

#### DIFFICULTIES IN SUPPLY OF YARN AND HOW TO SOLVE THEM

9. A major difficulty of the handloom and the powerloom industries is in regard to the supply of yarn and other raw materials required for the industries, whether such raw materials include cotton yarn, other types of artificial yarn, dyes, chemicals, fuel, coal etc. etc. During the course of our tours we have received numerous complaints from both handloom and powerloom establishments about the quality of yarn supplied by the composite and the spinning mills. It has also been brought to our notice that the prices are increased arbitrarily and unfair advantage is taken of the helplessness of the handloom and the powerloom weavers as well as their inability to procure yarn at competitive rates from other sources. It has also been explained to us with a great deal of force that the composite mills reserve the best yarn for their own use and in some cases supply inferior quality of yarn for the handloom and the powerloom industries. It has also been brought to our notice that there is a tendency on the part of some of the composite mills to overspin from relatively poorer mixings. In view of the positive recommendation of the Textile Enquiry Committee that the larger powerloom establishments should gradually be deprived of the concessions regarding reservations of varieties of production and be considered on par with the large-scale textile industry, we feel that the acceptance of this recommendation would constitute a very great hardship particularly as this sector of the industry will not have within easy reach sources of good yarn. Apart from the quality and price of yarn, we are of the opinion that these establishments should not be left to depend on the vagaries of the composite mills in respect of the basic raw material required *i. e.* yarn. We have in this connection noticed with satisfaction the tendency of the powerloom establishments to obtain ready weavers' beams from the composite mills in order that not only should there be an increase in the production but also a lowering of cost of cloth. Facts and figures have been given to us to show that even here the composite mills have increased the rates for the supply of weavers' beams. Consequently, the powerloom establishments are not able to take full advantage of the supply of weavers' beams. We consider that as the powerloom and handloom establishments are fulfilling a national service in meeting the increased requirements of cloth, they should be enabled to get such beams at economic rates. If the handloom industry and the powerloom industry are expected to produce 3,000 and 200 million yards respectively out of the total

quantity of 8,200 million yards at the end of the Second Five Year Plan, it is necessary to see that the achievement of these targets by the handloom and the powerloom industries is not frustrated by their inability to obtain adequate quantities of yarn at reasonable rates. It has been suggested to us that the shortage of yarn is also another potent factor for the rise in prices and, therefore, a method should be devised to make yarn available to the handloom and the powerloom weaving industries at competitive rates. We recommend that this suggestion should be pursued. We shall have occasion in a later chapter to consider at some length the provision of yarn to the handloom and the powerloom weaving industries by decentralised spinning processes. But we are not at this stage in a position to say that the quantities of yarn that would be made available by decentralised spinning processes would be adequate for the targets of production set for the handloom and the powerloom industries. We would, therefore, strongly urge the establishment of Co-operative Spinning Mills as recommended in Chapter VIII for the purpose of which Government may give liberal financial assistance. The main problem of the handloom and the powerloom industries is in regard to the supply of basic raw material required *i. e.* yarn, and we consider that if this problem is solved in the manner suggested above and in Chapter VIII, it will be possible for the handloom and the powerloom industries to establish themselves on an economic footing.

#### DIFFICULTIES IN SUPPLY OF DYES, CHEMICALS, ETC.

10. During the course of our tours, complaints have also been voiced about the inability of the handloom and powerloom establishments to obtain standard dyes and chemicals at standard rates. One of the main causes of this is the lack of organisation among the enterprises themselves. Nor are the handloom weavers and the powerloom units able to muster enough financial resources for buying such raw materials in bulk or for obtaining direct import licences. Our remarks in this connection are primarily meant for the powerloom industry run on cotton yarn as the problem does not appear to be so acute in the case of the powerloom establishments run on artificial yarn though even in their cases also the smaller units do experience occasional difficulty. Our recommendation for meeting this difficulty would be the formation of co-operative societies of the powerloom establishments which will cater to the requirements of their members. We would recommend that liberal financial assistance as is being given to the small-scale industries should be given to such co-operative enterprises also. We would also recommend that such co-operative enterprises should be treated favourably in order to enable them to import, wherever necessary, directly from the suppliers.

## CHAPTER IV

### Finance

#### FINANCIAL REQUIREMENTS OF THE POWERLOOM ESTABLISHMENTS AND HOW TO OBTAIN THEM

11. The purposes for which financial assistance is required by the powerloom establishments include the purchase of looms and accessories such as healds, reeds, shuttles etc., electric motors, accessories for winding, warping and beaming, capital equipment such as land and buildings etc. and for working capital. Normally, each powerloom would require about Rs. 2,500 to Rs. 3,000 for equipment and about Rs. 2,000 for working capital. The requirements for running one powerloom would be in the region of Rs. 5,000 which is exclusive of the amount required to be invested in land and buildings. We have noticed that excepting in the case of the larger units having 25 and more powerlooms, powerloom owners and weavers generally have extremely meagre resources with the result that they are not capable of undertaking planned production and remunerative marketing. This is the position, whether at Malegaon, Dhulia, Ichalkaranji or elsewhere. Yarn is purchased on credit, production is undertaken from day to day, marketing is done sporadically and sometimes with little or no margin, idle days are involved when the unit is not able to get either the yarn or dispose of the finished goods. The result is that the economic efficiency of the smaller powerloom establishments is indeed at a very low level. This is particularly because of the fact that many of these smaller establishments have not combined together for removing the defects mentioned above and thereby increasing the economic efficiency. We would recommend that particularly the powerloom establishments running 1 to 4 powerlooms per unit should be organised into co-operative societies. If this is done, such industrial co-operatives can take advantage of the liberal scheme for financial assistance which has been outlined in the Government of India, Ministry of Commerce and Industry, Office Memorandum No. 52-SSI/(55-56) dated 4th June 1955. We notice with satisfaction that the Bombay Government has accepted this scheme of giving assistance to small-scale industries. The scheme of the Government of India and the Bombay Government's scheme of Aid to Small-scale and Cottage Industries Rules are reproduced at Annexures 'VII' and 'VIII' respectively. We recommend that intensive efforts should be undertaken by the Co-operative Department for the organisation of such industrial co-operatives which with the assistance available under the schemes referred to above, would enable the smaller units of the powerloom industry to be established on a sound footing. We

have been informed that the Industrial Co-operative Banks and the Central Co-operative Banks in Bombay have agreed to work under this scheme and it would, therefore, be possible for the industrial co-operatives of such powerloom owners to get assistance through such Co-operative Banks for the purpose of working capital. Details of these arrangements will be found in *Annexures 'IX' and 'X'*. As regards finance required for capital equipment, land and buildings we consider it would be possible for the establishments to obtain adequate accommodation from the Loans Advisory Committee of the Government of Bombay or from the Bombay State Financial Corporation. We have also been informed that the State Bank of India is contemplating a scheme for the extension of credit to the small-scale industries and for establishing effective co-ordination with all financing agencies so that the requirements of the small-scale sector of the industry would be met. We recommend that the powerloom establishments take advantage of these facilities.

## CHAPTER V

### Preparatory and finishing processes for the powerloom Industry

#### NATURE OF PREPARATORY PROCESSES AT DIFFERENT CENTRES

12. Our first term of reference involves an enquiry into the preparatory and finishing processes followed by the powerloom industry and making recommendations in regard to their improvement with a view to increasing the economic efficiency of the industry. The preparatory processes include dyeing, whether with direct colours, sulphur, indenthine or with naphthol, winding, twisting or doubling, warping, beaming, sizing, drawing in and denting. During the course of our tours, we noticed that at all the important powerloom centres dyeing was being generally carried on by hand processes. There has been no switch over to mechanical dyeing processes worth speaking of. As regards the other preparatory processes mentioned above, this is not the position. At Dhulia and Malegaon all the processes are generally done by hand and mechanised or semi-mechanised processes are not resorted to. At Surat, however, in view of the fact that the large majority of powerlooms are engaged in the production of cloth out of artificial yarn, most of the processes are done in a mechanised or semi-mechanised manner. The same is true in Greater Bombay excepting in the smaller powerloom establishments. At Ichalkaranji, there is a combination of both hand and mechanical processes, the line of demarcation being that the larger establishments employ mechanised processes and the smaller, hand processes. The following summary indicates at a glance the nature of the processes being followed at the different powerloom centres :—

Process.	Methods followed in			
	Surat.	Dhulia and Malegaon.	Bombay.	Ichalkaranji.
Dyeing. Winding.	By hand. In some cases by hand and in other cases by machine.	By hand. By hand.	By hand. All other processes by machine excepting a few smaller units where all the processes are not done on machine.	By hand. Winding by hand on large scale but in some cases by machine also.
Twisting or doubling.	By locally made machine.	Not being done.	do.	Not being done.
Warping.	Some by hand and some by machine.	By hand.	do.	In <sup>o</sup> bigger units done by machine and in smaller by hand.
Beaming and Sizing.	Some by hand and some by machine.	By hand.	do.	do.
Drawing in and denting.	By hand.	By hand.	do.	By hand.



**ADVANTAGES AND DISADVANTAGES OF  
MECHANISED PROCESSES**

13. With a view to determining whether it would be in the interest of the powerloom industry to adopt centralised preparatory processes, which obviously would have to be done by machines, we obtained figures from the various societies and associations representing powerloom interests. We regret to state that except in the case of the larger Associations as in Surat, the Powerloom Weavers' Co-operative Association, Ichalkaranji, and the Bombay Silk and Art-silk Merchants' Association, accurate information was not available. We were very anxious to obtain the information from the smaller establishments running say upto 10 powerlooms, with a view to determining whether their economic efficiency would be served by the adoption of centralised preparatory processes, but we could not obtain accurate figures. We also deputed a team of Technical Officers of the Industries and Co-operative Departments to ascertain by local enquiry the charges for such processes in the case of different counts of yarn. This enquiry was necessary because we wanted to have not only as accurate an idea as possible of the difference in charges between hand and mechanised processes, but also an overall picture of the change over from one to the other, as our recommendations in respect of the first term of reference would obviously have to be made after considering not only the monetary advantage of adopting mechanised processes, but also the social disadvantage of unemployment which would be caused by switching over from manual to mechanical processes. Our discussions with the representatives of the various interests in the powerloom industry *i. e.* labour, capital, co-operatives etc. have revealed a conflict of opinion in regard to the desirability of adoption of mechanised preparatory processes. One school of thought would advocate the adoption of such processes in view of the necessity of affecting economics in production and in view of the fact that ultimately the larger among the powerloom establishments would be deprived of the present concessions and be made to stand on par with the mill industry. The advocates of this line of thinking, while conceding that unemployment will, to a certain extent, result by the adoption of mechanical processes, contend that the quantum of such unemployment would not be such as to cause any economic disequilibrium, because a large number of persons displaced would find employment in these centralised processes and the remaining persons would in due course of time be absorbed in some employment giving projects. From the very nature of the circumstances it has not been possible for us to assess the volume of unemployment that would be caused by the adoption of such processes or the extent to which such unemployment would be reduced by the reabsorption of some of the unemployed in the centralised processes. Nor is it possible to estimate the volume of employment likely to be generated by the other projects. An opinion has, however, generally been expressed that about 70 per cent of the persons displaced would be reabsorbed

and that about 30 per cent would have to find employment elsewhere. Our conclusions are, therefore, based on the potential increase in the economic efficiency of the powerloom industry by the adoption of centralised mechanical preparatory processes.

14. The other major school of thought would emphasise the prospect of a large volume of unemployment in case the manual processes are substituted by mechanical ones. The case of these people is very well put in an article by Professor M. L. Dantwala an extract of which is reproduced below :—

“A civilised nation cannot reject its human resources and would be ill-advised if it did so with its material resources. If the country could use all its resources in the best of possible factor combinations, no one would think of suggesting second best alternatives. Planning becomes a problem only when after the numerous best combinations are effected, on the one hand a residue of unused and under-utilised resources is left over, and on the other excessive demand is generated for others. And when the unwanted resource happens to be human beings the planners are constrained to resort to the second best alternatives. It would indeed be a strange concept of economic development if it implied an outright wiping off of a substantial sector of national economy because the techniques used by it are inferior to the best available. If this be the logic of development and progress, no under-developed country will have a justification to exist.”

15. The Karve Committee appointed by the Planning Commission, the recommendations of which have generally been accepted by the Government of India, has also expressed itself against the creation of further technological unemployment. It has, however, wisely added that the “programme of avoidance of technological unemployment or of utilisation to full capacity of the existing capital and labour structure in given directions, thus providing fuller employment to the personnel engaged in them, should be so framed and implemented that the fulfilment of the immediate objectives of these series of measures does not in any way hamper the building up of a rational programme of future development.”

#### RECOMMENDATIONS REGARDING INTRODUCTION OF MECHANICAL PREPARATORY (PRE-WEAVING) PROCESSES

16. We reproduce below a statement received from the Ichalkaranji Powerloom Weavers' Co-operative Association Ltd., which

indicates the charges for preparatory (pre-weaving) processes carried on by hand and/or machine :—

Preparatory charges for 10 lbs.	20 counts.		40 counts.		60 counts.													
	By machine.	By hand.	By machine	By hand.	By machine	By hand.												
	Rs. a.	p.	Rs. a.	p.	Rs. a.	p.	Rs. a.	p.	Rs. a.	p.								
Winding for warp.	0	12	0	1	0	0	1	10	0	2	4	0	3	0	0	3	12	0
Winding for weft.	1	8	0	2	0	0	2	8	0	4	0	0	7	5	0	7	8	0
Warping for beaming and Border.	0	7	0	0	0	0	1	12	0	0	0	0	1	12	0	0	0	0
Beaming ..	0	0	0	1	0	0	0	0	0	3	8	0	0	0	0	3	10	0
Sizing ..	1	12	0	1	2	0	5	0	0	2	4	0	5	0	0	2	8	0
Drawing in and denting.	0	0	0	2	0	0	0	0	0	2	4	0	0	0	0	2	8	0
Total ..	4	7	0	7	2	0	10	14	0	14	4	0	17	1	0	19	14	0

We have observed that in the case of 20s cotton yarn, semi-mechanical or mechanical processes are adopted only at Ichalkaranji. The difference as will be seen from the statement reproduced above, is to the extent of 61 per cent. In the case of 40s cotton yarn, semi-mechanical or mechanical processes are generally not adopted at any of the important powerloom centres, whereas in the case of 60s, mechanical or semi-mechanical processes are again adopted mainly at Ichalkaranji. In this case also, from the figures given in the statement reproduced above, it would be obvious that the difference works out at about 17 per cent. We feel that the difference may be even larger, as some of the so called hand processes are partially mechanised processes. We would also like to mention that at Ichalkaranji only 24.49 per cent of the establishments consist of those owning upto 9 looms, over 45.24 consist of those owning between 10 and 24 powerlooms and the remaining 30.27 consist of units owning upto 25 looms and over. We have also noticed that the powerloom establishments in Ichalkaranji have taken appreciable advantage of the reservations effected by the Government of India in regard to dhoti production. If, therefore, the powerloom establishments are to be bracketed along with the mill industry and consequently to be deprived of the concessions of reservation of varieties, there seems to be no alternative excepting to adopt centralised mechanical processes. We have referred earlier to the fact that in respect of powerlooms engaged in producing cloth out of artificial yarn, most of the processes are done by machines and at a later stage, we shall have an occasion to recommend that switching over from cotton yarn to artificial yarn by the powerloom industry may be freely allowed. This would be an additional reason why the

adoption of mechanised processes, particularly by the larger powerloom establishments, will not only be ratifying a change, which is slowly taking place, but also be ultimately beneficial to the powerloom industry. As regards the smaller units, the social advantage to-day is heavily weighed and the balance is in favour of continuance of hand processes. We shall also have an occasion later to reiterate the recommendation of the Textile Enquiry Committee that experiments should be undertaken for the supply of weavers' beams to the handlooms and small powerloom units, if these industries are not permanently to depend upon the various forms of assistance given by the State. If this is accepted, then in the ultimate analysis even these smaller establishments may either have to resort to centralised processes on the mechanical basis themselves or depend for the supply of ready weavers' beams through the agencies adopting centralised processes. Our immediate recommendation would, therefore, be that whereas on the one hand the economic efficiency of the powerloom industry is to be increased which, to a large extent, can be done by the adoption of mechanised processes, and on the other the social disadvantages resulting from throwing out people from employment would also have to be given due consideration, mechanised processing on a pilot scale at those centres where to a certain extent such mechanised processes are being followed, should be undertaken. As a result of this, it would be possible to assess from time to time the monetary advantages on the one hand and the social disadvantages on the other by the adoption of such processes. This time can also be utilised for assessing the volume of employment generated by other employment projects in which the displaced labour could be engaged. If on reviewing this matter periodically, it is revealed that mechanised processes have to be adopted in a larger and larger measure without adding to the problem of unemployment, the State as well as the powerloom industry should be encouraged to resort to such processes. As mentioned earlier, we would exclude dyeing from our purview of immediate recommendations because the investment required for mechanical dyeing will not be commensurate with the advantages that will accrue. It may result in accumulation of stocks of yarn as the requirements of the powerloom industry will not keep pace with the quantities of yarn that could be immediately dyed by mechanised processes and also because the lustre, variegatedness and brilliancy and consequently the attractiveness of the designs which is one of the most important features of handloom and powerloom cloth would not be as distinctive as in the case of dyeing by hand processes.

#### RECOMMENDATIONS REGARDING PATTERN OF CENTRALISED PROCESS

17. We would also like to add a word about the pattern in which such centralised mechanical processes may be adopted. For obvious reasons, which include the meagre resources of the smaller powerloom establishments, the advantages to be gained by

co-operative organisations, the facilities in the form of finance, acquisition of machinery, lands etc. that are being made available to such co-operative organisations by the State and the larger social interest which would result from the elimination of middlemen, we would recommend the establishment of co-operative societies of the powerloom establishments which could not only go in for centralised preparatory processes, but also attend more effectively to the procurement as well as marketing side of the industry.

#### POST-WEAVING PROCESSES

18. In respect of post-weaving processes, our problem is more simple. It is not necessary to elaborate on the inherent advantages of adoption of such processes, *i. e.* bleaching, finishing, calendering etc. of handloom and powerloom cloth. During the course of our tours, opinion has been unanimous that not only the powerloom industry but also the handloom industry should be given facilities for the establishment of bleaching, finishing and calendering plants. We have also been informed that the All India Handloom Board and the Government of India view with favour the establishment of such plants for the benefit of the handloom industry. We feel that it should be possible for co-operative organisations of the powerloom industry to come together for the purpose of establishment of such plants at suitable places. We would, therefore, recommend the adoption of such processes and grant of liberal financial assistance for the installation of such plants. We would like to close this recommendation with an expression of view that the mill industry in general has not been able to cater to the requirements of the handloom and powerloom industries for finishing their cloth. The adoption of such processes becomes all the more necessary if the targets of production by such powerlooms and handlooms by the end of the Second Five Year Plan are to be achieved.

## CHAPTER VI

### Marketing

19. The well-being of any industry depends upon its being able to market its products efficiently and in a remunerative fashion. The method of marketing adopted generally by the powerloom establishments is unorganised, unremunerative and is the outcome of their helplessness when faced with competition by the efficient and organised methods followed by the mill industry. We have also noticed during the course of tours the existence of a large number of middlemen and agencies between the ultimate consumer and the manufacturer. We have seen instances of the small powerloom owners being forced to market their goods themselves and the spectacle of distress sales on occasions when the powerloom owners do not have sufficient finance to carry on their activities is not an uncommon feature. This is not to deny that the more established and the wealthier among the powerloom establishments have their own arrangements such as shops, recognised agents etc. etc. But, by and large, the ineffectiveness of the marketing system compels us to make certain recommendations with a view to increasing the economic efficiency of these establishments. The marketing difficulties of the handloom weavers are even more than those of the powerloom establishments as they have no staying power, cannot hold over stock for long periods and very often have to sell their goods at whatever prices they fetch. It is, therefore, doubtful if in the final analysis and specially during the slack season, the handloom weavers earn a full day's wage. We are of the view that a reduction in the various forms of commissions paid by the powerloom industry is not only desirable but is essential. The range of commission paid varies from 1 to 6 1/4 per cent and we consider that if co-operative organisations of these powerloom establishments are formed, it will not only be possible for such commission to be reduced, but the advantage gained would be proportionately distributed amongst the members of such organisations. It has been pointedly brought to our notice that in many cases, the sales are on credit and quite often the establishments do not get the amounts due to them for long periods. Considering that as a rule the powerloom establishments do not have enough financial resources to go on continuing production in the absence of quick turnover of their products and also the fact that as pointed out in Chapter IV, the powerloom establishments are not able to get cheap credit, we would recommend that the powerloom industry affords ample scope for its being organised in a co-operative pattern not only for the purpose of obtaining finance for running the industry, but also for the purpose of marketing their goods, holding over stocks in times of

necessity, continuing production and thereby offering consistent employment to the members. The formation of such organisations would also help considerably in the adoption of trade marks, standardisation, and quality control, about which we shall have an occasion to make specific recommendations in a later chapter.

## CHAPTER VII

### General

20. We propose in this chapter to analyse the difficulties of the Powerloom industry and make suggestions for removing them. We have, in Chapters III, IV and VI, made recommendations regarding the supply of raw materials required by the Powerloom Industry, the grant of financial assistance to powerloom establishments and about the marketing of powerloom cloth. We do not, therefore, propose to go over the same ground again.

### COLLECTION OF STATISTICS

21. We have referred earlier to the absence of accurate statistics about the powerloom industry, whether in respect of the number of looms running on different types of yarn at the different centres, or in respect of the charges levied for preparatory and post-weaving processes, the volume of employment offered, wages received by the workers, profits made by the Powerloom owners etc. etc. We particularly noticed that the smaller powerloom establishments, say running upto 10 looms, have no adequate idea of their costs of production, the profits earned by them, market in which their goods will fetch the most remunerative prices, improvements that can be made in the production of cloth, designs, etc. etc. We feel that these difficulties are due to the absence of an organisation for collecting statistics about the Powerloom Industry. We consider that if the powerloom industry is to fulfil its purpose and if it is to work efficiently and economically, it is necessary to have an appropriate statistical organisation for collecting information in techniques of production, marketing, assessing the economic and employment aspect of the industry and also in conducting an evaluation of its success as well as its ability to compete with the large-scale Textile Industry. We would, therefore, recommend that Government should take very early steps for the constitution of such a statistical organisation.

### CONSTITUTION OF A POWERLOOM BOARD

22. Apart from organisations at certain Powerloom centres consisting of persons representing certain sectors of the Industry, there is no organisation at the State level for attending to the numerous problems facing the powerloom industry. The Textile Enquiry Committee has recommended an enquiry into the Powerloom Industry in Bombay State in view of the large concentration of powerlooms in this State. We, therefore, consider it appropriate that the Bombay State Government should constitute a Powerloom

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Board. As such a Board would not be very effective if it were purely advisory in character, we recommend that the Board should be of an executive character and be charged, among others, with the following duties :—

(1) To act as a liaison between the various sectors of the Powerloom Industry on the one hand and the authorities of the State Government and the Government of India on the other.

(2) To advise the State Government and through it, the Government of India in the matter of textile policies which have a bearing on the Powerloom Industry.

(3) To suggest ways and means for the co-existence between the Handloom and the Powerloom industries and by executive action wherever possible to see that any conflict between these two sectors is avoided.

(4) To render technical advice and guidance for improving the economic efficiency of the Powerloom Industry.

(5) To assist and give guidance in marketing the production of the Powerloom industry and for this purpose to have contacts with the Foreign Embassies, Trade Commissions etc. for exploring avenues for export of Powerloom cloth.

(6) To send and/or to participate in delegations to be sent abroad for the purpose of exploring foreign markets.

(7) To suggest and where necessary, endorse standards for quality marking, trade-marks and take other steps conducive to securing uniformity in quality and standards of Powerloom cloth.

(8) To constantly explore by marketing surveys and other means the avenues for indigenous demand of Powerloom cloth.

(9) To liaise with and assist the statistical organisation for the collection of statistics of the powerloom industry and in their interpretation.

(10) To serve as the forum for the powerloom industry for the ventilation of the grievances of the various interests of the powerloom industry *i. e.* labour capital, Co-operatives, etc.

(11) To make arrangements for the supply of the raw materials required for the Powerloom industry *i. e.* yarn chemicals, dyes, etc. at reasonable rates.

(12) To undertake or arrange for the undertaking of mechanised preparatory processes and for the bleaching, finishing and calendering of powerloom cloth, and for this purpose to set up an organisation or organisations as the case may be.

(13) To do such other duties as may be conducive to the integrated development of the Powerloom industry.

23. We would also recommend that in the constitution of this Powerloom Board, all interests in the Powerloom industry may be represented. The Board should be appointed by Government

and consist of representatives of the smaller as well as larger establishments, labour interests, persons interested in the Handloom industry and also Government officials of the Labour, Industries, Co-operative and Public Works Department. In order to help this executive body in fulfilling its duties, we would recommend that until it is in a position to obtain contribution from the Powerloom industry, a grant for management expenditure to the extent of about Rs. 25,000 annually may be sanctioned by Government for the first three years. We consider that the organisation will be ineffective unless the Powerloom interests are compelled to abide by the decisions of this Board. We recommend that Government should consider what steps should be taken for achieving this end.

### INDUSTRIAL ESTATES

24. The Planning Commission has emphasized that one of the principal objectives in the Second Five Year Plan should be the evolution "of a pattern of industrial activity in which a group of villages converging on their natural, industrial and urban centre from a unit, or to use the Committee's (Karve Committee) expression a 'pyramid of industry broad-based on a progressive rural economy. One of the major steps suggested by the Planning Commission for the realisation of this objective is the constitution of Industrial Estates, in order that the conditions in which small industries whether in towns or villages are working may be improved and so that uniform standards in production and economic utilisation of materials and equipment may result. We are aware that the Bombay Government has a programme for the establishment of Industrial Estates in the Second Five Year Plan. We suggest that additional suitable Industrial Estates with all essential and common facilities for the powerloom industry which is concentrated at places such as Malegaon, Dhulia, Ichalkaranji, Surat etc., should also be established. We do not foresee any difficulty or reticence on the part of the Powerloom establishments in shifting their activities from their present miserable surroundings into the newly formed industrial estates. We have noticed powerloom establishments in which the worker works, has his family living in the same place, is generally very hard up for space and has no amenities. We would emphasize that this recommendation be given immediate consideration as the conditions in which we observed the smaller powerloom establishments working are extremely bad.

### RATES AND TAXES

25. Under a Notification issued by the Ministry of Finance (Revenue Division) dated 18th May, 1955, Powerloom Establishments producing cotton fabrics in which the number of powerlooms do not exceed 4 were exempted from Excise duty and a graded excise duty was levied on establishments running over 4 looms. These rates of excise duty are lower than what the large scale

textile industry has to pay. It has been pointedly brought to our notice that one of the main reasons why it has been possible for the Powerloom industry to take advantage of the reservation effected by the Government of India in dhoti production, is the differential Excise duty which makes it possible for the powerloom industry to stand a chance of marketing its products, if not to actually compete with the mill industry. We are of the view that if, as recommended by the Textile Enquiry Committee, the present reservations are to continue till 1960 and if, as also recommended by the Textile Enquiry Committee, the larger powerloom establishments are to be deprived of this concession after 1960, the differential excise duty on the same scale as at present should remain, in order that between now and 1960, the powerloom industry is given sufficient time to build up strength, improve the quality of its products, change over into economic processes and thus be in a position to be bracketed with the mill industry without any detriment to it. We would, therefore, recommend that the Bombay Government impress this position on the Government of India. We also consider that, just as the Handloom industry is exempted from certain taxes, State and Local, *e. g.* sales tax, octroi etc., in order to enable the powerloom industry to survive against the competition from the mill industry, differential rates of taxes may be levied, and the Powerloom industry not be made to pay the same rates as the mill industry. In order to encourage the growth of Co-operatives of small powerloom units, we suggest that certain additional concessions should be given.

#### SUPPLY OF ELECTRIC POWER

26. During the course of our tours, representations have been made that not only in some cases is the supply of electric power inadequate and irregular for the running of one shift continuously and for any increase in the number of shifts, but in some cases the rates are exorbitant. We have had instances in which the rates are as high as 3 annas per unit. We consider that it is not desirable to fetter the development of this industry which is fulfilling a national service by the lack of adequate supply of electric power or by charging such rates. As a result of these factors, we have noticed instances in which powerlooms have been run on oil engines, *e. g.* at Malegaon, Dhulia, Ichalkaranji, etc. We would, therefore, recommend that there should be no interruption in the supply of electric power at least for one shift working. We also recommend that Government should devise ways and means for ensuring that in no case the powerloom establishments are made to pay more than a maximum of  $1\frac{1}{2}$  to 2 annas per unit for the supply of electric power.

#### MANAGEMENT TRAINING

27. We have drawn attention in an earlier chapter in this report to the inadequate knowledge and entrepreneurial ability

particularly in the smaller powerloom establishments, say running upto 10 looms. These factors are some of the major causes for the present conditions of the powerloom industry. We consider that these smaller units should be given advice in management, information about the labour legislation, sales tax legislation and other Government rules, regulations etc. affecting this industry. We are also of the view that they should be advised as to how to maintain their accounts in a simplified and proper manner in order that they may be able to supply proper information whenever asked for. This should be done in the form of evening classes, refresher course etc. etc. or by such other methods suggested by the industry. We have been informed that the Small Scale Industries Board is contemplating a scheme for "in-service" training. We recommend that such schemes should be undertaken extensively and wherever possible at the important powerloom centres so that without much additional effort or cost, the smaller entrepreneurs are made to know how the industry can be run in a better and more economic manner.

#### FORMS ETC.

28. It has been represented to us with a great deal of force that powerloom establishments have to fill in a number of forms for Government requirements, very often of a complicated nature. We recommend the desirability of simplifying these forms. We have been informed that a Committee for this purpose has been appointed and would suggest that the recommendations of this Committee should be implemented by Government expeditiously.

#### LABOUR LEGISLATION ETC.

29. One of our principal terms of reference is how the economic efficiency of the powerloom industry is to be improved, particularly in order to enable the larger units to stand competition with the large scale textile industry. We are of the view that the powerloom industry suffers from the impact of certain legislations which however desirable, from the sociological point of view, would, far from increasing the economic efficiency of the powerloom industry, reduce it. In this connection, we would refer to the recommendations of the Planning Commission to the effect that the State Governments and Government of India should consider what facilities are required if the Small Scale Industries are to play a vital part in the production of consumer commodities through the decentralised sector of the industry. It need not be emphasized that textiles constitute one of the essential consumer commodities and we therefore, recommend that the powerloom industry should be entitled to all the facilities in respect of exemption from such labour legislation as may be given to the other small scale industries.

#### STANDARDISATION, QUALITY CONTROL AND RESEARCH

30. In Chapter VI on marketing, we have referred to the necessity of standardisation and quality control of cloth produced on powerlooms not only where necessary for the purpose of export,  
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but also for indigenous consumption. We are happy to record that opinion has been unanimous on the necessity for production of standardised cloth and for the undertaking of a comprehensive quality marking programme in order that the consumer's interests should be protected and thereby the consumer be induced to look more and more to the powerloom and handloom industries for the satisfaction of his wants for cloth. We would recommend that the programme for standardisation and quality control be implemented by Government in consultation with the powerloom Board, the constitution of which we have recommended earlier.

## CHAPTER VIII

### Co-ordination between the Handloom and Powerloom Industries

#### INTRODUCTION

31. Our second term of reference is to suggest ways and means for avoiding the conflict between the handloom and the powerloom industries. As mentioned earlier, to a certain extent there would appear to be some inconsistency between the first and the second term of reference. This is because the conflict between the handloom and the powerloom industries, which already exists, would be accentuated by the increase in the economic efficiency of the powerloom units, *unless* adequate safeguards are provided for the lessening and if possible avoidance of such conflict. A significant feature that has appeared on the horizon between the appointment of the Textile Enquiry Committee by the Government of India and the presentation of the Second Five Year Plan to Parliament, is the increasing volume of unemployment, the relief of which is the king pin of the Second Five Year Plan. It was to suggest methods for the relief of such unemployment that the Karve Committee was appointed by the Planning Commission. Recently, the Khera Committee was appointed by the Government of India to make recommendations about the potentialities of the Ambar Charkha, as well as the possibilities of reducing the volume of unemployment by the extensive and intensive adoption of decentralised spinning processes. We have, therefore, had to consider the question of the increase in the economic efficiency of the powerloom industry in the light of the growing volume of unemployment in the country and the necessity of giving encouragement to the handloom industry, the survival of which will have necessarily to be supported as a national policy in order that the employment position may not be worsened.

#### SUGGESTIONS FOR CO-EXISTENCE BETWEEN DIFFERENT SECTORS OF THE TEXTILE INDUSTRY

32. Various suggestions have been offered for the co-existence of the handloom and the powerloom industries as well as for the reduction in the conflict between the mills, powerloom and the handloom industries. These include the allocation of fields of production between the powerlooms and the handlooms, the restriction on the mills to the production of exportable varieties of cotton cloth, the reservation of the additional future requirements of cotton cloth for the handloom and the powerloom industries, the conti-

nuance of subsidies for the sale of handloom cloth in order to help the industry to continue production, the prohibition of the powerloom industry to produce cloth out of certain varieties of yarn, the reservation of production of cloth upto certain counts of yarn for the handloom industry etc. etc.

#### RESERVATION OF SPHERES OF PRODUCTION

33. Apart from the general question regarding reservation of varieties for production by the handloom and/or powerloom industries, our enquiries reveal that at the important powerloom centres, there is by and large some demarcation of varieties of production between the handloom and the powerloom industries. At Surat, for example, the handlooms chiefly produce pure silk and Jari cloth and cotton cloth like sarees, bed sheets, whereas most of the powerlooms are engaged in the production of cloth out of artificial yarn. At Dhulia and Belgaum, the distinction is not so pronounced, whereas in Ichalkaranji the distinction almost does not exist though, of late, there has been a shift as a result of the powerloom establishments switching over to the production of mulmuls, dhoties and other mill cloth. We consider that the question of reservation should be tackled from a broader point of view and not with a view to avoiding the conflict between the handloom and powerloom industries at any particular place. The Government of India has, by a notification reserved certain varieties of production for the handloom and powerloom industries. The notification, as amended from time to time, is reproduced as *Annexure XI*. The Textile Enquiry Committee has supported the continuance of the existing reservations till 1960-61 and even the Karve Committee has not recommended the enlargement of the scope of the present reservations on the assumption that the total production of cotton cloth by the large scale textile industry will be frozen at 5,000 million yards per year as a result of which it would be possible for the handloom industry to adjust its target of production so as to meet the estimated market demand in categories of cloth which the handloom industry can produce. A point of importance is that the domestic powerloom industry running between 1 to 4 powerlooms enjoys all the concessions regarding reservations as the handloom industry, whereas the powerloom units having larger than 4 powerlooms each, enjoy certain concessions against the mill industry. We have attempted to ascertain the extent to which the powerloom and the handloom industries have been able to take advantage of the reservations. But here again in the absence of proper statistics, it has not been possible for us to come to precise conclusions. Our enquiries, however, reveal that by and large the handloom and the powerloom industries have benefitted and the difficulties, which have prevented these industries from taking fuller advantage of the reservations, have been the shifting nature of the textile policy of the Government of India, the absence of guarantee of the continuance of the reservations for any specified period of time, the unorganised nature of the handloom

industry, the absence of improvement, the absence of preparatory and finishing processes and the generally depressed condition of the handloom weavers till the year 1953. In fact it has been pointedly brought to our notice that the improvement in the conditions of the handloom industry in its switching over to the reserved varieties has been perceptible since the implementation of the policy of levying a cess on the large scale textile industry and using the proceeds of the cess for the benefit of the handloom industry. We have mentioned earlier, however, that the powerloom industry has taken advantage of the reservations even though the smaller units suffered from most of the handicaps as in the case of the handloom industry. One of the main reasons for the powerlooms taking advantage of the reservations is the differential excise duty between the mills and the powerlooms and the consequential ability of the powerlooms to sell the reserved varieties at competitive rates. We would, therefore, recommend the continuance of the existing reservations. But we suggest some more positive action on the part of Government to ensure that steps are taken by the handloom and the powerloom industries to fulfil the expectations. We would recommend that the enforcement of the prohibitions so far as the textile industry is concerned, should be prompt, rigid and effective. *It must also be mentioned that the reservations whether in spheres or quantities of production cannot be effective unless an all out effort is made to supply the requirements of yarn for the production by the powerloom and the handloom industries of the reserved varieties.* We would also advocate the grant or continuance of the grant of subsidies in order to ensure that there is a market for the production by the handloom and the powerloom industries of the reserved varieties. We would like to refer in this connection to the recommendation made by the Karve Committee for the fixation of a minimum price for the purchase of handloom cloth by Government through an institutional agency, in order to ensure the continuity of production in the reserved varieties, but in view of the numerous administrative difficulties in the fixation of minimum price, we would rather recommend for the time-being a system of subsidies so that the handloom cloth could be sold along with powerloom cloth. The question of the extent and continuance of subsidies should be examined from time to time.

#### HANDLOOM INDUSTRY TO RELY ON INDIGENOUS MARKET

34. As the Handloom industry has still to become itself organised, we are of the view that it would be difficult for it to cater to a distant market particularly in view of the numerous risks involved in depending upon such a fluctuating market, with the possibility of acute competition in this sphere of marketing between the handloom and the large-scale textile industry, cost of transport, change of fashions, etc. We feel that the larger among the powerloom establishments, are in a better position to explore distant



markets. If the recommendations made by us for improving the economic efficiency of the larger powerloom establishments are accepted, it will be possible for them to effectively cater to markets outside the areas of production. Our recommendation, therefore, would be that the handloom weavers and their co-operative societies should, as far as possible, be encouraged to cater to the local markets. We are not unaware of the fact that handloom cloth because of its variety, design and attractiveness, can also command distant markets. But we consider that in the present stage of the development of this industry, it would be difficult for it to rely on such distant markets which are not only fluctuating but sometimes capricious.

#### SUPPLY OF YARN TO HANDLOOMS AND POWER- LOOMS THROUGH DECENTRALISED SPINNING PROCESSES

35. The largest single factor in the difference in prices between handloom and mill cloth is accounted for by the fact that the handloom industry has to depend on extraneous sources over which it has no control for the supply of yarn. We have given anxious thought to the question as to how this difficulty could be got over. We consider that the conflict between the handloom and the mill powerloom industries could be reduced and the difficulties faced by the handloom industry in procuring adequate quantities of good quality of yarn would be reduced if increasing use could be made of the decentralised spinning processes *e. g.* Gupte's spinning unit, Kale's spinning unit, Ambar charkha etc. etc., if the quality of yarn available from these sources as well as its tensile strength and uniformity are suitable for being woven on handlooms. We are aware of the general recommendation of the Karve Committee that the production of yarn required for the additional production of cloth during the plan period should be organised on a decentralised basis to the greatest possible extent. We are also aware that the Government of India, on the recommendations of the Khera Committee, has given permission for the production of yarn on a decentralised basis by the establishment of 75,000 Ambar charkhas. As it is likely, however, that the counts of yarn produced by the decentralised units would be normally limited upto 24s, we would reiterate here that Co-operative Spinning Mills may be set up mainly for the purpose of supply of yarn of higher counts. We would also recommend that such spinning mills should cater in the first instance to the requirements of the handloom and the domestic powerloom industries and thereafter, if a surplus is available, to the other larger powerloom establishments. Finally, we would also recommend that in order to integrate the supply of yarn required for the production of handloom cloth, the possibilities of running such decentralised spinning units by members of handloom weavers' co-operative societies or their families should be explored.

### SHIFT IN PRODUCTION BY THE POWERLOOM INDUSTRY

36. Reference has been made in Chapter II to the nature of yarn used by the powerloom establishments at the various powerloom centres. While the smaller powerloom establishments, unorganised as they are, have not been able to adjust their production against the demand of the market, the change in fashions or other causes, the larger among them have shown a great deal of initiative and adaptability. We observed during the course of our tours that at Surat, most of the powerlooms have now switched over from the production of cloth from cotton yarn to production of cloth from art-silk yarn. This tendency is also pronounced in Greater Bombay and is gradually becoming obvious in Malegaon. At Bhiwandi also the change from cotton yarn to art-silk yarn has exhibited itself. The above would show that the powerloom establishments having been convinced of more remunerative production on art-silk yarn have changed over to such production and stayed in it for some considerable time. This change over has also facilitated the adoption of centralised preparatory processes which in turn has resulted in an increase in the economic efficiency of such establishments. As the policy of Government appears to be to plan for a co-existence between the handloom and the powerloom industries, we consider that advantage could be taken of this shift and would, therefore, recommend that those units which has been producing cloth out of artificial yarn for a period of 2 years continuously before 1st April 1956 should not be allowed to switch back to the production of cotton cloth as this would accentuate the conflict between the handloom and the powerloom industries which it is desirable to avoid. Before permission to switch back to the production of cotton cloth is refused, adequate notice, say 3 months or so may be given to the powerloom establishments within which they may make up their mind. As a further measure for reducing the conflict between the handloom and the powerloom industries and for improvement in the economic efficiency of the powerloom establishments, we would recommend that permission may be given liberally to those powerloom units which desire to change over from the production of cotton cloth to cloth made out of artificial yarn, wherever such change over is technically possible and economically desirable. We feel that, in making this recommendation, there would be a natural demarcation in spheres of production between the handloom and the powerloom industries. The increase in economic efficiency which would result as a consequence is not the least reason why we would recommend such a change over.

### CHANGE OVER FROM HANDLOOMS TO POWERLOOMS

37. The Textile Enquiry Committee has estimated that by 1960, the total requirements of cloth in the country on the basis

of a per capita annual consumption of 18 yards would be 7,200 million yards. In addition, 1000 million yards would go into export channels, thus the total requirements being 8,200 million yards. The Committee recommended that the production by the mills should be pegged at 5000 million yards and lee-way between this figure and requirement of the country should be met by the handloom and the domestic powerloom industries. In order to enable this to take place, the Committee recommended a scheme for the gradual conversion in a period of 15 to 20 years of practically the entire handloom sector into the improved (semi-automatic) handloom or the decentralised powerloom industry. As pointed out earlier, much water has flowed under the bridge since the Committee reported to Government and the emphasis to day is on the accentuation of employment or a least disadvantageous use of human resources while planning the economy of the country. The Karve Committee did not, therefore, recommend any such conversion as it felt that the existing resources of the handloom industry were sufficient to produce the additional quantities required. The Committee of course wisely added that if the performance of the handlooms is found to be inadequate even after the schemes of technical improvement and other assistance are implemented, it should be considered in the light of supply and demand position of cloth whether further measures for the introduction of technically more efficient or power-driven equipment in the handloom industry on a decentralised basis should be taken. It has also been brought to our notice that the weavers should have no objection in principle to the change-over from handlooms to powerlooms provided the market for the extra production is ensured. The index of the consumers' demand for textiles appears to have risen from about 10 yards per year per head to about 15 yards per year per head and we consider that with the increase in the standard of living of the population, the demand for cloth is bound to increase. Stocks of cloth have dwindled and consumption is reported to be running a neck to neck race with production. In these circumstances, we cannot express ourselves against the change over from the handlooms to the powerlooms but *we would recommend that this change over be graduated in such a manner that the least possible displacement of labour is caused.* We further recommend that the change over be effected in such a manner as to foster the growth of the domestic (running say 1-4 powerlooms) powerloom industry on a Co-operative basis. It has been brought to our notice that the Government of India has recently agreed to consider favourably the grant of permission to traditional and *bona fide* handloom weavers for installing powerlooms running on cotton yarn. The latest textile policy, as announced by Government also indicates an anxiety to ward off a cloth famine. Besides, for various reasons, we have noticed instances of artificial divisions of factories running a large number of powerloom units, in order to obtain exemption from various imposts, levies or taxes or from statutory legislation. We are of the view that such divisions should be put down with a stern hand if the *bona fides* of such

divisions are not established beyond doubt. Our recommendation that co-operative societies of the domestic powerlooms should be formed and such co-operatives assisted liberally in accordance with the scheme to which we have referred to in Chapter IV would also prevent such artificial divisions.

#### DEVELOPMENT COUNCIL FOR THE HANDLOOM INDUSTRY

38. We have suggested measures for improvement in the economic efficiency of the powerloom industry. If co-existence is to be achieved, the handloom industry must also be strengthened, made to organise itself and made to learn to stand on its own feet. We would endorse generally in this connection the recommendations of the Karve Committee and would suggest that in view of its importance from the employment point of view, a 'development council for the handloom industry' with appropriate financial resources and powers should be formed. It will be possible for this council and for the Boards to be set up by Government in accordance with the recommendations of such a council to attend effectively to the problems of the handloom industry from time to time.

#### THANKS-GIVING

39. We cannot conclude this report without placing on record our gratitude to the various Departments of Government, the Textile Commissioner and his office, the various organisations both official and non-official - which gave us the benefit of their advice and which responded to our invitation for a discussion as well as replied to our questionnaire. We would also like to place on record our appreciation of the services rendered by our Secretary whose contribution to the work of this Committee has been sustained and of an high order. We would also like to thank our staff for putting in so much work sometimes at very great personal inconvenience and pressure to them.

Bombay, 27th June 1956.

- (1) Shri Purshottam Kanji,  
Chairman.
- (2) Shri S. C. Edke, M. L.  
C. Bagalkot.
- (3) Shri A. G. Kulkarni,  
Secretary, Deccan  
Manufacturers' Asso-  
ciation, Sangli.
- (4) Dr. R. G. Kakade,  
C/o Servants' of India  
Society, Poona 4.
- (5) Dr. M. R. Mandlekar,  
Director of Industries,  
Bombay.

- (6) Shri V. Subramanian,  
IAS, Joint Registrar for  
Industrial Co-operatives  
and Village Industries,  
Poona.
- (7) Shri A. A. Mahvy,  
Deputy Registrar for  
Handlooms and  
Secretary, Powerloom  
Enquiry Committee.

## CHAPTER IX

### Summary of conclusions and recommendations

S. No. of conclusion and/or recommendation	Conclusions and recommendations	No. of paragraph
1	2	3
1	Over 75 per cent of the total number of powerlooms in the country are found in Bombay State.	5
2	There are 15,383 powerlooms working on cotton yarn and 29,897 on art silk in Bombay State. This constitutes 64 per cent and 83 per cent of the total number of powerlooms in the country running on cotton and artificial yarns respectively.	5
3	The first powerloom appears to have been installed by the more prosperous among the handloom weavers. Many of these were obtained second-hand from the mills.	6
4	The powerloom industry has not grown up evenly in all parts of the Bombay State, but is concentrated at Surat, Malegaon, Dhulia, Ichalkaranji, Bhiwandi, Cambay and Greater Bombay.	6
5	The powerloom industry can be divided into 5 groups consisting of 1 to 4 powerlooms, 5 to 9 powerlooms, 10 to 24 powerlooms, 25 to 49 powerlooms and 50 and more powerlooms.	7
6	40.18 per cent of the powerlooms working on cotton yarn have less than 10 powerlooms in each unit and 25.23 per cent are in units having between 10 to 24 powerlooms. 65.41 per cent of the total number of powerlooms working on cotton yarn are mostly in units owning less than 25 powerlooms which do not generally employ more than 50 workers. It would, therefore, not be	8

S. No. of conclusion and /or recommen- dation	Conclusions and recommendations	No. of paragraph
1	2	3
	desirable to bracket these units with the composite mills.	
7	11.32 per cent and 23.27 per cent of the powerloom establishments consist of units having between 25 to 49 powerlooms and 50 and over powerlooms in each unit respectively.	8
8	77.77 per cent of the total number of powerlooms working on artificial yarn are found among units which own 25 or more than 25 powerlooms each. Many of these carry on preparatory processes in a mechanised fashion. They are able to take advantage without much difficulty of finishing facilities. No special concession in respect of these are, therefore, called for.	8
9	The handloom and the powerloom industries, do not yet get the right type of yarn in adequate quantities and at reasonable rates from the Spinning mills and unless difficulties in the procurement of yarn are removed, it will not be desirable to bracket the powerloom establishments with the composite mills and deprive them of the concessions of reservations.	9
10	If the handloom industry and the powerloom industry are expected to produce 3000 and 200 million yards respectively out of the quantity of 8,200 million yards at the end of the Second Five-Year Plan, it is necessary to see that the achievement of these targets is not frustrated by the inability of these industries to obtain adequate quantities of yarn at reasonable rates.	9
11	The possibilities of establishing Co-operative Spinning mills for the purpose of supplying yarn to the handloom and the powerloom industries, should be explored and such mills, when set up, should be given liberal financial assistance by Government.	9
12	Co-operative societies of powerloom establishments should be formed and liberal financial assistance as in the case of small scale industries	10

S. No. of conclusion and /or recommen- dation	Conclusions and recommendations	No. of paragraph
1	2	3
	should be given to them for enabling bulk purchases of dyes, chemicals, as also for obtaining direct import licenses .	
13	Each powerloom would require about Rs. 2,500 to Rs. 3,000 for equipment and about Rs. 2,000 for working capital. The total requirement for running one powerloom would be about Rs. 5,000 which his exclusive of the cost of land and building.	11
14	The powerloom establishment running 1 to 4 powerlooms per unit should be organised into industrial Co-operatives which should take advantage of the assistance outlined in Government of India, Ministry of Commerce and Industry, Office Memo No. 52-SSI (55-56), dated 4th June 1955 which has been accepted by the Government of Bombay and is being implemented in respect of Co-operatives through the Industrial Co-operative Banks and the Central Financing Agencies.	11
15	Loans required by the industrial Co-operatives of the powerlooms for land and buildings may be obtained from the Bombay State Financial Corporation or from the State Bank of India.	11
16	Dyeing of yarn is generally being done at all the powerloom centres by hand processes.	12
17	As regards other preparatory (pre-weaving) processes, winding, twisting or doubling, warping, beaming, sizing , etc. most of the powerloom establishments working on cotton yarn, are adopting hand processes excepting at Ichalkaranji.	12
18	The powerloom establishments working on art silk yarn are generally adopting mechanical preparatory processes.	12
19	There is conflict of opinion in regard to the desirability of adoption of mechanised preparatory processes.	13



Sl.No. of conclusion and/or recommendation	Conclusions and recommendations	No. of paragraph
1	2	3
20	The advocates of mechanised processes concede that some unemployment will result by the adoption of such processes, but consider that this is necessary in order to improve the economic efficiency of the powerloom industry if it is to stand on par with the composite mills.	13
21	Though it is not possible to assess the volume of unemployment which would result by the adoption of mechanised preparatory processes or the volume of employment likely to be generated by the projects which are under execution in the Five Year Plans, the opinion generally is that 70 per cent of the persons displaced would be reabsorbed and about 30 per cent would have to find employment elsewhere.	13
22	The advocates of the continuance of hand preparatory processes emphasise the volume of unemployment that will result by the substitution of mechanical for manual processes.	14
23	If the larger powerloom establishments say owning 25 and more powerlooms per unit are to be bracketed along with the mill industry and consequently to be deprived of the concessions of reservation of varieties, there seems to be no alternative excepting to adopt centralised mechanical processes.	16
24	While ultimately in the larger interests of the powerloom industry mechanical processes would have to be substituted for manual processes, the immediate recommendation would be that mechanised processes on a pilot scale may be introduced at those centres where to a certain extent such processes are already being followed.	16
25	The monetary advantages and the increase in the economic efficiency which will result from the adoption of these processes on the one hand and the effect of employment on the other should also be reviewed from time to time,	16

S. No. of conclusion and/or recommen- dation	Conclusions and recommendations	No. of .. paragraph
1	2	3
26	If at the end of the Second Five Year Plan, it is revealed that mechanised processes have to be adopted in a larger and larger measure, the State as well as the powerloom industry should be encouraged to resort to such processes.	16
27	Dyeing of yarn by mechanical processes need not be adopted as its advantages will not be commensurate with the cost involved.	16
28	The pattern in which such centralised mechanical processes should be adopted should be the establishment of co-operative societies of powerloom establishments.	17
29	As regards post-weaving processes, we recommend that Co-operative organisations of the powerloom industry should come together for the purpose of establishing finishing, bleaching and calendering plants.	18
30	The method of marketing adopted by the powerloom establishments is unorganised.	19
31	Though a large number of powerloom establishments have adequate arrangements for marketing their goods, the smaller among them are unable to face the competition of the mill industry.	19
32	Co-operative organisations of the powerloom establishments should be formed for better marketing, for reduction in the rates of commission and for enabling the powerloom establishments to hold over their stocks of cloth without having to effect distress sales.	19
33	Such Co-operative organisations can also help in the adoption of trade marks, standardisation and quality control.	19
34	It is necessary to have an appropriate statistical organisation for collecting information in techniques of production, marketing, assessing the	21

S. No. of conclusion and/or recommendation.	Conclusions and recommendations	No. of paragraph
1	2	3
	economic and employment aspect of the powerloom industry and also in conducting an evaluation of its success as well as its ability to compete with the large scale textile industry.	
35	The Bombay State Government should constitute a Powerloom Board and charge it with certain executive duties so that at the State level there will be an organisation for attending to the numerous problems facing the powerloom industry.	21
36	The Board should consist of the representatives of the smaller as well as larger powerloom establishments, labour interests, co-operatives of powerloom weavers, persons interested in the handloom industry and also Government officials of the Labour, Industries, Co-operative, and Public Works Department.	23
37	The organisation will be ineffective unless the powerloom interests are compelled to abide by the decisions of the Board and Government should take steps for achieving this end.	23
38	Till the Board is able to obtain contributions from the powerloom industry, Government should sanction a grant for management expenditure of Rs. 25,000 annually for the first three years.	23
39	Additional suitable Industrial Estates, with all essential and common facilities for the powerloom industry which is concentrated at places such as Malegaon, Dhulia, Ichalkaranji, Surat, etc. should also be established.	24
40	If the larger powerloom establishments are to be bracketed along with the mill industry and hence deprived of the concessions of reservations of varieties, the differential excise duty on the present scale between mills and the powerlooms should continue.	25

S. No. of conclusion and/or recommen- dation.	Conclusions and recommendations	No. of paragraph
1	2	3
41	As regards supply of electric power to the powerloom industry, there should be no interruption at least for one shift working. Government should also devise ways and means for seeing that the rate for supply of power does not exceed 2 annas per unit.	26
42	Scheme for "in-service training" for the powerloom weavers and units should be undertaken extensively and at important powerloom centres.	27
43	The forms in which the powerloom establishments have to supply various types of information should be simplified and if possible reduced in number.	28
44	The powerloom establishments should be given the same privileges in respect of exemption from labour legislation etc. as other small scale industries.	29
45	Programme for standardisation and quality control for the powerloom industry should be implemented by Government in consultation with the Powerloom Board.	30
46	Inquiries reveal that at the important powerloom centres in Bombay State, there is by and large some demarcation of varieties of production between the handloom and the powerloom industries.	33
47	By and large the handloom and the powerloom industries have benefitted by the reservations though some difficulties have prevented them from taking fuller advantage of these reservations.	33
48	One of the main reasons for the powerlooms taking advantage of the reservations is the differential, excise duty between the mills and the powerlooms and the consequential ability of the powerlooms to sell the reserved varieties at competitive rates.	33

S. No. of conclusion and/or recommen- dation.	Conclusions and recommendations	No. of paragraph
1	2	3
49	The enforcement of the prohibitions against the textile industry should be prompt, rigid and effective.	33
50	To make reservations effective, an all out effort should be made to supply the requirements of yarn for the production by the powerloom and the handloom industries of the reserved varieties.	33
51	The existing reservations should be continued but positive action on the part of Government is necessary to ensure that steps are taken by the powerloom and the handloom industries to produce the quantities required in the reserved varieties.	33
52	In view of the numerous administrative difficulties involved in the fixation of minimum prices at which Government should buy handloom cloth and supply for sale to the general public through co-operative organisations, we would recommend a system of subsidies so that handloom cloth could be sold along with powerloom and mill cloth. The question of the extent and continuation of these subsidies should be examined from time to time.	33
53	Handloom weavers and their Co-operative societies should, as far as possible, be encouraged to cater to the local markets as foreign markets have the disadvantages of distance, transport cost and change of fashions.	34
54	The difficulties faced by the handloom industry in procuring adequate quantities of good quality of yarn would be reduced if increasing use is made of the decentralised spinning processes <i>e. g.</i> Gupte's Spinning Unit, Kale's Spinning Unit, Ambar charkha etc. providing that the quality of yarn available from these sources as well as its tensile strength, and uniformity are suitable for being woven on handlooms.	35

S. No. of conclusion and/or recommen- dation	Conclusions and recommendations	No. of paragraph
1	2	3
55	As the counts of yarn produced by the decentralised units would be normally limited upto 24s, co-operative spinning mills may be set up mainly for the purpose of supply of yarn of higher counts.	35
56	Such spinning mills should cater in the first instance to the requirements of the handloom and the domestic powerloom industries and thereafter if a surplus is available, to the other larger powerloom establishments.	35
57	In order to integrate the supply of yarn required for the production of handloom cloth, the possibilities of running such decentralised spinning units by members of handloom weavers' co-operative societies or their families should be explored.	35
58	There is an appreciable switch over from the use of cotton yarn to the use of silk yarn by the powerloom industry.	36
59	Advantage should be taken of the shift and powerloom units which have been producing cloth out of artificial yarn for a period of 2 years continuously before 1st April 1956 should not be allowed to switch back to the production of cotton cloth.	36
60	In order to reduce the conflict between the handloom and the powerloom industries, permission may be given liberally to those powerloom units which desire to change over from the production of cotton cloth to cloth made out of artificial yarn wherever such change over is technically possible and economically desirable.	36
61	In view of the desire of the weavers, the increase in the per capita consumption of cloth, the increase in the standard of living and in the population, the diminution in stocks of cloth, etc., we cannot express ourselves against the change over from the handlooms to the powerlooms.	37

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S. No. of conclusion and /or recommen- dation	Conclusions and recommendations	No. of paragraph
1	2	3
62	The change over should be graduated in such a manner that the least possible displacement of labour is caused.	37
63	The change over should also foster the growth of the domestic powerloom industry on a Co-operative basis.	37
64	There should be a "Development Council" for the handloom industry with appropriate financial resources and powers.	38
65	Boards may be constituted under the Development Council for attending effectively to the problems of the handloom industry from time to time.	38

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## Annexure No. 1

*Itinerary of the Powerloom Enquiry Committee*

- 22nd September 1955. Appointment of the Powerloom Enquiry Committee.
- 25th October 1955. First meeting of the Powerloom Enquiry Committee at Poona.
- 22nd November 1955 and 23rd November 1955. Second meeting of the Powerloom Enquiry Committee at Bombay to discuss the questionnaire.
- 7th to 9th January 1956. Visits of the Committee to Bhiwandi (Thana District), Parola (East Khandesh District), Dhulia (West Khandesh District) and Malegaon (Nasik District)✓
- 29th February to 1st March 1956. Visits of the Committee to Cambay (Kaira District) and Surat (Surat District).
- 20th and 21st March 1956. Third meeting of the Powerloom Enquiry Committee at Bombay. Visit of the Committee to Powerloom establishments and mills in Bombay. Discussions with representatives of Powerloom Industry.
- 2nd to 4th April 1956. Visits of the Committee to Maundargi and Sholapur (Sholapur District), Ichalkaranji (Kolhapur District) and Sangli (South Satara District).
- 10th and 11th May 1956. Fourth meeting of the Powerloom Enquiry Committee at Bombay to discuss the replies received to the questionnaire issued by the Committee and matters relating to drafting of the report.
- 8th and 9th June 1956. Fifth meeting of the Powerloom Enquiry Committee at Poona for discussing the various points and for redrafting the report.
- 19th June 1956. Sixth meeting of the Powerloom Enquiry Committee held at Bombay to further discuss the draft report.
- 27th June 1956. Seventh meeting of the Powerloom Enquiry Committee held at Bombay to finalise the draft report and sign it.



## Annexure No. II

*Questionnaire prepared by the Powerloom Enquiry Committee*

## PART I

## A—General

1. Name of the town ..  
District ...
2. Name of the factory ..  
Owned by—  
individual proprietors/partners/Joint  
stock company/private company/  
co-operative society having partners/  
share-holders/members.
3. Is the Factory Act applicable  
to the factory ?
4. Of the total number of.....  
powerlooms.....are run on  
electricity,.....on oil engines  
and.....run on steam engine.
5. Number of powerlooms—  
(a) Plain ..  
(b) With dobbies ..  
(c) With jaquard ..  
(d) With drop boxes ..

Total number of powerlooms \_\_\_\_\_

6. When were the powerlooms  
installed ?

Give year-wise details.

7. (a) Number of powerlooms  
working on cotton yarn.
- (b) Number of powerlooms  
working on rayon yarn or art silk.
- (c) Number of powerlooms  
working on mixed yarn.  
(i. e., cotton yarn and art  
silk/silk)

Total number of powerlooms .. \_\_\_\_\_

8. Were all the powerlooms run on  
cotton yarn from the beginning ? If  
any changes have been made, what are  
the reasons for the same ?

9. What are the difficulties that, in your opinion hamper the growth of powerloom industry? i. e., (a) Factory Act, (b) Supply of raw materials, (c) Disposal of finished goods, (d) Finance etc.

**B—Finance**

10. How do you obtain your supply of yarn on cash/credit? If on credit, whether at market rate? If not, what is the difference in your purchase price and market price?

11. Please supply the information about per loom investment in the following statement:—

Unit. 1	Fixed capital including land, buildings, plant for sizing, warping, beaming etc. and electric power. 2	Working capital including raw materials, goods in process of manufacture and finished goods. 3	Total. 4
1 Loom .. ..			
2 Looms .. ..			
3 Looms .. ..			
4 Looms .. ..			
5 to 9 Looms ..			
10 to 24 Looms ..			
25 to 49 Looms ..			
50 and above Looms			

12. Have you borrowed on some occasions? What are the sources of your borrowing? Commercial Banks/Co-operative Banks and Societies/Finance Corporation/Government/and other sources? What is the rate of interest paid?

**C—Preparatory Processes**

13. Describe in short the following preparatory processes being followed by you in your area (By hand process or/ by machine process).

- (a) Dyeing ..
- (b) Winding ..
- (c) Twisting, or doubling ..
- (d) Warping ..
- (e) Beaming ..
- (f) Sizing ..
- (g) Drawing in and Denting.

14. Do you think that the present methods of winding, warping, sizing, beaming, drawing in and denting etc. are satisfactory? If not, give your reasons for the same.

15. Do you think that dyeing, winding, sizing, warping and beaming or any combination of these should be done on a centralised basis? If so, give your reasons for the same. What should be the agency for the same?

16. What will be the effect of undertaking the centralised process on employment?

17. Give the charges for 10 lbs. of different counts of yarn in the following form: (In case, silk or art-silk is used, give in different deniers most common in use.)

	20s	26s	32s	40s	60s	64s	80s
(a) Winding for warp ..							
(b) Winding for weft ..							
(c) Twisting ..							
(d) Warping ..							
(e) Beaming ..							
(f) Sizing ..							
(g) Drawing in and denting ..							

The information should be given separately for hand operation as well as machine operation.

18. Please give the charges in the following form for dyeing 10 lbs. of yarn of different counts.

		20s	26s	32s	40s	60s	64s	80s
(a)	Indenthrene	..						
(b)	Napthol	..						
(c)	Sulpher	..						
(d)	Direct	..						

19. Would you advocate dyeing on machine ?

20. How is the sizing of yarn done ?  
By hot process or by cold process ?

21. What are the winding, warping, sizing and beaming charges for yarn for borders ? Do the ordinary rates of wages for winding, warping, sizing and twisting differ from those of yarn used for borders ? If so, give the rates in details.

D—Weaving

22. How many labourers do you engage for weaving ? Please give the information in detail in the following form :—

	Busy Season.				Average earning.	Slack Season.				Average earning.
	Full Time		Part Time			Full Time.		Part time.		
	No.	Wage.	No.	Wage.		No.	Wage.	No.	Wage.	
Male	..									
Female	..									
Minors below eighteen.										

The number of hours per day they work \_\_\_\_\_

23. Please give the number of looms attended to by a weaver.

24. Give various types of cloth produced with cotton yarn or rayon or mixed fibre, during the last year in the following form :—

Type cloth	Dimensions.		Specifications.				
	Width in inches.	Length in yards.	Reed.	Picks. per inch.	Weight of pieces.	Count of west.	Count of warp.

25. Are similar varieties of cloth produced by handlooms as well as powerlooms in your area? If so, please give the following information (the information should be for similar type of cloth in length, breadth, colour, count and picks).

S. No.	Local Name of cloth produced on handlooms as well powerlooms	Selling price of handloom cloth per yard.	Selling price of powerloom cloth per yard	
			Cloth produced on units of 4 or less than 4 powerlooms.	Cloth produced on units of 5 or more powerlooms.



35. Do you think that arrangements for advances against goods is necessary? Would the weavers avail of the arrangements if the same are made? How do you think these arrangements should be made?

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Part II

1. Would you advocate the field of production to be allocated between (i) Handlooms, (ii) Powerlooms and (iii) Mills?

2. Would such allocation affect production in any way resulting in ultimate shortage of cloth either for domestic consumption or for export?

3. Would you advocate expansion of any particular sector of the textile industry *i. e.*, powerlooms, handlooms or mills? In the alternative, would you advocate the distribution of this expansion among all or any of these sectors? If the latter, what are your suggestions?

4. Is there any clear demarcation of production by handlooms and powerlooms in your area? If so, state the different varieties of cloth produced by the handlooms as well as powerlooms.

5. Should there be any specialisation or production by powerlooms, mills and handlooms for (a) domestic consumption and (b) exports?

6. Has there been any change in the lines of production on the powerlooms in your area since the reservations were introduced? Explain if any shifts have taken place from one group of counts to another or from one kind of cloth to another. What have been the effects of change in fashion?

7. (a) Do you think that handlooms are benefitted by this reservation?

(b) Do you think that there is effective check to see that mills or powerlooms do not produce the cloth now reserved for handlooms?

8. What are your suggestions for standardisation and quality marking of handloom and powerloom cloth (a) for internal consumption and (b) for exports?

9. Should certain varieties of powerloom cloth and handloom cloth be earmarked for exports and for internal consumption?

10. Do you think that units having 4 or less than 4 powerlooms should be grouped along with the handloom sector of the textile industry and units having 5 or more powerlooms should be grouped with the mill industry? If so, state your reasons.

11. Do you think that the powerloom units of (a) 4 and below and (b) 5 and above have different problems and difficulties so far as dyeing, winding, warping, beaming, sizing, calendering, bleaching, finishing, baling and folding are concerned? If so, in what way?

12. Do you think that problems of (a) Marketing and (b) finance are different for 2 types of units *i. e.* (a) units having 4 and less powerlooms and (b) units having 5 and more powerlooms? If so, in what way?

13. (a) Do you think that the powerloom sector of the textile industry should be allowed to expand?

(b) Would you advocate the conversion of the existing handlooms into powerlooms? Please give your reasons for (a) and (b) in detail.

14. Are there mixed establishments *i. e.* the same owner (either company, partnership, individuals or society) running powerlooms as well as handlooms? If so, state the number of such establishments in your area.

15. Were the present powerloom owners once engaged in handloom industry? Has their economic condition improved as a result of this change over?



16. Please suggest in detail as to how the powerloom and the handloom industries should be complementary to one another.

17. Have you to make any more suggestions about powerloom industry *vis-a-vis* the handloom industry and mill industry?

## Annexure No. III

*A statement showing names of individuals and institutions from whom replied to the questionnaire of the Powerloom Enquiry Committee were received.*

Notes.—

'M'	denotes replies received in	Marathi
'G'	do.	Gujarati
'K'	do.	Kannad
'U'	do.	Urdu
'E'	do.	English

## THANA DISTRICT

1. Bhiwandi Weavers' Co-operative Society, Bhiwandi (M)
2. Shri D. G. Pendse of Bhiwandi (E)
3. Jagannath Textiles, Bhiwandi (M)
4. Trinity Textiles, Bhiwandi (M)
5. Dinesh Textile Mills, Bhiwandi (M)
6. Vijaya Textiles, Bhiwandi (E)
7. Haji Abdul Haqu Panjabi Weaving Factory, Bhiwandi (E)
8. Swan Textiles Bhiwandi (E)
9. Hidayatula Textile Works, Bhiwandi (E)
10. Bhiwandi Textile Works, Bhiwandi (E)
11. Mohamed Yusuf A. R. Panjabi Weaving Factory, Bhiwandi (E)
12. Adarsh Textile Industries Bhiwandi (E)
13. Abdul Samad Hajilal Mohamed Weaving Factory, Bhiwandi (E)
14. A. A. Patil Weaving Factory, Bhiwandi (E)
15. Secundar Sadi Mills, Bhiwandi (E)
16. Soudagar Textile Works, Bhiwandi (E)
17. V. K. Industries, Bhiwandi (E)
18. Master Trikamdass Textile Mills, Bhiwandi (E)
19. Jai Amba Silk Mills, Bhiwandi (E)
20. Tarun Silk Mills, Bhiwandi (E)
21. D. K. Thakkar Factory, Bhiwandi (E)
22. Chaitanya Silk Mills, Bhiwandi (E)
23. Ramjan Nabi Weaving Factory, Bhiwandi (E)
24. Suleman Rakkbu Weaving Factory, Bhiwandi (E)
25. Misrumal Jiwaji Factory, Bhiwandi (E)
26. Shri Mohmed Hasan Vali Mohamed, Bhagalpura, Bhiwandi (U)
27. M/s Mohmed Jaseem Abdul Rasheed and Co-Darga Road, Bhiwandi (U)
28. M/s Bakar I du Silk Mills, Bhiwandi (U)
29. Mohmed Yusuf Peer Mohmad, Bhiwandi (U)
30. Agantha Silk Mills, Bhiwandi (U)
31. M/s Lotus Silk Mills, Bhiwandi (U)
32. Bhiwandi Sari Manufacturers' Association, Bhiwandi (E)
33. Ravi Industries, Thana (E)

## SURAT DISTRICT

34. The Garden Silk Weaving Mills, Surat (G)
35. Shambhulal Narayandas, Surat (G)
36. Harilal Ramdas, Surat (G)
37. Pharasram Jamnadas, Surat (G)
38. Jamiyat Ram Atmaram, Surat (G)
39. Manoharlal Madandas Bros., Surat (G)
40. Mohandas Chunilal Vyas, Surat (G)
41. Ghelabhai Narayandas, Surat (Surat) (G)
42. Thakurdas Chhotalal, Surat (G)
43. Bhogilal Ranchhoddas, Surat (G)
44. Bhukandas Govindram, Surat (G)
45. Chhotalal Gobaldas, Surat (G)
46. Chhotalal Jekisandas Bhagat, Surat (G)
47. The Surat Weavers' Co-operative Producers' Society Ltd., Surat (G)
48. The Surat Chamber of Commerce-Surat Vankar Sahakari Sangh Ltd., Surat and Surat Weaving Association: Surat (E)
49. Nagindas Uttamram Thanala, Surat (G)
50. The United Textile Manufacturing Company, Surat (G)
51. Babubhai Vallabhram of Surat (G)
52. The Surat Art Silk Cloth Manufacturers' Association Ltd., Surat (E)
53. Surat Weavers' Co-operative Producers' Society Ltd., Surat (Memorandum) (E)
54. Garden Silk Weaving Factory, Surat (G)
55. Memorandum received from Surat Chamber of Commerce, Surat Vankar Sangh and Surat Weaving Association (E)
56. The Surat Silk Mills Workers' Union (E)
57. Surat Chamber of Commerce, Surat (E)
58. Surat Factory Kamgar Union (G)
59. J. M. Sutaria and others. (G)

## BOMBAY DISTRICT

60. Shakur Fine Weaving Mills, Bombay (E)
61. The Swastik Textile Mills Ltd., Bombay (E)
62. The Suryakant Textile Mills, Bombay (E)
63. All India Federation of Powerloom Associations, Dubhash Market; Bombay (E)
64. Liberty Silk Mills Ltd., Bombay (E)
65. Venus Silk Mills Survodaya Mills Compound Tardeo, Bombay (E)
66. Maharashtra Chamber of Commerce, Bombay (E)
67. Sunrich Mill, Bombay (E)
68. Bharat Silk Mills Ltd., Kurla, Bombay 37 (E)
69. The Sarvodaya Silk Mills Kurla, Bombay 37 (E)
70. Parekh Silk Mills, Bombay (E)
71. New Shah Silk Mills Ltd., Bombay (E)

72. Ashoka Silk Mills, Bombay (E)
73. New Modern Mills, Bombay (E)
74. Shri Ambica Tape Manufacturing Company, Bombay (E)
75. M. Daftery, Bombay (E)
76. Sarvodaya Mills, Bombay (E)
77. Pannalal Silk Mills, Bombay (E)
78. Jasmine Mills Ltd., Bombay (E)
79. The Commissioner of Labour, Bombay (E)

#### KAIRA DISTRICT

80. The Cambay Sadi Manufacturers' Society Ltd., Cambay (E)
81. Navi Khadi, Cambay (G)
82. Satish Textiles, Cambay (G)
83. Babulal Chhotalal Company, Cambay (G)
84. Ghanashyam Mills, Cambay (G)
85. Lokamanya Weaving Mills, Cambay (G)
86. Shri Krishna Weaving Mills, Cambay (G)
87. Cambay Sari Manufacturers' Society, Cambay (G)
88. Vadtal Christian Co-operative Weavers' Society Ltd., Vadtal (G)
89. District Industrial Co-operative Association Ltd., Nadiad (G)
90. Kapadvanja Taluka Co-operative Weavers' Society Ltd., Kapadvanja (G)
91. Bhaner Group Co-operative Weavers' Society Ltd., Bhaner (G)
92. Jai Hind Weaving Works, Vadtal (G)
93. Anand Taluka Vankar Sahakari Mandal Ltd. (G)
94. Cambay Taluka Sahakari Vankar Society Ltd. (G)
95. Nadiad Group Weavers' Co-operative Society, Nadiad (G)
96. Sojitra Group Hath Vanat Sahakari Mandal Ltd. (G)
97. Gulam Haidar Abdurrahim Bhaimiya and others (G)

#### BIJAPUR DISTRICT

98. Weavers' Co-operative Producers' Society Ltd., Ilkal (K)
99. Sidheshwar Weaving Society, Banhatti (K)
100. Union Weavers' Co-operative Society Ltd., Jamkhandi Branch, Banhatti (K)
101. Kokalki Weaving Mills, Rabkavi (K)
102. Rabkavi Powerloom Owners' Association, Rabkavi (K)
103. Shankar Banking and Industrial Corporation, Rabkavi (E)
104. Jorapur Peth Weavers' Co-operative Society, Bijapur (K)
105. Nekar Sahakari Sangh, Chadchan (K)
106. Weavers' Co-operative Society, Banhatti (K)
107. Chairman Nekar Utpadak Sangh, Tamba (K)
108. Basweshwar Weaving Mills, Banhatti (K)
109. Mallikarjun Weaving Mills, Banhatti (K)
110. Banhatti Textile Mills Owners' Association, Banhatti (K)
111. Manager Textile Mills Owners' Association, Banhatti (K)
112. Pampa Weaving Mills, Banhatti (K)
113. Ambli Weaving Mills, Banhatti (K)

## WEST KHANDSEH DISTRICT

114. The West Khandesh District Industrial Co-operative Association Ltd., Dhulia (M)  
 115. Islampura Weavers' Co-operative Society Ltd., Dhulia (M)  
 116. 7th Galli Hatmag Vinkar Co-operative Society, Dhulia (M)  
 117. Shri Mohmad Usman Jahangir Moulavi Ganja, Dhulia (U)  
 118. 1st Galli Hatmag Vinkar Co-operative Society, Ltd., Dhulia (M)  
 119. Paschim Khandesh Hatmag Vinkar Sangh Ltd., Dhulia (M)  
 120. Tasha Galli Hatmag Vinkar Sahakari Society Ltd., Dhulia (M)  
 121. Co-operative Saranjam and Powerloom Karyalaya, Dhulia (M)  
 122. General Secretary Powerloom Owners' Association, Dhulia (E)  
 123. Akhtar Hussen Abdul Gafur Shaikh Deopur, Dhulia (E)  
 124. West Khandesh Textmark Association, Dhulia (E)

## KOLHAPUR DISTRICT

125. Ichalkaranji Powerloom Weavers' Co-operative Association Ltd., (E) (M) (Memorandum)  
 126. Shri Virbhadra Weaving Mills, Ichalkaranji (M)  
 127. Shri Krishna Weaving Mills, Ichalkaranji (M)  
 128. Radha Weaving Mills, Ichalkaranji (M)  
 129. Shri Pant Manufacturing Mills, Ichalkaranji (M)  
 130. Shri Laxmi Weaving Mills, Ichalkaranji (M)  
 131. Krishnaji Bhaskar Utturkar of Ichalkaranji (M)  
 132. Tarabai Weaving Works, Ichalkaranji (M)  
 133. Sultanpur Weaving Mills, Ichalkaranji (M)  
 134. Saraswati Textile Mills, Ichalkaranji (M)  
 135. Laxmi Narayan Weaving Mills, Kolhapur (M)  
 136. Kolhapur Automatic Hatmag Co-operative Society, Kolhapur (M)  
 137. Shri Y. V. Datar of Ichalkaranji (E)  
 138. Central Co-operative Handloom Weavers' Association, Ichalkaranji (M)

## NASIK DISTRICT

139. The Deccan Textile Mills, Malegaon (M)  
 140. Abid Ansary and others of Malegaon (Memorandum) (E)  
 141. Ramjan Ahmed, Islampura, Malegaon (M)  
 142. Hussen Ramjan, Malegaon (M)  
 143. Abdul Khaliq Shukarulla, Malegaon (M)  
 144. )  
 145. ) Members of the Pucca Rang Sadi Manufacturing Co-operative Society Ltd., Malegaon (U)  
 146. )  
 147. )  
 148. Yeola Weaving Association, Yeola. (U)

## AHMEDNAGAR DISTRICT

- 149. Parikh Weaving Mills, Ahmednagar (M)
- 150. Rajanna Venkappa Sambar, Ahmednagar (M)
- 151. Bhingarkar Bandhu, Ahmednagar (M)
- 152. S. L. Bharatlal, Ahmednagar (M)
- 153. E. L. Bharatlal, Ahmednagar (M)
- 154. Narayan Ramaya Kolam, Ahmednagar (M)
- 155. Balchetti Balayya Kuntal, Ahmednagar (M)
- 156. Vidyadhar Bhumaji Chhanna, Ahmednagar (M)
- 157. Ramakant Bhumaji Chhanna, Ahmednagar (M)

## KOLABA DISTRICT

- 158. Shri Krishna Weaving Factory, Uran (Kolaba District) (M)

## SHOLAPUR DISTRICT

- 159. Kshirsagar Handloom Weaving Factory, Sholapur (M)
- 160. Hatmag Kapad Utpadak Sahakari Sangh Ltd., Sholapur (M)
- 161. Shri Rang Weaving Mills, Sholapur (M)
- 162. Maindargi Neikar Utpadak Sangh Ltd., Maindargi (M)
- 163. Shri Sholapur Hatmag Asami Sahakari Mandal Ltd., Sholapur (M)
- 164. Marda Weaving Mills, Sholapur (E)

## AHMEDABAD DISTRICT

- 165. The Sutaria Silk Weaving Factory, Ahmedabad (E)
- 166. The Ahmedabad Silk Factory Ltd. (E)
- 167. Nanikram Shobharam Mills Ltd., Ahmedabad (E)
- 168. Maize Products Ltd., Ahmedabad (E)

## BELGAUM DISTRICT

- 169. Khasbag Society No. II, Belgaum (E)
- 170. Ram Weaving Mills Khasbag, Belgaum (E)
- 171. R. A. Hashilkar Khasbag, Belgaum (K)
- 172. Shri S. H. Amashi, Belgaum (E)

## EAST KHANDESH DISTRICT

- 173. Dharangaon Hatmag Sadi Utpadak Co-operative Mandali Ltd., Dharangaon (M)
- 174. Shri R. R. Deodhar, Jalgaon (E)
- 175. Suryavanshi Hatmag Vinkar Sahakari Society Ltd., Dharangaon, East Khandesh (M)

## NORTH SATARA DISTRICT

176. Kolewadi Group Weavers' Co-operative Society, Kolewadi (M)  
 177. Atit Sahakari Mandali, Atit, District North Satara (M)

## SOUTH SATARA DISTRICT

178. Arun Weaving Mills, Sangli (M)  
 179. Ganesh Weaving Mills, Sangli (M)  
 180. Alinco Mills, Sangli (M)  
 181. The Deccan Manufacturers' Association, Sangli (M)  
 182. B. Durgaram Textile Works, Miraj (M)  
 183. Deval Textile Works, Miraj (M)  
 184. Swastik Textile Works, Miraj (M)  
 185. Laxmi Textile Mills, Miraj (M)  
 186. H. Ibrahim of Miraj (M)  
 187. Jadhav Textile, Sangli (M)

## POONA DISTRICT

188. The Maharatta Chamber of Commerce and Industries, Poona 2 (E)  
 189. Sudarshan Silk Mills Ltd., Poona (E)

## AMRELI DISTRICT

190. Powerloom Owners Association, Amreli (G)  
 191. Balvant Silk Works, Amreli (E)

## BROACH DISTRICT

192. Powerloom Owners Association, Broach (Two Booklets)  
 193. Jagadish Textile Weaving Works Kabirpura, Broach (G)  
 194. Haribhai Kesurbhai Powerloom Factory, Broach (G)

## BARODA DISTRICT

195. Khedkar Textiles, Baroda (G)

## KARWAR DISTRICT

196. M. H. Joshi and Sons, Nandagadda, Karwar District (K)

## DHARWAR DISTRICT

197. The Manager Yelamali Weaving Mills, Gadag (K)

### Annexure No. IV

*Statement showing powerlooms run on cotton yarn and Art Silk in India Statewise break up*

Serial No.	Name of the State.	Number of powerlooms working on cotton yarn.	Per cent to the total number of powerlooms running on cotton yarn.	Number of powerlooms working on Art-Silk.	Per cent to the total number of powerlooms run on Art-Silk.	Total number of powerlooms in each State.	Per cent to the total number of powerlooms in India.
1	2	3	4	5	6	7	8
1	Bombay ..	15,383	63.53	29,897	82.89	45,280	75.11
2	Saurashtra ..	363 ✓	1.50	1,066 ✓	2.96	1,429 ✓	2.37
3	Madhya Bharat ..	24	0.10	256	0.71	280	0.46
4	Rajasthan ..	127	0.52	10	0.03	137	0.23
5	Ajamer-Merwara ..	10	0.04	10	0.03	20	0.03
6	Madhya Pradesh ..	1,158	4.78	250	0.69	1,408	2.34
7	Delhi ..	488	2.02	339	0.94	827	1.37
8	Punjab ..	1,236	5.10	3,062	8.49	4,298	7.13
9	Bengal ..	1,513	6.25	624	1.73	2,137	3.55
10	Bihar ..	132	0.55	108	0.29	240	0.40
11	Uttar-Pradesh ..	363	1.50	..	..	363	0.60
12	Hyderabad ..	143	0.59	115	0.31	258	0.43
13	Mysore ..	1,400	5.78	259	0.72	1,659	2.75
14	Travankore-Cochin ..	10	0.04	..	..	10	0.02
15	Andhra ..	73	0.30	..	..	73	0.12
16	Madras ..	1,792	7.40	69	0.19	1,861	3.09
<b>Total ..</b>		<b>24,215</b>	<b>..</b>	<b>36,065</b>	<b>..</b>	<b>60,280</b>	<b>..</b>



**Annexure No. V**

*Statement showing Powerlooms run on Cotton Yarn position as on 31st March 1956 Districtwise and placewise breakup*

Name of the place.	Total		1 loom		2 looms		3 looms		4 looms		5-9 looms		10-24 looms		25-49 looms		50 & above looms.	
	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms
<i>Greater Bombay</i>																		
1. Bombay ..	73	3226	..	..	1	2	2	6	4	16	7	03	24	415	17	574	18	2,150
<i>Nasik District</i>																		
2. Malegaon ..	1,192	3021	468	468	321	642	140	420	126	504	124	767	12	180	1	40	..	..
3. Yeola ..	8	70	..	..	2	4	..	..	..	..	3	23	3	43	..	..	..	..
4. Nasik ..	1	18	..	..	..	..	..	..	..	..	..	..	1	18	..	..	..	..
<i>Nasik District</i>																		
Total ..	1,201	3,109	468	468	323	646	140	420	126	504	127	790	16	1 241	40	..	..	..
<i>Surat District</i>																		
5. Surat ..	632	4,275	58	58	101	202	109	327	68	272	192	1,251	91	1,422	7	265	6	478
6. Billimora ..	2	46	..	..	..	..	..	..	1	4	..	..	..	1	42	..	..	..
7. Navsari ..	2	20	..	..	..	..	..	..	..	..	1	5	1	15	..	..	..	..
8. Dharampur ..	1	10	..	..	..	..	..	..	..	..	..	..	1	10	..	..	..	..
<i>Surat District</i>																		
Total ..	637	4,351	58	58	101	202	109	327	69	276	193	1,256	93	1,447	8	307	6	478
<i>Kolhapur District</i>																		
9. Ichalkaranji ..	175	1,786	17	17	24	48	14	42	22	88	36	242	52	808	6	228	4	318
10. Kolhapur ..	1	2	..	..	1	2	..	..	..	..	..	..	..	..	..	..	..	..
11. Kurundwad ..	5	43	..	..	..	..	..	..	..	..	4	28	1	15	..	..	..	..
<i>Kolhapur District</i>																		
Total ..	181	1,831	17	17	25	50	14	42	22	88	40	270	53	823	6	228	4	318

<i>Thana District</i>																			
12.	Bhiwandi	127	1,020	16	16	38	76	18	54	17	68	19	128	18	240	4	123	2	915
<i>Ahmedabad District</i>																			
13.	Ahmedabad	18	409	..	..	..	..	..	..	1	4	3	20	9	159	3	97	2	129
14.	Dholka	1	4	..	..	..	..	..	..	1	4	..	..	..	..	..	..	..	..
<i>Ahmedabad District Total</i>																			
19	413	..	..	..	..	..	..	..	..	2	8	3	20	9	159	3	97	2	129
<i>Kaira District</i>																			
15.	Petlad	1	24	..	..	..	..	..	..	..	..	..	..	1	24	..	..	..	..
16.	Cambay	16	273	..	..	..	..	..	..	4	16	2	10	6	104	4	143	..	..
<i>Kaira District Total</i>																			
17	297	..	..	..	..	..	..	..	..	4	16	2	10	7	128	4	143	..	..
<i>South Satara District</i>																			
17.	Sangli	10	176	..	..	1	2	4	12	1	4	2	11	1	12	..	..	1	135
18.	Madhavnagar	3	23	..	..	..	..	1	3	..	..	..	..	2	20	..	..	..	..
19.	Miraj	5	15	..	..	2	4	1	8	2	8	..	..	..	..	..	..	..	..
<i>South Satara District Total</i>																			
18	214	..	..	3	6	6	18	3	12	2	11	3	32	..	..	..	..	1	135
<i>West Khandesh District</i>																			
20.	Dhulia	60	144	35	35	10	20	5	15	7	28	1	6	2	40	..	..	..	..
<i>Sholapur District</i>																			
21.	Sholapur	5	51	..	..	..	..	..	..	2	8	1	9	2	34	..	..	..	..
22.	Akkalkot	1	9	..	..	..	..	..	..	..	..	1	9	..	..	..	..	..	..
23.	Barsi	1	10	..	..	..	..	..	..	..	..	..	..	1	10	..	..	..	..
24.	Tikekarwadi	1	60	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	60
<i>Sholapur District Total</i>																			
8	130	..	..	..	..	..	..	..	..	2	8	2	18	3	44	..	..	1	60

**Annexure No. V—(contd.)**

Name of the place	Total		1 loom		2 looms		3 looms		4 looms		5-9 looms		10-24 looms		25-49 looms		50 & above looms	
	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms
<i>Poona District</i>																		
25. Poona ..	5	98	..	..	1	2	..	..	..	..	1	5	1	11	2	80	..	..
<i>Bijapur District</i>																		
26. Rabkavi ..	3	52	..	..	..	..	..	..	..	..	1	7	1	11	1	34	..	..
27. Banahatti ..	11	57	..	..	3	6	4	12	..	..	1	6	3	33	..	..	..	..
28. Jamkhandi ..	1	10	..	..	..	..	..	..	..	..	..	..	1	10	..	..	..	..
Bijapur District total ..	15	119	..	..	3	6	4	12	..	..	2	13	5	54	1	34	..	..
<i>Ahmednagar District</i>																		
29. Ahmednagar ..	15	85	..	..	12	24	1	3	..	..	..	..	1	11	1	47	..	..
<i>Dharwar District</i>																		
30. Ranebennur ..	1	24	..	..	..	..	..	..	..	1	..	..	1	24	..	..	..	..
31. Hubali ..	3	24	..	..	..	..	..	..	1	4	1	5	1	15	..	..	..	..
32. Gadag ..	1	24	..	..	..	..	..	..	..	..	..	..	1	24	..	..	..	..
33. Byadgi ..	1	11	..	..	..	..	..	..	..	..	..	..	1	11	..	..	..	..
Dharwar District total ..	6	83	..	..	..	..	..	..	1	4	1	5	4	74	..	..	..	..
<i>Baroda District</i>																		
34. Baroda ..	3	24	..	..	1	2	..	..	..	..	1	5	1	16	..	..	..	..

<i>Amreli District</i>																			
35.	Amreli	..	3	48	..	..	..	..	..	..	..	..	..	..	3	48	..	..	..
36.	Gogha	..	1	18	..	..	..	..	..	..	..	..	..	..	1	18	..	..	..
Amreli Dis-		..	4	66	..	..	..	..	..	..	..	..	..	4	66	..	..	..	..
<i>North Satara District</i>																			
37.	Satara	..	2	31	..	..	..	..	..	..	..	..	..	2	31	..	..	..	..
38.	Ogalewadi	..	1	25	..	..	..	..	..	..	..	..	..	..	..	1	25	..	..
North Satara		..	3	56	..	..	..	..	..	..	..	..	..	2	31	1	25	..	..
<i>Kolaba District</i>																			
39.	Uran	..	1	10	..	..	..	..	..	..	..	..	..	1	10	..	..	..	..
40.	Murud	..	1	44	..	..	..	..	..	..	..	..	..	..	..	1	44	..	..
Kolaba Dis-		..	2	54	..	..	..	..	..	..	..	..	..	1	10	1	44	..	..
<i>Mehsana District</i>																			
41.	Patan	..	1	12	..	..	..	..	..	..	..	..	..	1	12	..	..	..	..
42.	Unhja	..	1	12	..	..	..	..	..	..	..	..	..	1	12	..	..	..	..
Mehsana Dis-		..	2	24	..	..	..	..	..	..	..	..	..	2	24	..	..	..	..
<i>Belgaum District</i>																			
43.	Belgaum	..	2	21	..	..	..	..	..	..	..	..	1	0	1	15	..	..	..
Belgaum Dis-		..	2	21	..	..	..	..	..	..	..	..	1	0	1	15	..	..	..

**Annexure No. V—(concl'd.)**

Name of the piece.	Total		1 loom		2 looms		3 looms		4 looms		5-9 looms		10-24 looms		25-49 looms		50 & above looms.	
	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	loom	Units	looms	Units	looms	Units	looms
<i>Broach District</i>																		
44. Broach ..	2	10	..	..	..	..	..	..	1	4	1	6	..	..	..	..	..	..
<i>Karwar District</i>																		
45. Karwar ..	1	8	..	..	..	..	..	..	..	..	1	8	..	..	..	..	..	..
<b>Bombay State</b>																		
Grand total..	2,401	15,383	594	594	518	1,036	299	897	258	1,032	404	2,621	245	3,881	49	1,742	34	3,580

## Annexure No. VI

*Statement showing powerlooms run on art silk position as on 31st March, 1956, Districtwise and placewise break up*

Name of District and place	Total		1 loom		2 looms		3 looms		4 looms		5-9 looms		10-24 looms		25-49 looms		50 & above looms	
	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms
<i>Greater Bombay</i>																		
1. Bombay ..	216	13,810	..	..	..	..	..	..	..	..	1	6	21	340	116	3,826	78	9,638
<i>Surat District</i>																		
2. Surat ..	1,078	12,480	63	63	140	280	133	399	143	572	326	2,122	146	2,152	88	2,993	39	3,908
3. Billimora ..	3	85	..	..	..	..	..	..	..	..	..	..	..	..	3	85	..	..
4. Navsari ..	3	175	..	..	..	..	..	..	..	..	..	..	..	..	2	75	1	100
<i>Surat District Total</i>																		
Surat District Total ..	1,084	12,749	63	63	140	280	133	399	143	572	326	2,122	146	2,152	93	3,153	40	4,008
<i>Thana District</i>																		
5. Bhiwandi ..	72	638	..	..	6	12	8	24	9	36	24	173	24	364	1	29	..	..
<i>Ahmedabad District</i>																		
6. Ahmedabad ..	23	2,065	..	..	..	..	..	..	..	..	2	13	3	44	6	207	12	1,801
<i>Kaira District</i>																		
7. Cambay ..	7	203	..	..	..	..	..	..	..	..	1	7	..	..	6	196	..	..
8. Nadiad ..	1	25	..	..	..	..	..	..	..	..	..	..	..	..	1	25	..	..
9. Petlad ..	1	30	..	..	..	..	..	..	..	..	..	..	..	..	1	30	..	..
<i>Kaira District Total</i>																		
Kaira District Total ..	9	258	..	..	..	..	..	..	..	..	1	7	..	..	8	251	..	..
<i>Broach District</i>																		
10. Broach ..	2	65	..	..	..	..	..	..	..	..	..	..	1	15	..	..	1	50
<i>Baroda District</i>																		
1. Baroda ..	2	65	..	..	..	..	..	..	..	..	..	..	..	..	2	65	..	..

**Annexure No. VI—(concl'd.)**

Name of District and place	Total		1 loom		2 looms		3 looms		4 looms		5-9 looms		10-24 looms		25-49 looms		50 & above looms		
	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	Units	looms	
<i>East Khandesh District</i>																			
12. Bhusawal ..	1	25	..	..	..	..	..	..	..	..	..	..	..	..	..	1	25	..	..
13. Pimprala ..	1	60	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	60
East Khandesh Total ..	2	85	..	..	..	..	..	..	..	..	..	..	..	..	..	1	25	1	60
<i>Nasik District</i>																			
14. Malegaon ..	2	50	..	..	..	..	..	..	..	..	..	..	..	..	..	2	50	..	..
<i>Poona District</i>																			
15. Poona ..	1	35	..	..	..	..	..	..	..	..	..	..	..	..	..	1	35	..	..
<i>Ahmednagar District</i>																			
16. Ahmednagar ..	1	25	..	..	..	..	..	..	..	..	..	..	..	..	..	1	25	..	..
<i>Amreli District</i>																			
17. Amreli ..	1	25	..	..	..	..	..	..	..	..	..	..	..	..	..	1	25	..	..
<i>Kolhapur District</i>																			
18. Ichalkaranji ..	1	17	..	..	..	..	..	..	..	..	..	..	1	17	..	..	..	..	..
<i>Belgaum District</i>																			
19. Belgaum ..	1	9	..	..	..	..	..	..	..	..	1	9	..	..	..	..	..	..	..
<i>Sholapur District</i>																			
20. Sholapur ..	1	1	1	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Bombay State Grand Total	1,418	29,897	64	64	146	292	141	423	152	608	355	2,330	196	2,932	232	7,691	132	15,557	

## Annexure No. VII

Extract from Office Memorandum No. 52-SSI/(66)/55, dated 4th June 1955 from the Ministry of Commerce and Industry, New Delhi.

*Financial Assistance from the Centre.*

Small Scale Industries have been broadly classified under the following heads for purposes of financial assistance :—

- (A) Departmental Schemes run by the State Government of a 'Service' nature, *i. e.* training and training cum-production centres, research, demonstration workshops, quality making schemes etc. No profits are envisaged in these transactions. Financial assistance from the Centre would be according to the existing pattern which is as follows :—
- (i) 50 per cent of the cost of land and buildings as Grant.
  - (ii) 75 per cent of non-recurring expenditure on machinery, equipment etc., as a Grant.
  - (iii) 50 per cent of recurring expenditure for the first year as a Grant.
  - (iv) 100 per cent of the Working Capital where required (as for training-cum-production Centres) as a Loan.
- (B) Departmental schemes run by State Governments on a *Commercial basis.*

These would be either Industrial concerns run directly by the State Government or Central Organisations for groups of small industries which would handle procurement of raw materials, establishment of processing and finishing plants, and marketing. It was pointed out at the meeting of the Small Scale Industries Board that such Central Organisations may have to be started by the State Government in the initial stages although they could be handed over later to co-operatives of Small Industries. There may be other Departmental schemes also, the criteria being in all these cases that the scheme is expected to work on a Commercial basis.

- (i) 25 per cent of the total expenditure *i. e.* capital expenditure plus working capital etc. should be contributed by the State Government.
- (ii) The remaining 75 per cent will be given as a Loan from the Central Government.

*N. B. :—*'Working Capital' includes establishment and labour charges.

- (C) Co-operatives, Small Entrepreneur and other types of small industrial units run by private enterprise.



The principle is that the party could contribute 25 per cent, the State Government 25 per cent and the Central Government 50 per cent. The assistance from the Centre and the State Government would be as Loans only, whether required for capital expenditure or for working capital. The actual procedure would be as follows:—

- (i) All loans advanced by the Centre would be through the State Governments. The Central Government would give in all cases loans in the proportion of 2 : 1 to the contribution made by the State Government from their resources.
- (ii) Loans should be advanced to the actual parties upto at least 75 per cent of the value of the security offered. Such security loan include lands, buildings, plants, machinery, stocks and other assets, created out of the loan.
- (iii) State Governments are responsible for the distribution and recovery of loans. No prior sanction of the Centre is required. The loans can be disbursed by the State Government under the State Aid to Industries Act ; through Co-operative Banks and other agencies, Departmentally or in such fashion as they consider fit.
- (iv) This assistance will not extend, however, to the Handloom and Khadi Industries which are clearly defined separate sectors and for which separate provision has been made. It will not extend also to such village industries units and Handicrafts units which are already receiving assistance from the All India Khadi and Village Industries Board, the All India Handicrafts Board.
- (v) The State Governments would furnish quarterly returns showing full details of such loans granted. The Central Government will advance funds in instalments upto the total loan sanctioned, depending on the rate of disbursement. It has been found necessary to adopt this procedure as otherwise large sums are sometimes locked up without being utilised.

*(D) Industrial Co-operatives.*

These are special types of Co-operatives where the workers themselves are members and would share in the profits. The Central Government would sanction specific schemes sent up by State Government on the following basis :—

- (i) 75 per cent of the share capital to be advanced by the Centre as a two year loan, the balance to be found by the State Government and/or the party concerned.
- (ii) 75 per cent of the working capital (which term would include also investment necessary for the purchase

- of land, buildings, and equipment) to be given by the Central Government as a loan.
- (iii) Loans would, as usual, be advanced by the Centre to the State Government.
  - (iv) The Central Government would bear 50 per cent of recurring expenditure for 3 years on any special supervisory Co-operative staff employed for these industrial Co-operatives.

*General Principles regarding all loans.*

- (i) All loans (other than the loans for share capital to industrial Co-operatives) would be on a ten-year basis to be repaid by the State Government in ten equal instalments, the first instalment to be paid in the second year following the grant of the loan.
- (ii) Normally, loans to small enterprise should not exceed Rs. 50,000 to each party. The concessions regarding interest (please see below) would, therefore, be given only on loans upto Rs. 50,000 for each party. Loans exceeding this amount should be charged the market rate of interest.
- (iii) The loans to a single party should not, in any case, exceed Rs. 1 lakh, except with the specific sanction of the Central Government.
- (iv) *Rate of interest.*  
Loans for Departmental schemes run by State Government under (a) and (b) above would be charged the normal rate of interest.

The present rates of interest chargeable from State Governments are :—

For one year	..	3 per cent.
For five years	..	3 5/8 per cent.
For ten years	..	4 per cent.

The object is to get started in this country as rapidly as possible very large numbers of small scale enterprises manufacturing consumer goods. For this purpose, loans on a considerable scale have to be made available to them. These loans would not prove attractive and are not likely to be taken up by small industries unless the rate of interest is kept sufficiently low. It is proposed, therefore that the rate of interest, charged to small enterprises in schemes under ; category (C) above should be only 3 per cent and in the case of Industrial Co-operatives under category (D) above only 2½ per cent. The loans given by the Centre are advanced to the State Government and it is not desirable, however, to disturb the normal arrangement under which the loans are advanced by the Centre. While the loans would, therefore, be advanced by the Centre to the State Government at the normal rate of interest in

order to enable the State Government to fulfil their obligation of charging only 3 per cent and 2½ per cent to the small enterprises and Industrial Co-operatives respectively, the difference will be made up by a direct subsidy from the Central Government to the State Government.

(v) *Sharing of losses.*

The Central Government would share losses on account of non-recoverable loans in all schemes mentioned above on a pro-rata basis, according to the contribution made by the Centre and the State. For example in the case of schemes under Category (B) *i. e.* the Departmental schemes run on a commercial basis and in the case of Category (D) Industrial Co-operatives, the Centre would bear 75 per cent of the losses and the State Government 25 per cent. In the case of Block loans given under Category (C) the loss would be similarly shared pro-rata. There would be no ceiling limit *i. e.* the ceiling originally fixed of 50 per cent of the total outlay is now abolished. Where the Central Government has to contribute more than 75 per cent they would be prepared to share the loss only on a 50 :50 basis and not pro-rata.

Losses would be calculated at the stage when a loan or a portion of the loan has to be written off as irrecoverable. For instance, instalments may be postponed, but this cannot be counted as a loss unless and until the amount is written off altogether.

### Annexure No. VIII

*State—Aid to small—scale and Cottage Industries Rules, 1935*

(As amended upto 28th February 1955)

**Accompaniment to Government Resolution,  
Development Department, No. SAI. 1454,  
dated the 28th February 1955**

1. *Short title.*—These rules may be called the Bombay State-aid to Small-Scale and Cottage Industries Rules, 1935.

2. *Purposes for which loans may be granted.*—Loans may be granted to small-scale and cottage industries including fisheries, for the following purposes, namely:—

(i) Construction of buildings, godowns, warehouses, walls, tanks and other works necessary for industrial operations and for purchase of land for the purpose ;

(ii) Purchase and erection of machinery, plant and appliances ;

(iii) Purchase of raw materials ;

(iv) Working capital ;

(v) Fishing.

*Definition of small-scale unit.*—A unit with capital assets of less than Rs. 5 lakhs and which employs less than 50 persons if working with power or less than 100 persons if working without power will be considered a small-scale unit for the purposes of giving loans under these Rules.

*Definition of cottage industry unit.*—Cottage industries are those industries, which, whether using mechanical or electrical power or not, are generally carried on in the homes of the artisans, whether in rural or urban areas and sometimes in small karkhanas or other places not distant from the home of the artisan, by the artisan, his dependents and occasionally with the aid of a very small number of hired labour, where not more than nine workers are employed (including the artisan, his family and dependents and hired labour) and in which the investment in fixed capital does not exceed Rs. 10,000.

3. *Application.*—(1) Applications for loan shall be made on the prescribed form which can be had gratis from the officers mentioned below :—

(a) For the development of small-scale industries, The Director of Industries, Bombay.

(b) For the development of Fisheries, The Director of Fisheries or The Superintendents of Fisheries at Karwar, Ratnagiri, Kolhapur, Bulsar and Baroda.

(c) For the development of cottage industries, The Joint Registrar for Industrial Co-operatives and Village Industries, Poona.

(2) Applications shall be made in writing to the respective officers and shall contain information on the following points :

- (a) The amount of the loan and the purpose for which it is required,
- (b) the total estimated capital required for running the industrial concern,
- (c) the date before which and the period for which the loan is required, .
- (d) the manner in which the loan is proposed to be repaid, and,
- (e) the details of the security proposed to be provided.

4. *Disposal of Applications.*—(i) (a) Loans for industrial purposes for amount not exceeding Rs. 5,000 and Rs. 1,000 in each case, will be sanctioned by the Director of Industries and the Assistant Directors of Industries (Mofussil) respectively, provided that the aggregate amount of such loans sanctioned by the Director and each Assistant Director during the course of a year does not exceed Rs. 1,00,000 and Rs. 5,000 respectively subject to the provision made in the budget on that account and provided

further that reports of the full details of each case are submitted by them to Government as soon as the loan is sanctioned.

(b) Loans for amounts not exceeding Rs. 2,000 in each case will be sanctioned by the Director of Fisheries provided that the aggregate amount of such loans sanctioned by him during the course of a year does not exceed Rs. 1 lakh subject to the provision made in the budget on that account and provided further that reports of the full details of each case and copies of mortgage deeds, etc., are submitted by him to Government soon after the loans are sanctioned.

(c) Loans for amounts not exceeding Rs. 5,000 in each case will be sanctioned by the Joint Registrar for Industrial Co-operatives and Village Industries, Poona, provided that the aggregate amount during the course of a year does not exceed Rs. 1,00,000 subject to the provision made in the budget on that account and provided further that reports of the full details of each case and copies of mortgage deeds etc. are submitted by him to Government soon after the loans are sanctioned.

Loan applications above Rs. 5,000 will be forwarded by the respective officers except the Director of Fisheries, to the Loans Advisory Committee for consideration.

(ii) All applications above Rs. 5,000 and upto Rs. 75,000 and in exceptional cases upto Rs. 1 lakh in each case (which is the maximum amount of loan permissible under these Rules) received under rule 3 which cannot be disposed of by the Director of Industries or the Joint Registrar for Industrial Co-operative and Village Industries, Poona, under sub-clause (i) hereof will be sanctioned by the Government on the recommendations of the Loans Advisory Committee constituted for the purpose. The officer concerned shall forward such applications along with the Committee's recommendations to the Government for approval. The Director of Fisheries shall, however, forward to Government all applications for loans above Rs. 2,000 which he is not competent to sanction.

5. *Security of loan.*—Loans may be sanctioned to the extent of 75 per cent of the security offered in any one or more of the following kinds :—

(i) Mortgage of borrowers' lands and/or buildings, fishing boats, nets and stakes ;

(ii) Mortgage of borrowers' machinery, plant, etc. ;

(iii) Mortgage of land or buildings or both to be purchased with money loaned by Government ;

(iv) Mortgage of machinery ; plant, fishing boats, nets and stakes etc. to be purchased with money loaned by Government ;

(v) A floating charge on all the assets of the borrower.

*Note.*— (i) In addition to the above, a borrower may be required to offer such personal security as may be considered necessary by the authority concerned.

(ii) Land will not be accepted as security for an amount greater than half its market value.

6. (i) *Valuation certificates of securities.*—For the purpose of security, valuation certificates from the following will be accepted for the purposes of sanctioning the loans :—

- (a) Collector, in the case of solvency certificates in respect of personal sureties.
- (b) Collector, in the case of land.
- (c) Executive Engineer, in the case of buildings.
- (d) Reputed firms of valuers or architects recognised by Government for the purpose of these Rules.
- (e) The Range Officers of the Central Excise Department or the Officers of the Department of Fisheries, Bombay, in the case of boats, nets and stakes.

*Note.*— (a) In case the applicant prefers to obtain certificates from (d), he will have to bear necessary fees for the purpose.

- (b) The applicant shall furnish a true declaration to the Officer concerned of any encumbrance or charge or of any interest of claim by way of inheritance, gift, or otherwise howsoever to which the property to be valued is subject.
- (c) Government may at any time revalue the securities and in case the security taken has, in its opinion, become inadequate require the borrower to furnish additional security.

(ii) For the purposes of establishing claim to the title in respect of the property offered as security, certificates from the following will be accepted :—

- (a) Collector, (b) Reputed firm of Solicitors recognised by Government for the purposes of these Rules.

*Note.*—Fees for obtaining certificate from (b) above shall be borne by the applicant.

(iii) *Insurance of mortgaged property.*—The applicant shall within a period of three months from the date of receipt of the loan amount, insure all the properties mortgaged by him to Government against loss or damage by fire, riots, civil commotion etc. with some insurance office to be approved by the Director of Industries or the Joint Registrar for Industrial Co-operatives and Village Industries, Poona, and assign the policy to the Governor of Bombay. This condition of insurance may be waived in cases of loans not exceeding Rs. 5,000. Insurance will be compulsory for loans above Rs. 5,000.

7. *Disbursement of loan.*—(i) After a loan is sanctioned under Rule 4, the Director of Industries or the Assistant Director of Industries or the Director of Fisheries or the Joint Registrar for Industrial Co-operatives and Village Industries, Poona, as the case may be, shall issue an order in the form appended to these rules which will set forth all the conditions regulating the grant of loan and disburse the loan in one or more instalments according to actual requirements of the borrower after obtaining his signature at the

end of the order referred to and also after taking from him a mortgage deed or deeds and/or a surety bond or bonds from the personal surety or sureties under rule 6 in one or more forms appended to these rules subject to such variations as may be sanctioned by Government in individual cases.

(ii) The loans granted to fishermen will be disbursed through the Director of Fisheries or the Superintendents of Fisheries, or the mamlatdars concerned or at the Taluka Sub-treasuries according to convenience.

(iii) Loans granted to industrial concerns or individuals will be disbursed through the Director of Industries, or the Assistant Directors of Industries or the Industries Officers or the Industries Inspectors according to convenience.

8. *Interest.*—(i) Loans granted under these Rules shall bear interest at the rate of 5 per cent. subject to a stipulation that if the instalments are not paid in time, a penalty of  $\frac{1}{2}$  per cent shall be levied on all the amounts including principal and interest in arrears and for the period for which arrears remain unpaid.

(ii) The rate of interest for loans for development of Fisheries will be  $4\frac{1}{2}$  per cent simple interest in cases where the assets are insured and at  $8\frac{1}{2}$  per cent simple interest in cases where the assets are not so insured. The interest will be calculated at the aforesaid rate on diminishing balances from the date of disbursement of the loan and will be payable not later than a month from the date of payment of the last instalment on account of principal. The condition of insurance will be waived in cases of loans not exceeding Rs. 5,000. Insurance will be compulsory for loan above Rs. 5,000.

9. *Period of loan.*—Every loan shall be repayable within such period as may be fixed in the order granting the loan :

Provided that the period so fixed shall in no case exceed ten years from the date of the disbursement of the loan or when the loan is paid in instalments, from the date of disbursement of the last instalment.

10. Loans shall be paid by instalments fixed in the orders granting the loans :—

(i) Provided that in the case of loans granted to fishermen or fishermen's Co-operative Societies, no instalments will be payable during the months of June, July and August.

(ii) Provided further that a borrower may repay a loan on an earlier date, or in instalments larger than those fixed in the order granting the loan. A corresponding remission of

interest in respect of complete months only shall be granted to the borrower so repaying a loan.

11. *Recovery as arrears of land revenue, if instalment not paid.*—If any instalment or part thereof and/or interest accrued remains unpaid after the due date, such moneys together with costs, if any or if so directed by Government, the entire balance of loan with interest accrued thereon together with costs, if any, shall be recovered as arrears of land revenue under the law for the time being in force.

12. *Recovery arrears of land revenue if loan is applied to purposes other than those for which loan is granted.*—All sums disbursed under Rule 7 must be expended in accordance with the objects for which the loan was sanctioned. The borrower shall submit, within three months from the date on which any instalment of the loan is paid to him, certificates showing the amount actually spent by him and the purpose for which it has been spent. If at any time the Director of Industries or the Assistant Director of Industries or the Director of Fisheries or the Joint Registrar for Industrial Co-operatives and Village Industries, Poona, is satisfied that a loan is not being applied to the purpose for which it was granted, he may pass an order that the loan or the balance thereof and all moneys outstanding against the borrower shall be forthwith repaid and if not so repaid, the same may be recovered in the following manner as arrears of land revenue :—

(a) Loans above Rs. 5,000 to be recovered with the previous sanction of Government.

(b) Loans upto and inclusive of Rs. 5,000 to be recovered under the instructions of the officer concerned.

13. *Inspection.*—The borrower shall be bound to permit the Director of Industries or the Assistant Director of Industries or Director of Fisheries or the Joint Registrar for Industrial Co-operatives and Village Industries, Poona; or any person deputed by any of them by general or special order in writing or any other person authorised in this behalf by the Government, at all reasonable times to inspect the premises, account books, machinery, plants, appliances, furniture, stocks and stores, fishing boats, nets and stakes etc. and all other belongings and things connected with the industrial undertaking or fisheries in respect of which the loan has been granted and to grant all reasonable facilities for such inspection.

14. *Property purchased out of loan to be kept in good repair.*—

(i) Any building, godown, warehouse, fishing boats, nets and stakes, or other work constructed or purchased, and any machinery, plant, appliance or furniture purchased out of the loan granted under these rules shall be maintained in good and efficient repair to the satisfaction of the Director of Industries or the



Assistant Director of Industries or the Director of Fisheries or the Joint Registrar for Industrial Co-operatives and Village Industries, Poona, as the case may be.

(ii) The Director of Industries or the Assistant Director of Industries or the Director of Fisheries or the Joint Registrar for Industrial Co-operatives and Village Industries, Poona, as the case may be, may pass an order that a building, godown, warehouse or other work or the machinery, plant, appliance or furniture, fishing boats, nets and stakes, referred to in sub-rule (i) shall be repaired, reconstructed or renewed at the cost of the borrower and if the borrower fails to carry out such order, the loan or any balance thereof and all moneys outstanding against the borrower shall be forthwith repaid and if not repaid, the same may be recovered in the following manner, as arrears of land revenue :—

- (a) Loans above Rs. 5,000 to be recovered with the previous sanction of Government.
- (b) Loans upto and inclusive of Rs. 5,000 to be recovered under the instructions of the officer concerned.

15. *Register of loans.*—The Director of Industries or the Assistant Director of Industries or the Director of Fisheries or the Joint Registrar for Industrial Co-operatives and Village Industries, Poona, as the case may be, shall maintain a register of loans in such form as may be approved by Government.

## GOVERNMENT OF BOMBAY

## DEVELOPMENT DEPARTMENT

*Resolution No. SAI-1455-F,*

Bombay 1, 20th January 1956.

Read Government Resolution, Development Department No. SAI-1454, dated the 28th February 1955 as amended from time to time.

*Resolution* :—With a view to give fillip to the development of small scale and cottage industries, small entrepreneurs and other types of small industrial units, Government is pleased to liberalise its terms for the grant of loans under the State Aid to Small Scale and Cottage Industries Rules, 1935 as amended from time to time as under :—

(1) *Rate of Interest.*

(i) The rate of interest on loans not exceeding Rs. 50,000 given under the State Aid to Small Scale and Cottage Industries Rules, 1935, by the Government on the advice of the Loans Advisory Committee and also by the Director of Industries, Joint Registrar for Industrial Co-operatives and Village Industries and others so authorised, to private enterprises should be lowered down from 5 per cent to 3 per cent per annum with immediate effect.

(ii) For loans above Rs. 50,000 the normal rate of interest *viz.*, 5 per cent should be charged.

If the instalments of loan are delayed for more than 6 months, a penalty of 1 per cent should be levied on all amounts including principal and interest in arrears and for the period for which arrears remain unpaid.

(2) *Security against loans* :—

Loans should also be given against the securities of the value of raw materials, goods in process and stock in trade.

(3) *Repayment of loans* :—

The period of repayment of the loan on account of the machinery and equipment may be upto 10 years ; such period in respect of that part of the loan which is meant for working capital should not ordinarily exceed 5 to 7 years depending on the merits of each case,

(4) *Certificates of valuation and unencumbrances :—*

In order to sanction loans at an early date, the Loan Advisory Committee and other recommending authorities may recommend grant of loans even before the production, by the loanees, of the certificates of valuation and unencumbrances of the properties proposed to be given as securities from the authorities concerned, in anticipation of the receipt of such certificates, provided however, that actual disbursements of such loans is not made unless these certificates are either received or produced by the loanees.

(5) *Sanction of Small Loans :—*

(i) Loans to small manufacturers upto Rs. 1,000 (one thousand), should be given on personal bonds on the recommendations of social organisations approved by Government. The usual safeguards regarding technical ability of the party to produce the goods required and the economic aspect of the industry proposed by the loanees should, however, be taken into account in giving such loans.

(ii) Loans upto Rs. 5,000 (five thousand) should be advanced to small units on the security of one or more sureties.

(iii) The Assistant Registrars of Co-operative Societies should also be authorised to sanction loans upto Rs. 1,000 (one thousand) in each case subject to the condition that they do not exceed the budget provision placed at their disposal every year and that they submit full details of each case to the Joint Registrar for Industrial Co-operatives and Village Industries and to Government.

(iv) The Assistant Registrars of Co-operative Societies should be authorised to recommend to the Central Financing Agencies, the Industrial Co-operative Banks and the State Co-operative Bank as the case may be, grant of loans upto Rs. 3,000 (three thousand) in each case.

*State aid to small scale and  
Cottage Industries Rules, 1935  
Loans under the . . . .*

**GOVERNMENT OF BOMBAY**

**DEVELOPMENT DEPARTMENT**

*Resolution No. SAI. 1455-F*

**Bombay 1, 6th June 1956.**

Read Government Resolution, Development Department No. SAI-1455-F, dated the 20th January 1956.

2. *Resolution* :—In modification of the orders issued in (5) (iii) of Government Resolution, Development Department No. SAI-1455-F, dated the 20th January 1956, Government is pleased to direct that the Deputy Registrars of Co-operative Societies should be authorised to sanction loans upto Rs. 3,000 (three thousand) in each case subject to the condition that they do not sanction an amount in excess of that placed at their disposal every year and that they submit full details of each case to the Joint Registrar for Industrial Co-operatives and Village Industries and to Government.

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**Annexure No. IX**

*Handloom Industry,  
Bombay State.*

Grant of financial  
aid from funds from  
Government of  
India for develop-  
ment of—through  
Central Financing  
Agencies in—

**GOVERNMENT OF BOMBAY**

**DEVELOPMENT DEPARTMENT**

*Resolution No. CIS 2655/59308-B*

**Bombay No. 1, 24th August 1955.**

Letters, No. L. A. I., dated the 10th September, 15th September and 21st October 1954, from the Joint Registrar for Industrial Co-operatives and Village Industries.

Memorandum, No. L. A. I., dated the 18th November 1954, from the Joint Registrar for Industrial Co-operatives and Village Industries.

Government letter, No. SAI 1454/97491-F, dated the 25th January 1955, to the Government of India, Ministry of Commerce and Industry, New Delhi.

Letter, No. L. A. I., dated the 9th April 1955, from the Joint Registrar for Industrial Co-operatives and Village Industries.

Letter, No. L. A. I., dated the 16th July 1955, from the Joint Registrar for Industrial Co-operatives and Village Industries.

**RESOLUTION.—I.** The question of advancing loans to weavers' Co-operative societies and central societies of weavers for share capital, working capital for production activities and for marketing of handloom cloth through the Central Financing Agencies was discussed in the meetings held at Poona on 21st September 1954 and 23rd May 1955. The Government of India had made available to the Bombay State Government certain sums to be loaned to the weavers' co-operative societies and their central associations during the years 1953-54 and 1954-55 for this purpose, and fresh allotments for the year 1955-56 are also likely to be received. It is desirable that these amounts should be channelised to the weavers' co-operative societies, the State Industrial Co-operative Association and the District Industrial Co-operative Associations through the District Regional Industrial Co-operative Banks and other Central Financing Agencies. Where such agencies are not available, the amounts may also be channelised through other Financing Institutions such as Urban Co-operative Banks, etc. As the above proposals have generally been agreed to in the meetings convened at Poona on 21st September 1954 and 23rd May 1955, Government is pleased to approve the following scheme for giving financial assistance for share capital, working capital and for marketing finished handloom goods of the weavers' Co-operative societies, the State Industrial Co-operative Association and District Industrial Co-operative Associations (other than the societies consisting of Backward Class persons and societies requiring financial assistance for tools and equipments for constructing sheds, godowns, etc.) up to the limit of Rs. 20 lakhs, on the terms and conditions, mentioned below :—

(1) The loans may be advanced to the Central Financing Agencies either in one lump sum or in suitable instalments as desired by the different Central Financing Agencies.

(2) The loans shall be repaid to Government by the Central Financing Agencies in two equal instalments, the first instalment to be paid after five years from the date of disbursement of the loan, and 2nd instalment at the end of the tenth year.

(3) The loans shall be made available by Government to the Central Financing Agencies free of interest.

(4) The Central Financing Agencies shall not sanction loans for working capital for production activities to the weavers' co-operative societies at a rate exceeding Rs. 200 per loom subject to a maximum limit of five times the paid up share capital *plus* reserve and other eligible funds *minus* accumulated losses of the societies concerned. As regards the State Industrial Co-operative Association, the District Industrial Co-operative Associations and weavers' co-operative societies which require funds for marketing the finished goods of handloom weavers and their co-operative societies, the Central Financing Agencies shall not sanction loans exceeding 60 per cent of the value of the goods hypothecated, subject to a maximum limit of five times the paid-up share capital *plus* reserve fund and other eligible funds *minus* accumulated losses of the institutions concerned. In special cases, however, loans in excess of five times the paid-up share capital *plus* reserve and other eligible funds *minus* accumulated losses can be sanctioned for working capital and for marketing handloom cloth with the prior permission of the Joint Registrar for Industrial Co-operatives and Village Industries.

(5) The Central Financing Agencies shall be responsible for supervising the utilisation of the loans advanced by them to the weavers' co-operative societies, the State Industrial Co-operative Association and the district industrial co-operative Associations and also for taking adequate steps for their prompt recovery. The Co-operative Department should, however, render all possible assistance to the Central Financing Agencies.

(6) The Central Financing Agencies shall not sanction loans in those cases which are not recommended by the Joint Registrar for Industrial Co-operatives and Village Industries. If the Central Financing Agencies refuse the sanction of loans which have been recommended by the Joint Registrar, the reasons for such refusal should be communicated in order to enable the Department to take steps to improve the working of the societies, so that they could be made eligible to receive loans for this purpose.

(7) After a particular amount of loan is recommended by the Joint Registrar for Industrial Co-operatives and Village Industries, it would be at the discretion of the Central Financing Agency concerned to determine what portion of the recommended amount should be advanced to the society concerned in the form of cash credit and what portion should be advanced in the form of loan against pledge of goods.

(8) The Central Financing Agencies shall execute necessary agreement with Government for the loans advanced to them by Government in the form devised by Government. The Joint Registrar for Industrial Co-operatives and Village Industries should be authorised to disburse the loans to the Central Financing Agencies, in anticipation of the execution of the agreement on condition that the Central Financing Agencies agree in writing to execute an agreement in the form and manner prescribed by Government.

(9) The Central Financing Agencies shall advance loans to the weavers' co-operative societies the State Industrial Co-operative Association and the District Industrial Co-operative Associations on the following conditions :—

(i) No weavers' societies, State Industrial Co-operative Association or the District Industrial Co-operative Associations shall be sanctioned loans without the recommendations of the Joint Registrar for Industrial Co-operatives and Village Industries.

(ii) The loans sanctioned by the Central Financing Agencies shall be repayable in five equal annual instalments, the payment of the first instalment to commence after one year from the date of disbursement of the loan. In exceptional cases, however, the Joint Registrar may recommend postponement of the repayment for a period not exceeding six months.

(iii) (a) The loans shall carry interest at  $2\frac{1}{2}$  per cent per annum.

(b) In cases where loans are not repaid within the prescribed period, the Central Financing Agencies can charge penal interest at  $\frac{1}{2}$  per cent per annum from the date of default to the date of repayment of the whole amount.

(iv) No fresh loans shall normally be sanctioned by the Central Financing Agencies to any weavers' societies, the State Industrial Co-operative Association or District Industrial Co-operative Associations which has defaulted the loan already granted unless expressly recommended by the Joint Registrar for Industrial Co-operatives and Village Industries.

(v) The Central Financing Agencies shall direct the weavers' societies and the District Industrial Co-operative Associations to which loans are sanctioned that

no amount of loan is disbursed in cash by them to their members but in the form of raw materials, yarn, colours, chemicals, etc. on the condition that the members agree in writing that the finished products *viz.* the cloth would be given back to them.

(vi) No society shall be sanctioned a loan unless it agrees to appoint as its Secretary or Manager, a person approved by the Central Financing Agency and the Joint Registrar or such other officer as may be authorised by him and that a person so appointed shall not be removed without the prior permission of the Joint Registrar for Industrial Co-operatives or such other officer as may be authorised by him.

(10) The Central Financing Agencies shall send periodical reports to the Joint Registrar for Industrial Co-operatives and Village Industries in such forms and at such intervals as he may direct, showing the amounts sanctioned to the various Co-operative Societies, the amounts outstanding, the amounts utilised by the Central Financing Agencies, the amounts lying unutilised with the Central Financing Agencies and such other particulars as may be necessary. The Joint Registrar for Industrial Co-operatives and Village Industries shall be at liberty to call back from the Central Financing Agencies the unutilised loans as and when he thinks proper.

(11) The loans sanctioned by the Government of India to the State Government shall be repayable in five equal annual instalments, the payment of the first instalment to commence after one year from date of receipt of the amounts of the loans. If this is not possible for some reasons or other, the Government of India shall be requested to grant extension of period not exceeding six months.

II. (a) The Government of India having agreed to reimburse losses to the extent of 50 per cent in individual cases subject to an overall limit of 5 per cent of the total loans advanced by the Central Financing Agencies, such amounts shall be reimbursed to the Central Financing Agencies. The question of increasing the overall limit to 10 per cent will be separately taken up with the Government of India. Separate orders in regard to periodicity and the procedure regarding reimbursement will be issued.

(b) Losses incurred by the Central Financing Agencies in advancing loans out of their own funds should be reimbursed as per the recommendation of the Joint Registrar for Industrial Co-operatives and Village Industries and on the terms and conditions on which loans would be advanced to industrial Co-operatives by the Central Financing Agencies out of the funds made available by Government.



(c) The amounts of losses, incurred by the Central Financing Agencies should be determined by 30th September and reimbursed by the Central Financing Agencies concerned by 31st March of the ensuing year.

III. The Joint Registrar for Industrial Co-operatives and Village Industries shall devise suitable forms of application in respect of weavers' Co-operatives societies, the State Industrial Co-operative Association and District Industrial Co-operative Associations. He shall also ensure that the applications from the weavers' co-operative societies, the State Industrial Co-operative Association and district industrial co-operative associations are disposed of quickly.

IV. The expenditure on account of the Government loans to the Central Financing Agencies is debitable to the budget head "R-Loans and Advances by State Government Class V-Miscellaneous Loans and Advances—Loans for development of handloom industry", and should be met from the sanctioned grant during the current financial year.

V. This scheme is of an experimental nature and is to be given effect to *only* for one year. It shall, therefore, come into force with *immediate effect*. The Joint Registrar for Industrial Co-operatives and Village Industries should be requested to submit to Government in January 1956 his report on the working of the scheme to enable Government to assess the utility of the scheme and to decide the question of extending its period.

VI. The Director of Publicity should be requested to issue a Press Note in English as well as in the regional languages and arrange to give wide publicity to these orders. The Joint Registrar for Industrial Co-operatives and Village Industries should bring these orders to the notice of all weavers' co-operative societies, State Industrial Co-operative Association, District Industrial Co-operative Associations and the Central Financing Agencies, and should submit to Government for approval the necessary forms of agreements etc., required to be executed under the present orders.

**Annexure No. X**

Scheme for giving Financial Assistance to Industrial Co-operatives for the development of Small and Cottage Industries through the Central Financing Agencies.

**GOVERNMENT OF BOMBAY****DEVELOPMENT DEPARTMENT**

*Resolution No. SAI-1454-F*

SACHIVALAYA, Bombay 1, 22nd February 1956.

Read Government Resolution, Development Department No. SAI-1454, dated the 23rd August 1955 as amended by Government Resolution, Development Department No. SAI-1454 dated the 12th December 1955.

*Resolution* :—In supersession of the orders issued in Government Resolution, Development Department No. SAI-1454, dated the 23rd August 1955 as amended by Government Resolution, Development Department No. SAI-1454, dated the 12th December 1955, Government is pleased to approve the following scheme for giving financial assistance to the Industrial Co-operative Societies (other than societies consisting of backward class persons and societies requiring financial assistance for tools, equipment, constructing sheds, godowns etc.) through the Central Financing Agencies, the Industrial Co-operative Banks and the State Co-operative Bank, etc.

In order to enable the Central Financing Agencies, the Industrial Co-operative Banks and the State Co-operative Bank, to give loans to the Industrial Co-operative Societies Government will advance loans to them on the following terms and conditions :—

(1) The loans shall be advanced to the Central Financing Agencies, the Industrial Co-operative Banks and the State Co-operative Bank, either in one lump sum or in suitable instalments as desired by the Central Financing Agencies etc. mentioned above.

(2) The loans shall be repaid to Government by the Central Financing Agencies etc. in two equal instalments, the payment of the first instalment would be after five years from the date of disbursement of the loan and the second instalment at the end of the tenth year.

(3) The loan will be made available by Government to the Central Financing Agencies etc., at per cent per annum.

(4) The Central Financing Agencies etc., shall not sanction loans to Industrial Co-operative Societies for working capital exceeding five times the paid up-share capital plus reserve funds and other eligible funds minus accumulated losses. In special cases, however, loans in excess of five times the paid up share capital plus reserve fund and other eligible funds minus losses can be sanctioned to the Industrial Co-operative Societies with the prior permission of the Joint Registrar for Industrial Co-operatives and Village Industries.

(5) The Central Financing Agencies etc., shall not sanction loans to Industrial Societies which are not recommended by the Joint Registrar for Industrial Co-operatives and Village Industries and the Officers authorised by him to do so. If these Agencies refuse to sanction loans in cases recommended by the Officers of the Co-operative Department mentioned above, the reasons for such refusal should be communicated to the Joint Registrar for Industrial Co-operatives and Village Industries in order to enable him to consider how the working of the society could be improved so that it could be made eligible for receiving the loans.

(6) The Central Financing Agencies etc., shall be responsible for supervising the utilisation of loans advanced by them and also for taking adequate steps for their prompt recovery. The Co-operative Department would, however, render all possible assistance to the Banks.

(7) After a particular amount of the loan is recommended by the Joint Registrar for Industrial Co-operatives and Village Industries and the Officer authorised by him, it would be at the discretion of the Central Financing Agencies etc., concerned to determine what portion of the recommended amount should be advanced to the society concerned in the form of cash credit and what portion should be advanced in the form of loan against pledge of goods.

(8) No society shall be sanctioned a loan unless it agrees to appoint as its Secretary or Manager, a person approved by the Central Financing Agency etc. and the Joint Registrar or such other Officer as may be authorised by him and that a person so appointed shall not be removed without the prior permission of the Joint Registrar for Industrial Co-operatives and Village Industries or such other Officer as may be authorised by him.

(9) The Central Financing Agencies etc., shall execute necessary agreements with Government for the loans advanced to them by Government in the form devised by Government.

(10) The Central Financing Agencies etc., shall advance loans to Industrial Co-operative Societies on the following conditions :—