INDUSTRIAL ENTERPRISE IN INDIA

BY THE SAME AUTHOR

Banking and Industrial Finance in India

INDUSTRIAL ENTERPRISE IN INDIA

BY

NABAGOPAL DAS

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PREFACE

IN recent years many writers have written excellent treatises on the development and organization of the various industries in India, but in very few of these studies has sufficient attention been paid to the *details* of their organization. The important activities of the managing agents who virtually dominate industrial enterprise in India, their functions as the main providers and guarantors of industrial finance, their recent malpractices and abuses and, finally, their conflicts with shareholders and directors are subjects which need to be carefully studied by everyone interested in the industrial development of India. In the present work an attempt has been made to cover these rarely discussed matters as also the allied subject of mushroom and fraudulent companies. I have also dealt with the recent phenomenal growth of *private* joint-stock companies and the economic significance of the provisions of the new Indian Companies' Amendment Act. How far my study fills up a gap in the recent economic literature on these subjects it is for my readers to judge.

To some extent this book is a sequel to my earlier work published last year, *Banking and Industrial Finance in India.* In that book I studied the development of modern banking institutions in India from an entirely new and objective angle and with special reference to the needs of industry and trade. In the present work the part that Indian banks can and should play in the matter of financing industrial enterprise in India has been considered in detail and, as before, from a purely economic standpoint. Further, I have attempted to bring out the intimate connexion that subsists in India between the problems of industrial management on the one hand and those of industrial finance on the other.

In conclusion I would like to express my deep gratitude to the authorities of the University of London who gave me special permission to complete this work within a short space of four months and after a long absence of four years in India. I am also grateful to my teachers, Prof. Lionel Robbins and Dr. Vera Anstey of the London School of Economics, for their valuable help and guidance. I must also mention the various Chambers of Commerce and Shareholders' Associations in India who very kindly supplied me with copies of their carefully prepared memoranda on the Indian Companies' Act (Amendment) Bill, 1936, and who also replied to a number of questions put by me to them. I only hope that this book will be of at least some use to them.

N. DAS

London School of Economics and Political Science

May 1937

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Appendix I

Joint-stock Companies Registered in India and at Work, 1923-4 to 1932-3

Year	Number	Paid-up Capital (Rs. 1,000)
(a) *Companies registered in British India*		
1923-4	4,820	2,54,55,03
1924-5	4,822	2,66,50,27
1925-6	4,926	2,67,79,11
1926-7	5,156	2,67,09,40
1927-8	5,388	2,66,71,39
1928-9	5,795	2,69,11,59
1929-30	6,313	2,75,19,22
1930-1	6,675	2,71,28,83
1931-2	7,092	2,74,21,80
1932-3	7,544	2,74,49,35
(b) *Companies registered in the Indian States*		
1923-4	391	10,78,38
1924-5	382	9,02,58
1925-6	379	9,16,66
1926-7	370	9,81,16
1927-8	442	9,72,15
1928-9	535	10,19,22
1929-30	606	11,14,36
1930-1	653	11,39,64
1931-2	905	11,68,26
1932-3	1,175	11,93,95

Compiled from the *Statistical Abstract for British India* (1936) (Cmd. 5158).

Appendix II

Joint-stock Companies Registered elsewhere than in India, but Working in British India and Indian States, 1923-4 to 1932-3

Year	Number	Paid-up Capital (In million sterling)
(a) *Companies working in British India*		
1923-4	722	578
1924-5	756	614
1925-6	783	537
1926-7	821	568
1927-8	824	619
1928-9	822	716
1929-30	838	722
1930-1	853	729
1931-2	864	733
1932-3	857	820
(b) *Companies working in the Indian States*		
1923-4	33	16
1924-5	33	4
1925-6	36	17
1926-7	35	13
1927-8	37	13
1928-9	45	18
1929-30	43	18
1930-1	44	14
1931-2	42	11
1932-3	44	11

Compiled from the *Statistical Abstract for British India* (1936) (Cmd. 5158).

Appendix III

Classification of Joint-stock Companies at Work in India in 1932-3

N.B.—Some figures in the last column have been left out because the paid-up capital in those cases is less than half a million £.

A Companies registered and at work in British India.
B Companies registered and at work in the Indian States.
C Companies registered outside India, but at work in India.

	A		B		C	
	No.	Paid-up Capital (In lakhs of rupees)	No.	Paid-up Capital (In lakhs of rupees)	No.	Paid-up Capital (In lakhs of rupees)
1. Banking and loan ..	1,715	24,74	339	2,08	29	99
2. Insurance ..	451	2,29	524	3	144	73
3. Navigation ..	24	2,44	—	—	19	42
4. Railways and tramways ..	44	15,02	1	7	18	25
5. Other transport	250	3,83	17	8	11	2
6. Trading and manufacturing companies ..	2,935	91,06	171	1,37	356	202
7. Tea	459	12,86	12	51	186	29
8. Other planting companies ..	89	1,92	26	40	41	5
9. Coal mining ..	212	9,36	1	63	4	—
10. Gold mining ..	2	4	—	—	6	2
11. Other mining companies ..	101	28,79	9	14	36	195
12. Cotton mills ..	297	33,20	31	4,28	7	3
13. Jute mills ..	69	18,53	—	—	6	4
14. Woollen and other mills ..	18	2,28	2	9	—	—
15. Cotton ginning, etc.	101	2,52	5	13	2	—
16. Jute presses, etc.	30	1,71	—	—	—	—
17. Flour mills ..	23	1,24	2	20	—	—
18. Estate, land and building..	151	10,31	2	2	5	—
19. Sugar	107	2,36	3	9	1	—
20. Other companies ..	466	9,97	30	1,83	30	41

Compiled from the *Statistical Abstract for British India* (1936) (Cmd. 5158).

Appendix IV

Table showing the Independence of the various Rates in the Indian Money Market

	Imperial Bank Rate	Call Money Rate		Imperial Bank Hundi Rate	Bazaar Bill Rate	
		Calcutta	Bombay		Calcutta	Bombay
	%	%	%	%	%	%
1934						
April	3½	¾	3	3½	6–7	6
May	3½	¾	1¼	3½	6–7	6
June	3½	¾	1	3½	7–8	6
July	3½	¾	1½	3½	6–7	3¾
August	3½	¾	1½	3½	6–7	3
September ..	3½	¾	1	3½	6–7	3
October	3½	¾	1	3½	6–7	2⅝
November.. ..	3½	¾	1¼	3½	6–7	3¾
December ..	3½	¾	1¼	3½	6–7	5¼
1935						
January	3½	¾	3	3½	6–7	5¼
February	3½	1	3½	3½	6–7	6¾
March	3½	1	3½	3½	7–8	6¾

N.B.—The bazaar rates above are those at which the bills of small traders are discounted by shroffs.

Compiled from the *Annual Report of the Controller of the Currency*, 1934-5.

Appendix V

Statement showing the Borrowings of the Government of India together with the Rates at which they were borrowed, 1923-4 to 1932-3

Year	Description	Terms and Rate
1923-4	Ten-year bonds.	5 per cent.
1923-4	Long-term loan repayable in 1945-55.	5 per cent., free of income tax.
1924-5	Bonds.	5 per cent.
1924-5	Long-term loan.	5 per cent., tax free.
1925-6	Ten-year bonds.	5 per cent.
1925-6	Long-term loan repayable in 1945-55.	5 per cent., tax free.
1926-7	Long-term loan repayable in 1960-70.	4 per cent.
1927-8	Loan repayable in 1934-7.	4 per cent.
1928-9	Long-term loan repayable in 1955-60.	4½ per cent.
1928-9	Five-year bonds.	4½ per cent.
1929-30	Loan repayable in 1939-44.	5 per cent.
1929-30	Five-year bonds.	5 per cent.
1930-1	Loan repayable in 1933-6.	6 per cent.
1932-3	Loan repayable in 1938-40.	5½ per cent.
1932-3	Loan repayable in 1940-3.	5 per cent.
1932-3	Ten-year bonds.	4 per cent.
1932-3	Conversion loans, 1960-70.	4 per cent.
1933-4	Cash and conversion loan repayable in 1947-50.	3½ per cent.
1934-5	Loan repayable in 1947-50.	3½ per cent.
1934-5	Bonds redeemable in 1941.	3 per cent.
1935-6	Loan repayable in 1951-4.	3 per cent.
1936-7	Long-term loan.	2¾ per cent.

Compiled from *Annual Reports of the Controller of Currency and of the Reserve Bank of India.*

Appendix VI

Capital, Reserve and Deposits of the Principal Indian Joint-stock Banks

(On 31 December of each year)
(In Rs. 1,000)

	No. of Reporting Banks	Paid-up Capital	Reserve and the Rest	Total	Deposits
(a) *Banks with capital and reserve of Rs. 5 lakhs and over*					
1925 ..	28	6,73,00	3,86,64	10,59,64	54,49,36
1926 ..	28	6,76,34	4,08,05	10,84,39	59,68,02
1927 ..	29	6,88,70	4,19,35	11,08,05	60,84,11
1928 ..	28	6,74,84	4,34,66	11,09,50	62,85,36
1929 ..	33	7,86,97	3,66,54	11,53,51	62,72,03
1930 ..	31	7,47,31	4,42,84	11,90,15	63,25,51
1931 ..	34	7,80,30	4,28,14	12,08,44	62,26,44
1932 ..	34	7,81,81	4,39,33	12,21,14	72,34,00
1933 ..	34	7,78,24	4,55,28	12,33,52	71,67,43
1934 ..	36	7,99,49	4,67,74	12,67,23	76,77,26
(b) *Banks with capital and reserve between Rs. 1 lakhs and less than Rs. 5 lakhs*					
1925 ..	46	80,79	37,70	1,18,49	3,41,40
1926 ..	47	86,22	39,72	1,25,94	3,46,97
1927 ..	48	84,95	37,25	1,22,20	3,45,58
1928 ..	46	81,19	38,68	1,19,87	3,49,66
1929 ..	45	74,94	40,08	1,15,02	3,57,51
1930 ..	57	90,57	50,28	1,40,85	4,39,18
1931 ..	54	85,70	42,02	1,27,72	3,92,16
1932 ..	52	85,38	43,97	1,29,35	3,92,54
1933 ..	55	87,52	43,19	1,30,71	4,74,84
1934 ..	69	94,46	54,37	1,48,83	5,11,12

Compiled from *Statistical Tables relating to Banks in India*, Delhi (1934).

Appendix VII

Statement of Bank Failures in India, 1920-34

Year	No.	Authorized Capital (Lakhs of Rs.)	Paid-up Capital (Lakhs of Rs.)
1920 ..	3	10	7
1921 ..	7	70	1
1922 ..	15	1,015	3
1923 ..	20	2,187	465
1924 ..	18	630	11
1925 ..	17	190	19
1926 ..	14	71	4
1927 ..	16	69	3
1928 ..	13	82	23
1929 ..	11	151	8
1930 ..	12	627	41
1931 ..	18	160	15
1932 ..	24	490	8
1933 ..	26	162	3
1934 ..	30	242	6

Compiled from *Statistical Tables relating to Banks in India*, Delhi (1934).

Appendix VIII

Statement containing Particulars of some Cases in which Managing Agents received Commission although the Mills made Losses

Name of Company	Year	Loss	Commission
		Rs.	Rs.
1. Meyer Sassoon Mills	1929	1,45,385	36,000
2. E. D. Sassoon United Mills ..	1929	21,25,663	1,20,000
3. Edward Sassoon Mills	1929	3,09,303	36,000
4. David Mills Co.	1929	5,43,647	12,000
5. E. P. Mills	1928–9	3,75,832	36,000
6. Pearl Mills	1928–9	6,13,633	36,000
7. Fazulbhoy Mills	1928–9	5,78,259	36,000
8. Currimbhoy Mills	1928–9	4,52,631	40,000
9. Crescent Mills	1928–9	3,34,626	12,000
10. Indian Bleaching Co.	1928	99,684	24,000
11. Finlay Mills	1928	1,19,895	36,000
12. M. Goculdas Spinning and Weaving Co.	1928–9	9,39,843	36,000
13. Manockji Petit Mills	1928	2,94,381	2,76,986
14. Madhaji Dharamsi Manufacturing Co.	1929–30	3,59,341	35,000
15. Kohinoor Mills	1929	57,644	12,000
16. Framjee Petit Mills	1929	4,07,611	12,309

Abstracted from the *Indian Tariff Board Cotton Textile Industry Enquiry* (1932), Vol. II.

Appendix IX

Statement regarding the Practice of Inter-Investment of Funds

1. In 1927 several mills under the agency of Messrs. Currimbhoy Ibrahim & Sons, Ltd., purchased shares of the Premier Mills under the same agents in the following proportion:

Fazulbhoy Mills	45,714 shares of Rs.	4,57,130
Pearl Mills	36,113 ,, ,, ,,	3,61,130
Crescent Mills	36,113 ,, ,, ,,	3,61,130
Indian Bleaching Co. ..	19,200 ,, ,, ,,	1,92,000
Total	137,139 ,, ,, ,,	13,71,390

2. Instances of inter-company loans:

Year	Names	Amount of loan (Rs. in lakhs)
(a) Ahmedabad. *Advance Mills.*		
1921-2	Fixed deposit with David Mills ..	4
1921-2	Call loan with Tata Mills	2
1923-4	Banks and joint-stock companies..	11
1924-5	Ditto	11·5
1925-6 to 1929-30	Joint-stock companies	4·42
1930-1	Joint-stock companies guaranteed by Tata Sons, Ltd.	4·42
(b) Swadeshi Mills.		
1924	Banks and companies	26
1925	Ditto	11·48
1926	Ditto	12·12
1928	Ditto	9·64
1929 and 1930	Deposits with companies	4·64
1931	Ditto	4·14
(c) Nagpur Mills.		
1929-30	Deposits guaranteed by Tata Sons, Ltd.	2·72
1930-1	Ditto	2·72

Abstracted from the *Indian Tariff Board Cotton Textile Industry Enquiry* (1932), Vol. II.

Appendix X

Statement Containing Particulars of Advances or Loans to Managing Agents or Directors

1. The balance sheet of the Sassoon Alliance Mills for the year 1931 showed that a sum of Rs. 6 lakhs was due by the Secretaries and Treasurers to the Company in current account.

2. The balance sheet for 1931 of the Standard Mills of Bombay under the agency of Messrs. Mafatlal Gagalbhai & Sons showed that a sum of Rs. 3,32,000 was lying with Messrs. Mafatlal Gagalbhai & Sons

3. The balance sheet for 1930 of the Aryodaya Spinning & Weaving Co. under the agency of Messrs. Mangaldas & Brothers showed a sum of Rs. 1,73,000 as being due by Girdhardas Hariballavdas a family concern of the agents.

4. The balance sheet for 1930 of the Chandrodaya Mills under the agency of Messrs. Chunilal Kushaldas & Co. showed an advance of Rs. 24,000 to Pari Chunilal Kushaldas on sharafi account.

5. The balance sheef for 1930 of the Shorrock Spinning, Weaving & Manufacturing Co. under the agency of Mafatlal Chandulal & Co showed different amounts due by cloth shops of Messrs. Mafatla Gagalbhai at different centres. It also showed that a large sum amounting to Rs. 16,17,000 had been lent to the firm of managing agents.

Abstracted from the *Indian Tariff Board Cotton Textile Industry Enquiry* (1932), Vol. II.

Appendix XI

Names of some Directors in Great Britain who are represented on Twenty or more Companies

Name	No. of Companies on which represented
1. Mr. Andrew Agnew, C.B.E.	78
2. Rt. Hon. Viscount Bearsted, M.C. ..	57
3. Sir Abe Bailey	32
4. Mr. Charles F. Bernhard	31
5. Mr. J. E. Aldred	29
6. Mr. D. A. Abrahams	27
7. Mr. F. R. S. Balfour	27
8. Mr. R. Annan	26
9. Mr. P. M. Anderson	25
10. Mr. George Balfour	25
11. Mr. Charles Boot	25
12. Mr. J. A. Agnew	24
13. Mr. H. D. Butchart	23
14. Mr. H. T. Board	22
15. Mr. P. J. Burgess	22
16. Dr. E. Barth	22
17. Mr. R. Armitage	21
18. Mr. B. H. Binder	21
19. Captain C. E. Benson	20

Tabulated from the first 250 pages of *The Directory of Directors* (London, 1936).

APPENDIX XII

SECTIONS OF THE NEW INDIAN COMPANIES' ACT DEALING WITH MANAGING AGENTS

87A. (1) No managing agent shall, after the commencement of the Indian Companies' (Amendment) Act, 1936, be appointed to hold office for a term of more than twenty years at a time.

(2) Notwithstanding anything to the contrary contained in the articles of a company or in any agreement with the company a managing agent of a company appointed before the commencement of the Indian Companies' (Amendment) Act, 1936, shall not continue to hold office after the expiry of twenty years from the commencement of the said Act unless then re-appointed thereto or unless he has been re-appointed thereto before the expiry of the said twenty years.

(3) A managing agent whose office is terminated by virtue of the provisions of sub-section (2) shall upon such termination be entitled to a charge upon the assets of the company by way of indemnity for all liabilities or obligations properly incurred by the managing agen on behalf of the company subject to existing charges and encumbrances, if any.

(4) The termination of the office of a managing agent by virtue o the provisions of sub-section (2) shall not take effect until all moneys payable to the managing agent for loans made to or remuneration due up to the date of such termination from the company are paid.

(5) Nothing in this section shall apply to a private company which is not the subsidiary company of a public company.

87B. Notwithstanding anything to the contrary contained in the articles of the company or in any agreement with the company:

(a) a company may, by resolution passed at a general meeting which notice has been given to the managing agent in the same manner as to members of the company, remove a managing agent if he is convicted of an offence in relation to the affairs of the compan punishable under the Indian Penal Code, and being under the provisions of the Code of Criminal Procedure, 1898, non-bailable; and for the purposes of this clause, where the managing agent is a firm or a company an offence committed by a member of such firm or director of or an officer holding a general power of attorney from such company shall be deemed to be an offence committed by such firm company.

Provided that a managing agent shall not be liable to be remove under the provisions hereof if the offending member, director officer as aforesaid is expelled or dismissed by the managing age within thirty days from the date of his conviction or if his convictic is set aside on appeal;

(*b*) the office of a managing agent shall be vacated if he is adjudged insolvent;

(*c*) a transfer of his office by a managing agent shall be void unless approved by the company in a general meeting:

Provided that in the case of a managing agent's firm a change in the partners thereof shall not be deemed to operate as a transfer of the office of managing agent, so long as one of the original partners shall continue to be a partner of the managing agent's firm. For the purpose of this proviso 'original partners' shall mean, in the case of managing agents appointed before the commencement of the Indian Companies' (Amendment) Act, 1936, partners who were partners at the date of commencement of the said Act, and in the case of managing agents appointed after the commencement of the said Act, partners who were partners at the date of the appointment;

(*d*) a charge or assignment of his remuneration or any part thereof effected by a managing agent shall be void as against the company;

(*e*) if a company is wound up either by the Court or voluntarily, any contract of management made with a managing agent shall be thereupon determined without prejudice, however, to the right of the managing agent to recover any moneys recoverable by the managing agent from the company:

Provided that where the Court finds that the winding up is due to the negligence or default of the managing agent himself the managing agent shall not be entitled to receive any compensation for the premature termination of his contract of management;

(*f*) the appointment of a managing agent, the removal of a managing agent and any variation of a managing agent's contract of management made after the commencement of the Indian Companies' (Amendment) Act, 1936, shall not be valid unless approved by a resolution at a general meeting of the company notwithstanding anything to the contrary in section 86E:

Provided that nothing herein contained shall apply to the appointment of a company's first managing agent made prior to the issue of the prospectus or statement in lieu of prospectus where the terms of the appointment of such managing agent are there set forth.

87C. (1) Where any company appoints a managing agent after the commencement of the Indian Companies' (Amendment) Act, 1936, the remuneration of the managing agent shall be a sum based on a fixed percentage of the net annual profits of the company, with provision for a minimum payment in the case of absence of or inadequacy of profits, together with an office allowance to be defined in the agreement of management.

(2) Any stipulation for remuneration additional to or in any other form than the remuneration specified in sub-section (1) shall not be binding on the company unless sanctioned by a special resolution of the company.

(3) For the purposes of this section ' net profits ' means the profits of the company calculated after allowing for all the usual working charges, interest on loans and advances, repairs and outgoings, depreciation, bounties or subsidies received from the Government or from a public body, profits by way of premium on shares sold, profits on sale proceeds of forfeited shares, or profits from the sale of the whole or part of the undertaking of the company, but without any deduction in respect of income tax or super-tax, or any other tax or duty on income or revenue or for expenditure by way of interest on debentures or otherwise on capital account or on account of any sum which may be set aside in each year out of the profits for reserve or any other special fund.

(4) This section shall not apply to a private company except a private company which is the subsidiary company of a public company or to any company whose principal business is the business of insurance.

87D. (1) No company shall make to a managing agent of the company or to any partner of the firm, if the managing agent is a firm, or to any director of the private company, if the managing agent is a private company, any loan out of the moneys of the company or guarantee any loan made to a managing agent.

(2) Nothing contained in this section shall apply to any credit held by a managing agent in a current account maintained subject to limits previously approved by the board of directors by the company with the managing agent for the purposes of the company's business.

(3) In the event of any contravention of sub-section (1) any director of the company who is a party to the making of the loan or giving of the guarantee shall be punishable with fine which may extend to five hundred rupees, and if default is made in repayment of the loan or discharging the guarantee shall be liable jointly and severally for the amount unpaid.

(4) Nothing in this section shall apply to a private company except a private company which is the subsidiary company of a public company.

(5) Except with the consent of three-fourths of the directors present and entitled to vote on the resolution, a managing agent of the company or the firm of which he is a partner, or any partner of such firm, or, if the managing agent is a private company, a member or director thereof, shall not enter into any contract for the sale, purchase or supply of goods and materials with the company, provided that nothing herein contained shall affect any such contract for such sale, purchase or supply entered into before the commencement of the Indian Companies' (Amendment) Act, 1936.

87E. (1) No company incorporated under this Act after the commencement of the Indian Companies' (Amendment) Act, 1936, which is under the management of a managing agent shall make any loan to or guarantee any loan made to any company under management by the same managing agent, and no company shall after the expiry of six months from the commencement of the said Act except by way of renewal of an existing loan or guarantee given make any loan to or guarantee any loan made to any such company:

Provided that nothing herein contained shall apply to loans made or guarantees given by a company to or on behalf of a company under its own management or loans made by or to a company to or by a subsidiary company thereof or to guarantees given by a company on behalf of a subsidiary company thereof.

(2) In the event of any contravention of the provisions of this section, any director or officer of the company making the loan or giving the guarantee who is knowingly and wilfully in default shall be liable to a fine not exceeding one thousand rupees and shall be jointly and severally liable for any loss incurred by the company in respect of such loan or guarantee.

87F. A company other than an investment company, that is to say, a company whose principal business is the acquisition and holding of shares, stocks, debentures or other securities, shall not purchase shares or debentures of any company under management by the same managing agent, unless the purchase has been previously approved by a unanimous decision of the board of directors of the purchasing company.

87G. A managing agent shall not exercise in respect of any company of which he is a managing agent a power to issue debentures or, except with the authority of the directors and within the limits fixed by them, a power to invest the funds of the company, and any delegation of any such power by a company to a managing agent shall be void.

87H. A managing agent shall not on his own account engage in any business which is of the same nature as and directly competes with the business carried on by a company under his management or by a subsidiary company of such company.

87 I. Notwithstanding anything contained in the articles of a company other than a private company the directors, if any, appointed by the managing agent shall not exceed in number one-third of the whole number of directors.

Appendix XIII

Capital, Reserve and Deposits of the Various Banking Institutions in India in 1934

	Capital and Reserve (Rs. 1,000)	Deposits (Rs. 1,000)
1. Imperial Bank of India..	11,28,15	81,00,15
2. Exchange Banks (*a*)	1,88,82,40	71,39,97
3. Joint-stock Banks	14,16,06	81,88,38
4. Co-operative Banks (*b*)	8,02,97	41,12,98
5. Post Office Savings Banks (*c*)	—	32,11,96

Notes—(*a*) Conversion made at the rate of Rs. 1 = 1s. 6d.
(*b*) The figures relate to the financial year 1934-5. The figures under the head 'deposits' include 'loans received'.
(*c*) The figures relate to the financial year 1932-3 and include interest.

Compiled from *Statistical Tables relating to Banks in India and the Statistical Abstract for British India.*

Appendix XIV

Analysis of Capitalization of the Principal Indian Industries

(Companies registered in India only included)

Industries	Total Capital Invested (Ordinary, deferred and preference share capital as well as debentures)	Total Debenture Capital only	Percentage of Debenture Capital to Total Capital
	(Rs. 1,000)	(Rs. 1,000)	
1. Jute	189,301	15,675	8·3
2. Tea—General	36,864	1,869	5·1
3. Tea and Rubber (South Indian Companies) ..	7,949	1,533	19·3
4. Engineering	172,210	20,977	12·2
5. Electricity and allied industries	41,747	1,959	4·7
6. Sugar and distilleries ..	45,064	6,432	14·3
7. Bombay Cotton Mills ..	155,469	24,799	15·9
8. Other Cotton Mills ..	56,853	3,629	6·4
9. Miscellaneous industries	251,111	11,310	4·5
10. Light Railway Companies	103,088	—	—

N.B.—These figures have been compiled from the list of companies given in the *Investors' Supplement to the Indian Finance* (Calcutta), dated 30 January 1937. Obviously, the figures are not exhaustive, but they help us in forming an idea of the nature of debenture capitalization in the various Indian industries.

Appendix XV

Analysis of some recent Debenture Loans Floated in India

Name of Concern	Paid-up Capital (Lakhs of Rs.)	Amount of Debentures (Lakhs of Rs.)	Year of floatation of Loan	Interest
1. Cotton Industry.				%
Apollo Mills, Ltd. ..	25	20	1925	7
Cawnpore Textile Co., Ltd.	6·35	7·5	1920	6½
Coimbatore Spinning and Weaving Co., Ltd. ..	13·84	5·65	1928	6½
Edward Sassoon Mills, Ltd.	17	12	1918	6½
Indore Malwa United Mills, Ltd.	20	32·8	—	5
Madras United Spinning & Weaving Mills Co., Ltd.	10	15	1932	7
Meyer Sassoon Mills, Ltd.	10	12	1918	6½
Simplex Mills Co., Ltd. ..	14	30	1932	6
Tata Mills, Ltd.	100	100	1923	7½
		(reduced to 3% in 1933)		
2. Jute Industry.				
Alexandra Jute Mills, Ltd.	15	9	—	6
Birla Jute Manufacturing Co., Ltd.	50	15	1928	5½
Calcutta Jute Manufacturing Co., Ltd.	10	5	1935	6
Clive Mills Co., Ltd. ..	32	6	1904-6	5½
Empire Jute Co., Ltd. ..	20	10	1913	6
		(reduced to 5½% in 1927)		
Lansdowne Jute Co., Ltd.	32	15	1901	5½
Presidency Jute Mills Co., Ltd.	25	8·17	1933	5
3. Tea Industry.				
Bishnauth Tea Co., Ltd.	15	3	1934	5½
Dhunseri Tea Co., Ltd.	6·2	4	1922	6
Longview Tea Co., Ltd.	3·44	1	1925	7
Loobah Tea Co., Ltd. ..	6	2	1934	7
Namburnadi Tea Co., Ltd.	10	3	1917	7
4. Miscellaneous Industries.				
Ahmedabad Electricity Co., Ltd.	38·25	12	1934	5
Andhra Valley Power Supply Co., Ltd. ..	2·09	2·25	1933	6
Belsund Sugar Co., Ltd. ..	10·5	10	1934	5½
Bombay Telephone Co., Ltd.	100·63	49·37	—	4
Britannia Engineering Co., Ltd.	1·5	5	1935	5
Mysore Sugar Co., Ltd. ..	20	20	1934	6
Punjab Portland Cement Co., Ltd.	50	25	1924	6
Samastipur Central Sugar Co., Ltd.	12	4	1935	5

Prepared from the details regarding various companies given in the *Investor's India Year Book*, 1935-6.

Appendix XVI

Growth of Private Companies in India
(As registered every year)

Year	No. of Private Companies Registered	No. of all Joint-stock Companies Registered (Public and Private)	Percentage of Private to all Companies
1924-5 ..	158	416	37·9
1925-6 ..	143	470	30·4
1926-7 ..	157	529	29·7
1927-8 ..	194	626	30·9
1928-9 ..	277	726	38·2
1929-30 ..	301	839	36·2
1930-1 ..	366	731	50·1
1931-2 ..	468	922	50·8
1932-3 ..	662	1,087	60·9
1933-4 ..	354	885	40·0
1934-5 ..	449	965	46·5
1935-6 ..	403	1,027	39·2

Compiled and prepared from the *Annual Reports on the Working of the Indian Companies' Act and on Joint-stock Companies in British India.*

Appendix XVII

Growth of Private Companies in Bengal and Bombay
(As registered every year)

Year	No. of Private Companies Registered	No. of all Joint-stock Companies Registered (Public and Private)	Percentage of Private to all Companies
(A) Bengal.			
1924-5 ..	54	150	36·0
1925-6 ..	65	241	26·9
1926-7 ..	75	276	27·2
1927-8 ..	65	291	22·3
1928-9 ..	100	340	29·4
1929-30 ..	112	305	36·7
1930-1 ..	131	299	43·8
1931-2 ..	108	236	45·8
1932-3 ..	125	248	42·3
1933-4 ..	140	269	52·0
1934-5 ..	153	265	57·7
(B) Bombay.			
1924-5 ..	34	66	51·5
1925-6 ..	32	54	59·3
1926-7 ..	41	63	65·1
1927-8 ..	40	68	58·8
1928-9 ..	53	88	61·1
1929-30 ..	56	106	52·8
1930-1 ..	74	104	71·5
1931-2 ..	86	134	64·2
1932-3 ..	68	111	61·3
1933-4 ..	97	137	70·8
1934-5 ..	136	190	71·6

Compiled and prepared from the *Annual Reports on the Working of the Indian Companies' Act in the provinces of Bengal and Bombay respectively.*

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