CHAPTER – II

ENTREPRENEURSHIP IN HYDERABAD DURING INTER-WAR PERIOD

This chapter focuses on the predominant transformation of interwar period which played a crucial role in promoting industrial business in Hyderabad. The interwar period created a dramatically new situation in India. British mills became busy with the war production to meet the needs of the army resulted in declining the imports from the Manchester to India and adversely effected the economy of British which crumbled after the war. The business on cotton cloth from Britain fell dramatically within the colonies; local industrialists gradually consolidated their position, it promoted and gave confidence for the Indian entrepreneurs by substituting the foreign manufacturers and captured the home markets.

India was one of the biggest colonial states and has a vast home market to supply for mill products. As the war prolonged, the Indian factories were called up on to supply war needs; jute bags, cloths for army uniforms, tents and leather boots, leather requirements for horse and mule a saddles and a host of other items. New factories were set up and old ones ran multiplied shifts. A series of changes affected the pattern of industrialization. As the Swadeshi movement gathered momentum nationalists mobilized people to Boy-Cott foreign cloth. Industrial groups organized themselves to protect their collective interests.

Moreover the inter-war period had already created an extremely favorable environment for the Indian business and industry. As the war disrupted imports, the domestic demand for Indian goods went up. This naturally pushed up the energy requirements of the Bombay mills. The Tatas responded by expanding their
hydroelectric system. As a part of a well thought out perspective plan, two more companies Andhra valley power Supply Company and TATA Power Company came up in quick succession¹.

The similar and favorable conditions for the speedy development of the business were also echoed in Hyderabad state. Apart from other areas of business, majorly entrepreneurs flooded in to the area of cotton textiles, tobacco, textiles, and Airways business. This period also witnessed for the establishment of ITF, further it initiated to strengthen the Hyderabad Stock exchange. Many regulated markets played a significant role in local markets.

During the first quarter of the 20\textsuperscript{th} century especially from 1903 to 1906, there were four ice factories, one flour mill, one tile factory, one Sugar Factory (later closed) established. During the years 1910 to 1912 two distilleries one Soda factory and one Iron foundry were added. In 1912-13 one aerated water and ice factory was established. There was a support in the number of factories established during the year 1913-14 due to extra ordinary prosperity of the year. In the later period a soap factory was established in the government sector. By 1924-25 out of the 507 factories requiring inspection 121 were in Hyderabad city and of these 116 mills such as rice and flour mills, Dall mills worked by electricity. In 1928, a small timber seasoning plant at mint workshop was started. At the end of 1928, Hyderabad city had 156 such factories various other industries owned by the state and private companies and individuals also flourished². There strong reason for this speedy development of business was the state

special interest was one side and the surplus money procured by the nobles where they shown keen interest in establishing the business. By about 1920, the Industries and commerce Department began to investigate the possibilities of starting a few industries.

In 1927, the Deccan Glass Works a private company came into existence. The Government assisted the factory generously through loans as well as purchased of shares. By appointing the Director of Industries and commerce as one of the directory of the companies the Government began indirectly to manage the factory. Finally in 1933, the factory sold to a private party in 1939 about 400 persons were employed by this company. 

From 1920-21 on wards the process of industrial business started with the establishment of The Dewan Bahdur Ram Gopal Mills Limited, Elchiguda, Secundrabad(DBR Mills). It started producing Cotton Yarn Cloth with the initial capital of 18.lakhs and provided employment for 2000. In 1930 the cigarette manufacturing company under the brand name Charminar by Vazir Sultan with the authorized capital 5 crores.

This period also witnessed the establishment of Pharma industries in Hyderabad. In 1933 the Biological Evans Limited started with the initial capital 1.29 crores. It started producing, Anti-Tuberculosis drugs, glycerol Phosphates, Nux Vomica Alkaloids, sera and vaccines. The Hyderabad chemicals and Fertilizers Limited was launched by the Khan Bahadur Alldin with the employment of 200, in 1942. It produced sulfuric acid, super Phosphate and fertilizers mixtures in Moulali Hyderabad. By the year 1959 the state has taken responsibility over this company. The initial capital was

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3 Ibid. PP-109-114.
6 Ibid.
25.62. Lakhs, Later (1968) it increased up to 1.42 crores. In 1943 The Biological and Synthetic Products Limited have started at Sanath Nagar Hyderabad. It manufactures Amino-salycylite acid and its salts, liver and crude drug extracts, Para-hydroxyl Benzoic acid and esters. The raw material imported from the Japan, it started with the initial capital 12.5 lakhs, and with the employment 150⁷.

The Hyderabad Allwyn Metal Works Ltd was established in 1942 with a share capital of Rs. 61.03 Lakhs out of which Rs. 30.689 Lakhs was paid by the Government, the company was to manufacture metal and steel furniture equipment and bank requirements such as safes and strong room requirements. It also manufactures some articles for war purposes in 1964; an agreement was reached with vehicles limited, to train technicians to build bus bodies and refrigerators. Allwyn assembled buses were bought by the Hyderabad Road Transport Department and West Bengal Government. They also manufactured the Ballot boxes used in elections. The company was not financially in a sound position at the final of Hyderabad Merger with the rest of India⁸.

The Hyderabad National Industries was opened in 1939 with a working capital of Rs. 25 Lakhs. The Taj Glass Works (something) was incorporated in 1940 with a paid up capital of Rs. 42.6 Lakhs. The affairs of this company were no letter than those of the other glass factory the Industrial trust fund had to assist the company in a big way, in terms of loan and also of buying up shares. The Hyderabad Iron and Steel works limited was incorporated in Hyderabad in 1932 with a paid up capital of Rs. 6 Lakhs with assistance of Industrial Trust Fund.

The Second world war gave an opportunity to this industry to stabilize itself and the main manufacturing items were oil expellers, refinery plants, pipes other castings,

⁷. Ibid.
security equipments, agricultural implements etc. In 1943, the Hyderabad Steel and wire products were started, with a capital of Rs. 9 Lakhs. Large scale industries in Cotton Textiles began to be established towards the end of the 19th Century in Hyderabad. Out of the three cotton spinning and weaving mills in the whole state one was established in Hyderabad City in 1874 namely the Hyderabad Spinning and weaving company. In 1929 The Dewan Bahadur Ramgopal Mills was established at Hyderabad. The Total paid up capital was Rs. 21 Lakhs, the annual output was valued at Rs. 72 Lakhs and it employed about 1600 workers. The Hyderabad Spinning and weaving Mills Ltd., employed about 1700 workers with a paid up capital of Rs. 8 Lakhs. It was popularly known as the “Old Mills”. It was closed down in 1953 with worn out which was no longer possible to operate it.

The mills in Hyderabad concentrated in producing coarse cloth of 6-31 counts, meant for local consumption. The demand for superior type of cloth was met by importing from outside. Unlike other parts of India, where the textile mills generally started with spinning sections and later added looms, here, the spindles and looms were established simultaneously. The second world war gave an excellent opportunities to increase their profits as the price of cloth went up during the war.

The establishment of ITF was the revolutionary move during the interwar period in the history of Hyderabad. It gave a good boosting to the Hyderabad entrepreneurs hence many companies came in to lime light during the decade 1931-41. It was inaugurated by the Sir Akbar Hydari with an initial corpus of one crore. It was ostensibly founded to help the progress of Industry in general. Because of the

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9. Ibid.PP-110.
10. Ibid.PP-110.
11. Ibid. PP-110.
establishment of ITF there were two large textiles mills, two cigarette factories, a number of button factories, a silk factories, a glass factory and a hume pipe sprang up in the city. These industries engrossed a large number of skilled and unskilled labour from the neighboring areas which contributed to a rapid population growth in the city. The old records of the Industries Department indicate that the number of factories located in and around Hyderabad cities rose from 91 in 1931 to 178 in 1939–40. The Nizam’s State Department of public works launched upon a programme of improving the means of Transport and communications and consequently several district roads were metalled reconstructed which provided easier access to markets in the rural areas and also enabled raw material as well as agricultural products to be brought more conveniently to the city. But it can not be denied that the Industrial Trust Fund (1931–41) has been catered the needs of the Muslim ruling class. Eighty to Ninety percentages of the investments of the Industrial Trust Fund are in concerns owned or managed by Muslims capitalists who are invariably the relations of high officials. A new clan of Industrial capitalists came into prominence even though they did not possess any kind of initial capital, more over most of the companies dominated by the Muslims and enjoyed the greater profits and privileges even though their own contribution of capital is almost less.

By the time partition of India, Hyderabad capitalist sphere works in close collaboration with Pakistan. The two former finance minister of Hyderabad were Mr. Ghulam Mohammed and Mr. Zahid Husain did their best to foster the ideology of the Muslim league in Hyderabad civil service and the policy of financing industry was a

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13. Ibid. PP-90-91.
15. Ibid. PP-90-91.
deliberate means to pressure the monopoly of Industry in the hands of the Muslims. The industry structure shown clearly the concentration of money of power in the hands of less than a dozen big financiers, most of whom are Muslim closely related to the civil services\textsuperscript{17}.

Though the ITF gave good encouragement for the development of the business in Hyderabad, the level of industrial development in the erstwhile Hyderabad state remained comparatively low in spite of the availability of plenty of raw materials. The feudal background of a few industrial houses looking for government assistance, lack of both material talent non – existence of banking and insurance companies, local entrepreneurs were looking up to a few well established industrial, banking and insurance companies of British India might have been responsible for this situation in Hyderabad.

But in one respect it had an institution meant to provide industrial finance, the industrial finance. The Industrial Trust Fund was the first of the kind, owned and operated by the government having been established by a fireman of the Nizam of Hyderabad in March 1929, with a corpus of Rs.1 crore. The ITF used its funds in buying shares, giving loans and also investing in Government securities. Loans to Industries were also given from its earning. The ITF spent large amount on cottage industries, industries experiments research and industrial surveys. Both Government officials and industrials were appointed as its directors.

The ITF did not follow any set of rules in assisting the various industries. It helped them in whichever way it thought fit. It took over the management of a few badly managed units. For an agency meant only to assist. The industries, to take over management were much above its capability. At a time when all the industries were

\textsuperscript{17} Ibid.PP-22-30.
facing severe financial problems in the aftermath of the depression of 1930’s the ITF gave so much stabilities in pioneering style in the erstwhile Hyderabad State\textsuperscript{18}.

Tobacco businesses have created its own space in Hyderabad business during the interwar period. It attracted many entrepreneurs to start their own business. Then many companies established. The major initiation has taken by The Vazir Sultan Tobacco Company. The Vazir Sultan tobacco company limited was the pioneers of Cigarette industry in Hyderabad, starting in 1919, with a paid up capital of Rs. 1 Crore, it produced mainly the Charminar brand of Cigarettes. It was employed about 2073 workers. The Second World War came as a big booster to this industry\textsuperscript{19}. A Charminar cigarette that became more popular than the Charminar. Emanating from the ancient City of Hyderabad, is another “Charminar”, a brand of cigarettes, which has become a household name in this part of the World, and which is a living monument to the growth of modern industrial and marketing acumen.

The Vazir Sultan Tobacco Company as VST then had its beginning in a small distillery godown in the city of Hyderabad. In the early twenties of this century, a nobleman in the City of Hyderabad, Md. Vazir decided that instead of merely spending his time in ease and pleasure. Being one of the landed gentry, he went into business in partnership with his elder son, Md. Sultan, and started the firm of Vazir Sultan & sons. The Sultan family approached the late Nizam of Hyderabad for the right to use the name ‘Charminar’ the then state emblem stamped on Osmania Sicca (the local currency). The Nizam, confident that the Company would manufacture an excellent product, permitted its use. Every morning, his phaeton arrives at the cigarette factory, and ‘Charminar’ cigarettes were places in a golden casket for his personal smoking pleasure.

\textsuperscript{19} Ibid.PP-111.
company has come a long way. Today, with the wide dispersal of its shares, VST Industries Limited is truly an local Company.\textsuperscript{20}

The Hyderabad Deccan Cigarettes Factory produced the Golconda brand Cigarettes. In 1943, the Jubilee Cigarette Company was starting among the different varieties of Tobacco available in the region, only virginia tobacco was used for making Cigarettes, the rest was used for making beedies\textsuperscript{21}. Tremendous increase could be observed in tobacco business in Hyderabad. In the year 1948, 30382 quantity lakhs Cigarettes produced by the 1955 the production increased to 44608 quantity lakhs Cigarette\textsuperscript{22}. The amount of the value of the business increased from 17950 IG.RS, in 1948 to 34886.IG.RS. in 1955. (See Table-1)\textsuperscript{23}

\textsuperscript{20} Ibid.PP-111. 
\textsuperscript{21} Ibid.PP-111. 
\textsuperscript{23} Ibid.
Table-2.1
Production of cigarettes-1948-55

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity Lakhs Cigarettes</th>
<th>Value Thousands of IG.Rs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948</td>
<td>30382</td>
<td>17950</td>
</tr>
<tr>
<td>1949</td>
<td>37065</td>
<td>25008</td>
</tr>
<tr>
<td>1950</td>
<td>40458</td>
<td>27943</td>
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<tr>
<td>1951</td>
<td>41764</td>
<td>30747</td>
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<tr>
<td>1952</td>
<td>48043</td>
<td>36931</td>
</tr>
<tr>
<td>1953</td>
<td>42529</td>
<td>35554</td>
</tr>
<tr>
<td>1954</td>
<td>46157</td>
<td>35728</td>
</tr>
<tr>
<td>1955</td>
<td>44608</td>
<td>34886</td>
</tr>
</tbody>
</table>

Production of Cigaretts-1948-1955

There was a famous recognition for India in doing business with the textiles since its inception. Mostly people talk about as if it only the area is the main business activity India though Indian industry having wide ranging scope in various fields of its development. In the interwar period charaka played a significant role between Arabs and the Hyderabady. The *Anjuman Dasti archa Bafi Germain Sharifain* was established in 1932. Dr. Khaja Moinuddin took the initiation; he was the tenth Director of Medical Service of erstwhile Hyderabad state. It was established to help Arab people to train in weaving industry which alone would be instrumental in making Arab people self reliant. It was decided that handloom chicanes be sent from India to impart the art of weaving cotton fabrics, besides providing the necessary equipment of raw materials to the needy people, free of cost.
The products were to be of varied dress materials to be used in Madina ‘Ahram’ a two piece, unstitched dress, used during pilgrimage and coffin cloth were also to be welcomed check home in the Indian market. The entire expenses of this future were met through public donations and this organization was designed to be kept free from political tentacles. An advisory committee was formed, headed by H.H. Sir Nawab Saif Nawaz Jung, Saleh Bin Galib Alkhoeti, Sultan of Mukkallah.

Dr. Khaja Moinuddin, along with two technicians - Ahmed Khan and Mohammad Ismail, with all the equipment including charkhas and raw materials reached Macca in July, 1933, and presented two handmade sheets to H.M. Sultan Ibne Saud. The industry was started initially, in a rented house outside Babul Umra near Hermain Sharifain under the banner of "Dams sana at Madina Manuwara". This small scale industry flourished well and manufactured pieces of cloth. The discovery of petroleum in Arabia changed the destiny of the Arabs. Thus they, no more required our assistance. The society was again revived in the year 1980 and the first uphill task faced with was that of taking possession of one of the buildings namely Baitul Madina situated at Nampally.

In this period Khan Bahadur Abdul Karim Babukhan explored the new areas of entrepreneurship in construction business. He was born to Mohammed Babukhan, a Civil Contractor, credited with major constructions in Hyderabad, such as Kachiguda Railway Station24 and the Nayapul, Abdul Kareem Babukhan began his career with civil works at the age of 25. Taking entrepreneurship one step ahead of his father, he forayed into industrial development, setting up sugar textiles and paper mills and later coal mines at Singareni.

24 .www.babukhan.com,
Abdul Karim Babukhan- The doyen of the clan, set up in the 1930s, the Hyderabad Construction Company Ltd., (HCCL)\textsuperscript{25}, which created architectural marvels (popularly known as ‘Jewels of the Nizam’) for the Nizams' State. The stunning Arts College of the Osmania University, the Gandhi Bhavan, The Hyderabad House, the Delhi Palace for the Nizam, Soan Bridge- across the river Godavari, Kadam Dam, substantial part of the Tungabhadra Dam, the first phase of Ramagundam Thermal Power Station to name a few\textsuperscript{26}.

His contribution to the growth and development of Hyderabad State earned him the title ‘Khan Bahadur' and conferred on him a status that allowed free mingling with politicians and bureaucrats. Yet he remained humble and displayed a rare integrity of character, which helped him create a goodwill that his successors were to reap in times to come.

Some prominent Industrial ventures promoted and managed by HCCL include: The Sir Silk Limited, the Sirpur Paper Mills Limited, Hyderabad Vanaspati Limited, The Nizam Sugar Factory Limited and many others. The Babukhans have become synonymous with quality work, just like the monumental marvels they create.

Air ways a significant forward step and initiation have taken up towards introducing air services in the Nizams dominions, that a Civil aviation board was formed in 1932 and a fine aerodrome as subsequently built at Begumpet by 1936. P.M. Reddy had qualified as a flying instructor, Navigator and maintenance engineer of

\textsuperscript{25} Ibid.
\textsuperscript{26} Ibid.
aircrafts and engines. He became the Chief Pilot Instructor at the Hyderabad State Aero Club\textsuperscript{27}.

The Newly formed aero club at Begumpet Airport was taken over by the Nizams State Railway to operate air services under the Stewardship of Reddy and Babar Mriza\textsuperscript{28}. The Nizam State Railway had the distinction of controlling not only the railways but also the road and air services of Hyderabad Reddy was the chief pilot of the air transport division of the State Railway from 1938. At the end of the war, as many as 21 air companies had been set up, including Deccan Air ways. Deccan Air Ways soon became one of the best and most efficient airlines in India with a high maintenance standard\textsuperscript{29}. It is said that people set their watches by the arrival and departure of their aircraft.

In September 1948 when Hyderabad was passing through a critical period all Deccan Airways flights were grounded. However soon after policed transition the air lines resumed co-operations. Between October 1947 and February 1948 the Deccan Airways played a Major role in carrying peoples in both directions since all other operation withdrawal owing to several constraints\textsuperscript{30}. In this critical period there were up to four refugee flights each day. Deccan Airways undertook Haj Charters from Begumpet to Jeddah in 1949-50. The Night Airman services was introduced in February 1949 when Mr. Rafi Ahmed Kidwai was minister for communicate it was subsequently

\textsuperscript{27} P.M. Reddy son of Pingle Venkatrama Reddy of Hyderabad Deccan, an engineer, took flying Instructions in 1929 and obtained his ‘A’ license in England in 1931. He had good experience in operating various Aircrafts along with him Babar Mirja also was well known Hyderabad Pilot, regularly flying from London to India. Refered in: Hyderabad The Power of Glory, Published by Deccan Books 1998, P.P. (107-110) – (121-124) (A.P. State Archives).

\textsuperscript{28} Hyderabad the Power of Glory, Published by Deccan Books 1998, P.P. (107-110) – (121-124) (A.P. State Archives).

\textsuperscript{29} Ibid. PP-(107-110) (121-124)

\textsuperscript{30} Ibid. PP-(107-110) (121-124)
taken over by Deccan Airways. Deccan Airways even carried drinking water to Delhi every day for the Nizam. The Begumpet Airway had to be specially strengthened and extended to receive the Langer Aircraft. At times like this all other flights went to Hakimpet Airfield.

However in 1953, Prime Minister Jawaharlal Nehru sought to Nationalise all Seven Airline companies then in existence and Act 27 of 1953 soon relegated Deccan Airways to History thus ended yet another glorious chapter of the Hyderabad History.31

Apart from the large scale business The Hyderabad also witnessed the development of the regulated markets, retail and wholesale markets during the interwar period (1928). It has influenced the Trade Centers and Regulated Markets in connection with agriculture business. The Nizam government has not neglected this area of business which helped in regulating the important market centers in Hyderabad. The Royal commission of Agriculture in 1928 emphasized the need for the enterprise or regulated markets to avoid unhealthy practices prevalent in the sale and purchase of agricultural commodities and to ensure a fair price to the primary producer, drew the notice of the Nizams government to the significance of marketing as one of the vital consideration for the Agriculturalists welfare. As a result, the Government passed the Hyderabad Agricultural Market Act in 1339 F, providing for the establishment of regulated markets for the Sale and purchase of the notified crops. Before the Act came into force, the main functionary in the market was the Broker called Adatya who facilitated transaction between the buyers on the one hand and the seller on the other.32

The act not only provided for the licensing of every such Adatya but also sought to regulate his business by prescribing the minimum and maximum commission he was

31. Ibid. PP-(107-110) (121-124)
entitled to under such transaction. It also for the constitution of committees for such regulate market, the members being drawn from growers, Merchants and other interests nominated by the Government. The act was enforced in the twin cities in 1955.\textsuperscript{33}

The considerable growth of regulated markets in Hyderabad could be seen from 1940. By the year 1954 regulated markets rose from 22 to 70. And the turnover capacity also drastically enhanced. (See the table below\textsuperscript{34})

Table-3.2

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Regulated Markets</th>
<th>Total value Turnover-in Lakhs of O.S.Rs.7=1.G. Rs.6.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1940-41</td>
<td>22</td>
<td>9.47</td>
</tr>
<tr>
<td>1941-42</td>
<td>22</td>
<td>6.76</td>
</tr>
<tr>
<td>1942-43</td>
<td>23</td>
<td>20.24</td>
</tr>
<tr>
<td>1943-44</td>
<td>25</td>
<td>22.36</td>
</tr>
<tr>
<td>1944-45</td>
<td>28</td>
<td>17.92</td>
</tr>
<tr>
<td>1945-46</td>
<td>28</td>
<td>23.18</td>
</tr>
<tr>
<td>1946-47</td>
<td>31</td>
<td>28.77</td>
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<tr>
<td>1947-48</td>
<td>42</td>
<td>26.71</td>
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<td>27.80</td>
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<td>1949-50</td>
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<td>33.73</td>
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<td>1950-51</td>
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<td>44.88</td>
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<tr>
<td>1951-52</td>
<td>67</td>
<td>48.71</td>
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<tr>
<td>1953-54</td>
<td>70</td>
<td>47.27</td>
</tr>
</tbody>
</table>

\textsuperscript{33} Ibid.
There are now five such regulated markets at Hyderabad cities, Vicarabad, Tandur, Shankerpalli and Narsingi in the district. The Hyderabad cities market has its sub yard at Chandrayangutta, Secundrabad, Mir Alam Mandi, Sabzi Mandi and Jaunbagh while Shankerpalli market has its sub yard as Kandi in the district. In 1964, the Government through a notification extended the Act to cover the fruit and vegetable markets in the twin cities.\textsuperscript{35}

It is difficult to draw a clear line of distinction between retail and wholesale trader as some of the wholesale merchants in the distribution also deal in retail trade. According to census of 1961, there were 1555 working proprietors (whole sale traders), 44,943 workers proprietors (retail traders) and 8194 (Pedlam) hawkers and street vendors.\textsuperscript{36} Usually the petty merchant, and retail traders as well as street hawkers deal mostly in vegetables, fruits, sweetmeats, oils and other sundry items of a perishable nature. In the urban areas, wholesale market popularly known as Mandis, constitute the main Channels of trade. They are the Chief trading centers dealing in agricultural produce, coming from the neighboring areas. The most important wholesale centers in the district are Osman Gunj, Mukhtar Gunj, Kishen Gunj, Mahbub Gunj, Mir Alam Mandi, Sabji Mandi, Monda Market (Secunderabad), Abids.\textsuperscript{37}

Abids was the busy market area since a long time. The name itself is said to have derived its name from Albert Abid. He was a Jewish merchant and the owner of the first shop here. He was also an employee in the Nizam’s court. According to another

\textsuperscript{35} Ibid.
\textsuperscript{36} Ibid.
\textsuperscript{37} For details see the Annexure-V (Places visited collected information about the Market centers in Hyderabad).
version the Abids derives its name from the first departmental store of Hyderabad owned by Abids Evans. Such was the popularity of this shop that the whole place comprising business centers got this name. Before getting christened as Abids Road, the place was known as Alustafa Bazaar. It is said that Mahboob Ali Pasha the Sixth Nizam on a visit to Calcutta met Abide Evans an American Jewish business man and Impressed by him he has brought Abid to Hyderabad in royal train\textsuperscript{38}.

Rapid growth in industries in the erstwhile Hyderabad State saw efforts at starting the Stock Exchange. In November, 1941 some leading bankers and brokers formed the share and stock Brokers Association. In 1942, Mr. Gulab Mohammed, the Finance Minister formed a Committee for the purpose of constituting Rules and Regulations of the Stock Exchange. Sri Purushothamdas Thakurdas, President and Founder Member of the Hyderabad Stock Exchange performed the opening ceremony of the Exchange on 14.11.1943 under Hyderabad Companies Act, Mr. Kamal Yar Jung Bahadur was the first President of the Exchange. The HSE started functioning under Hyderabad Securities Contract Act of No. 21 of 1352 under H.E.H. Nizam's Government as a Company Limited by guarantee. It was the 6th Stock Exchange recognized under Securities Contract Act, after the Premier Stock Exchanges, Ahmadabad, Bombay, Calcutta, Madras and Bangalore stock Exchange. All deliveries were completed every Monday or the next working day.

The Securities Contracts (Regulation) Act, 1956 was enacted by the Parliament, passed into Law and the rules were also framed in 1957. The Act and the Rules were brought into force from 20th February 1957 by the Government of India.

\textsuperscript{38} Chronicle, Hyderabad, Tuesday 27 May 2008.
The HSE was first recognized by the Government of India on 29th September 1958 as Securities Regulation Act was made applicable to twin cities of Hyderabad and Secunderabad from that date. In view of substantial growth in trading activities, and for the yeoman services rendered by the Exchange, the Exchange was bestowed with permanent recognition with effect from 29th September 1983.

The Exchange has a significant share in achievements of erstwhile State of Andhra Pradesh to its present state in the matter of Industrial development. The Exchange was established on 18th October, 1943 with the main objective to create, protect and develop a healthy Capital Market in the State of Andhra Pradesh to effectively serve the Public and Investor's interests.

The property, capital and income of the Exchange, as per the Memorandum and Articles of Association of the Exchange, shall have to be applied solely towards the promotion of the objects of the Exchange. Even in case of dissolution, the surplus funds shall have to be devoted to any activity having the same objects, as Exchange or be distributed in Charity, as may be determined by the Exchange or the High Court of judicature. Thus, in short, it is a Charitable Institution.

The Hyderabad Stock Exchange Limited is now on its stride of completing its 65th year in the history of Capital 'Markets' serving the cause of saving and investments. The Exchange has made its beginning in 1943 and today occupies a prominent place among the Regional Stock Exchanges in India. The Hyderabad Stock Exchange has been promoting the mobilization of funds into the Industrial sector for development of industrialization in the State of Andhra Pradesh.

Since its beginning The Hyderabad Stock Exchange acted as a Non-profit making organization, catering to the needs of investing population. It started its
operations in a small way in a rented building in Koti area. It had shifted into Aiyangar Plaza, Bank Street in 1987. In September 1989, the then Vice-President of India, Hon'ble Dr. Shankar Dayal Sharma had inaugurated the own building of the Stock exchange at Himayathnagar, Hyderabad. Later in order to bring all the trading members under one roof, the exchange acquired still a larger premises situated 6-3-654/A; Somajiguda, Hyderabad - 82, with a six storied building and a constructed area of about 4,86,842 sft (including cellar of 70,857 sft). Considerably, there has been a tremendous perceptible growth which could be observed from the statistics.

The number of members of the Exchange was 55 in 1943, 117 in 1993 and increased to 300 with 869 listed companies having paid up capital of Rs. 19128.95 crores as on 31/03/2000. The business turnover has also substantially increased to Rs. 1236.51 crores in 1999-2000. The Exchange has got a very smooth settlement system.

Hyderabad is often described as the confluence of the cultures of the north and the south the east and the west and miniature India, with its ‘unity in diversity’ image intact. The Exhibition like many great institutions had small if not humble beginning during the inter war period had grown into a giant enterprise. The exhibition ground has become a landmark in the heart of the city situated at Muzzam Jahi-road in Nampally. The yearly Industrial Exhibition organized by the All India Industrial Exhibition Society, Hyderabad. It was not conceived merely as a place where various goods manufactured in the country are available at a single place, and as an enlarged shopping centre, but was visualized as a peep show into the past, the present and the future, a kaledoscopic view of the transformation that is taking place, all around. It comes at a definite period in the month of January, but extends to February.
The Exhibition as it grew in popularity and became the focal point for forty days in the year, both Government and Private undertakings display their wares in the sprawling premises of the Exhibition grounds. One could find the finest fabrics from the silks of Kashmir to the toys made of conch-shells of Kanyakumari, the artifacts of Assam and the myriad varieties of textiles produced from the mills of Bombay and Ahmadabad.

The Exhibition thus had become a venue for knowing the variety of goods manufactured in different parts of the country and the artistic excellence of the renowned craftsmen who reflected the peculiar tradition and cultural motifs in their works and wares. The fish motif in the pattern of the Utkal Sari, the Kalankari prints of the Machilipatnam, the bafta of Bihar, the dazzling gold braid of Benaras, the Sandal wood toys of Karnataka and the coir mats of Kerala bear testimony to varied heritage and variegated history.

The new major industries that were established in the public sector, like the Hindustan Machine Tools, the Bharat Heavy Electricals and the State undertakings like Road Transport Corporation, the Allwyn and the Andhra Pradesh State Electricity Board, the newly created South Central Railway, whose activities had expanded beyond all imagination, impress the people with their stalls.

During this phase notably the traditional entrepreneurs relied on trading and money lending at various levels. The newly emerging large scale industry was preoccupied by the nobles and administrative peoples of the princely state. The manufacturing was largely in the hands of artisans who were often dependent on merchants to provide finances for their operations and buy their products, although the artisans also sold directly to the final consumer. The others were the European
managing agencies. Basically Britishers dominated the industrial production in India and were interested in certain kinds of products mostly on tea and coffee plantations etc, by acquiring land at cheap rates from the colonial government and also they invested in mining, indigo and jute etc. Most of these products were produced primarily for export trade and not for sale in India.
Manufacture by Vazir Sultan Company (VST Industries Limited, Azamabad Hyderabad)

One of 30 CXL9s for the Hyderabad State Railway of India with 56-seater all-metal Park Royal bodies. The first of the batch was completed at the Park Royal works, but all the others were dispatched in sections and reassembled by the Hyderabad Allwyn Metal Works Limited, Deccan. In place of glass the half-lift windows were fitted with metal jalousies, which were said to allow ample ventilation while providing shade against the Indian sun. This picture comes from a contemporary Park Royal brochure and the bus looks like the first of the batch judging by the typically English backdrop.

A ballot box, made by Hyderabad Allwyn Metal Works, for the first ever 1952 general elections in India, on display during August 1951.