Andhra Pradesh Legislative Assembly Debates
OFFICIAL REPORT
Part II — Proceedings other than Questions and Answers

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Notes: *at the commencement of the speech denotes confirmation from
   the Member not received in time.

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ANDHRA PRADESH LEGISLATIVE ASSEMBLY
DEBATES
[Part II-Proceedings other than Questions and Answers]
OFFICIAL REPORT

Thirty third day of the Eleventh Session
of the Andhra Pradesh Legislative Assembly

ANDHRA PRADESH LEGISLATIVE ASSEMBLY
Tuesday, the 21st March, 1961
The House met at Half Past Eight of the Clock

[Mr. Speaker in the Chair]

QUESTIONS AND ANSWERS
(See Part I)

ANNOUNCEMENTS
re: Constitution of the Committee on Estimates for
the financial year 1961—62

Mr. Speaker: I have to announce to the House that the following candidates have been nominated for election to the Committee on Estimates for the financial year 1961-62:

1. Dr. M. Chenna Reddi
2. Sri T. Papa Rao
3. Sri V. Kurmayya
4. Sri S. Narayanappa
5. Sri H. Ramalinga Reddy
6. Srimati T. Lakshmikanthamma
7. Sri Baga Reddy
8. Sri P. V. Rajeswara Rao
9. Sri K. Sudarsan Rao
10. Sri K. V. Vema Reddy
11. Sri P. Parthasarathy
12. Sri K. S. Narayana
13. Srimati C. Ammannna Rajá
14. Sri Pillalamarri Venkateswarlu
15. Sri Vavilala Gopalakrishnayya
16. Sri G. Latchanna
17. Sri P. Rajagopal Naidu
18. Sri M. Nagi Reddy

As the number of candidates validly nominated is equal to the number of vacancies to be filled in viz., eighteen, I hereby declare them to have been duly elected to the Committee on Estimates for the financial year 1961—62.

Under sub-rule (3) of rule 185 of the Andhra Pradesh Legislative Assembly Rules, I hereby nominate Dr. M. Chenna Reddy to be the Chairman of the above Committee.

Mr. Speaker: I have to announce to the House that the following candidates have been nominated for election to the Committee on Public Accounts for the financial year 1961—62:

1. Sri M. Satyanarayana Raju
2. Srimati Vani Ramana Rao
3. Sri T. V. Raghavulu
4. Sri B. Rama Reddy
5. Sri Mir Ahmed Ali Khan
6. Srimati Shanta Bai
7. Sri R. Nadamuni Reddy
8. Sri P. Gururaju
9. Sri Shahabuddin Ahmed Khan
10. Sri M. Rajaram
11. Sri K. Janardhana Reddy
12. Sri P. N. Appa Rao
13. Sri Seerla Brahmayya
14. Sri Ravi Narayana Reddy
15. Sri G. Yellamanda Reddy
17. Sri J. Chandramouli
18. Sri S. Vemayya

As the number of candidates validly nominated is equal to the number of vacancies to be filled, viz.,
eighteen I hereby declare them to have been duly elected to the Committee on Public Accounts for the financial year 1961—62.

Under rule 166 of the Andhra Pradesh Legislative Assembly Rules, I hereby nominate Sri Ravi Narayana Reddy to be the Chairman of the above Committee.

Mr. Speaker: I have to announce to the House that the following candidates have been nominated for election to the Committee of Privileges for the financial year 1961-62 in addition to the Deputy Speaker who is an ex-officio member:

1. Srimati Roda Mistry
2. Sri Gopalakrishna Gupta
3. Sri Ratnasabhapathy
4. Sri E. Ayyapu Reddy
5. Sri Vasudev Krishnaji Naik
6. P. Ramaswamy Naidu
7. Sri Dawar Hussain
8. Sri Anjayya, T.
9. Sri Basappa, E.
10. Sri Namburi Srinivasa Rao
11. Sri R. B. Ramakrishna Raju
12. Sri Peta Bapayya
13. Sri Baddam Yella Reddy
15. Sri D. Kondaiah Chowdary.

As the number of candidates validly nominated is equal to the number of vacancies to be filled viz., fifteen, I hereby declare them to have been duly elected to the Committee of Privileges for the financial year 1961-62.

Under sub-rule (4) of rule 172 of the Andhra Pradesh Legislative Assembly Rules, I hereby nominate Sri R. B. Ramakrishna Raju to be the Chairman of the above Committee.
ADJOURNMENT MOTION


I hereby give notice of my intention to ask for leave to move a motion for the adjournment of the business of the Assembly under rule 63 of the Andhra Pradesh Legislative Assembly Rules for the purpose of discussing a definite matter of urgent public importance viz., acute drinking water scarcity in this summer in the city of Vijayawada, a very hot place with nearly a population of 3 lakhs due to which many deaths are likely to occur. The Government has neglected to supply adequate drinking water under the negligent and improper advice of the Public Health Engineering Department without caring for the reasonable proposals made by the Municipal Council and Special Officer from time to time. It is a tragedy of the first magnitude that the city should suffer for drinking water inspite of its being on the perennial river, Krishna. The information received is that many deaths are likely to occur due to acute drinking water scarcity.

BUSINESS OF THE HOUSE

The Speaker: The Business of the House is over. The House now adjoins.
Recommendations

There were no recommendations made at the 20th sitting of the House of Assembly on 27 March 1961. The House was told that the recommendations made at the previous sitting were not available for discussion.

That is different. That is a special thing. That is a matter of principle. It is a matter of principle. That is why it is different. That is a matter of principle.
CALLING ATTENTION TO MATTERS OF URGENT PUBLIC IMPORTANCE

re: Prevalence of smallpox in Guntur District and Nagarjunasagar Right Bank Canal area

The Minister for Medical and Health, (Sri P. V. G. Raju): Smallpox appeared in epidemic form in the Palnad area of Guntur District in January 1961. The prevalence of the epidemic was reported very late by the Village Munsiff as a result of which immediate measures could not be taken up to prevent the spread of the epidemic. The occurrence of this was probably due to a festival in December 1960 at Karampudi (Palnad taluk) where there was an influx of population and
lowering of Herb Immunity. The labour camps in the Nagarjunasagar are the chief source in spreading the disease, for the labour run away without informing and thus contribute to the spread of the infection. Chintapally labour camp was the first where the epidemic originated and it fast spread to Oricherla, Addigoppala villages. Palnad area has 18 villages where there were 597 total attacks of small-pox out of which 104 were fatal. This includes infection Labour Camps where only 11 cases of attack in 1961 were reported and no deaths occurred. The last date of attack was 24-2-1961, in this area. No further cases have been reported thereafter. It is only in Addigoppala village where out of 60 attacks, 18 deaths occurred due to the little co-operation from the public. The Assistant Director of Public Health (Epidemiology) was deputed to the area in the month of February 1961 and he had taken all preventive measures. About 7615 primary vaccinations and 54,791 re vaccinations were done. 10 Health Assistants and 8 Reserve Health Inspectors were appointed for the purpose. The District Health Officer, Guntur and Health Officer, Nagarjunasagar Canals, had personally supervised all preventive measures. With a view to a further check of the spreading of small-pox, the Chief Engineer, Nagarjunasagar Canals, has been requested to intimate the establishment of labour camps to get their labour protected against small-pox and cholera. The District Health Officer, Nalgonda, had been alerted to take all precautionary measures. Except in one village, the whole area in Nalgonda District is free from small-pox.

re: Assault on certain Harijan ryots cultivating Kollair lands in Chittannapadu Village

Calling attention to matters of urgent Public Importance 21st March, 1961

re: Assault on certain Harijan Ryots cultivating Kollair Lands in Chittannapadu Village
Calling attention to matters of urgent public importance
re: Assault on certain Harijans Ryots cultivating Kollar Lands in Chittannapadu Village

Indian Penal Code Sections 147 328
Calling attention to matters of urgent public importance

re: Assignment of banjar Lands to Harijans in certain Villages of Vijayanagaram Taluk

21st March, 1961

Mr. V. Ramakrishna (Hon. Minister of Agriculture)

Sir,

I beg to draw your attention to the serious problems faced by the Harijan population in certain villages of Vijayanagaram Taluk regarding the assignment of Banjar lands. Despite several initiatives and grants by the Administration, the situation remains critical. The Harijans are facing difficulties in securing land for cultivation due to the encroachment by rich and powerful individuals.

In this regard, I request your kind consideration to provide timely assistance and ensure that the Harijans are given the required support to overcome these challenges. The plight of these villagers can only be alleviated through your timely intervention.

Yours faithfully,

[Signature]

*Note: The document contains a list of names and dates related to the assignment of lands. The exact dates and names are not clearly legible in the image provided.

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18-2-1961 సిద్ధం కాలిచెట్లాడారించాడు స్నేహం విశ్వాసదాయ సత్రానించడం అసలో మాత్రమే ఈ మామచారి నిడించాడు మాత్రమే 300 ట్రియోం శేకలు, మరింత పొరుచ్చడం సాధించడం తినాం తగుంపు బాలం సెవం నిదించడం పైగా కాబట్టి ప్రత్యేకంగా ఈ సమస్య తెలియజేసాడు. రాష్ట్ర పిలిచే జాతీయ హోదా తో సాధించాం అధికారులు రాలైన అధికారులు తానాన్ని అంగీకరించారని నిర్ణయమెన్ని అంచు తోందుడు. 7-1-1960 సిద్ధం మాత్రమే ఇద్ద విడిది ప్రత్యేక మార్గ అందించడానికి మాత్రమే 110 మిలియన్ మీటర్ పై పొచించడం నిర్వహించారని అధికారులు తొలికి నిర్ణయమెన్ని అంచు తోందుడు. 28 జనవరి శేషపంద మామచారి పై నిదించారని రాష్ట్ర పిలిచే జాతీయ హోదా విడిది ప్రత్యేకంగా ఈ ప్రత్యేక మార్గ 500 మిలియన్ రూపాణులు వేషం వేయడం అధికారులు తొలికి నిర్ణయమెన్ని అంచు తోందుడు. 17 జనవరి నిదిపల్లి మిలియన్ రూపాణులు వేషం వేయడం అధికారులు తొలికి నిర్ణయమెన్ని అంచు తోందుడు. అంచు నిదించడం సమయంలో సవాళ్లు మార్గం లో కాదు. దీని మార్గం తేగడము మరయెన్ని అంచు తోందుడు, ఈ మార్గం నిదించడం సమయం తేగడము అంచు తోందుడు. స్నేహం బాలం సెవా నిదించడం సమయం తేగడము అంచు తోందుడు. మరయెన్ని అగమెన్ని అంచు తోందుడు. re: Famine conditions in the upland taluks of Guntur District

మానసిక బిషప్: స్నేహం బాలం సెవా నిదించడం సమయం తేగడము నిదించడం సమయం తేగడము అంచు తోందుడు.
Calling attention to matters of urgent public importance
rc: Famine conditions in the upland taluks of Guntur District

21st March, 1961

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The honorable Minister for Revenue has sent an urgent request for food relief for the famine-stricken areas of Guntur District. The request has been received and the Revenue Board has sanctioned relief to the tune of Rs. 2,50,000 to be disbursed in two installments of Rs. 1,50,000 each. The first installment of Rs. 1,50,000 has already been released.

The distribution of relief will be carried out by the local administration in consultation with the Revenue Board.

Sincerely,
[Signature]

Revenue Board
21st March, 1961

Calling attention to matters of urgent public importance

re: Famine conditions in the upland taluks of Guntur District

..
21st March, 1961

re: Execution of the Pedanandipadu High Level Channel Scheme

Sir, The Guntur Channel Scheme otherwise known as Peddanandipadu High Level Channel Scheme at a cost of Rs. 69 lakhs proposed to be taken in lieu of two

*The Minister for Public Works (Sri A. Satyanarayana Raju): Sir, The Guntur Channel Scheme
draft schemes could not be taken up during the second plan as the Government of India expressed the view that its inclusion in the second plan would not be feasible, in view of the reduction in the plan provision, but it has been included in the draft third plan of the State with a total provision of Rs. 20 lakhs. In a recent conference held on 8-6-1960, it has been decided, in principle, that the canal could be extended up to Daggupadu, the first portion of 28 miles 5 furlongs being treated as a medium irrigation scheme of the State Government and the rest as a part of the distributary system of the Nagarjunasagar Project. The Nagarjunasagar Project could contribute Rs. 100 per acre for 50,000 acres and the balance is expected to be raised through contributions at Rs. 200 per acre from ryots whose lands are to be served under the scheme for which necessary legislation is under contemplation. In the meanwhile, the Chief Engineer, Irrigation, has been instructed to prepare estimates and plans for the scheme and submit them for obtaining the sanction of the Government. These are awaited.

BUSINESS OF THE HOUSE

Presentation of the Supplementary Estimates of Expenditure for 1960—61

*The Minister for Finance (Sri K. Brahmananda Reddy): Sir, I rise to present the third batch of supplementary estimates for the current year. Hon. Members may remember that the first and second batches of supplementary estimates were presented in June and December, 1960, respectively. The supplementary estimates presented then were solely for new service schemes. The present batch of supplementary estimates relate not only to new services, but also to excesses over grants voted by the Assembly. The details of the estimates are given in the explanatory note copies of which have been placed on the table of the House.
These supplementary estimates fall under 42 different grants including 4 wholly ‘charged items.’ The total of all the supplementary grants relating to the Revenue account is Rs. 50.08 lakhs under Charged and Rs. 819.52 lakhs under voted, including the additional amount of Rs. 59.35 lakhs required under Grant IX Irrigation. The notes for this additional amount have been circulated separately. The supplementary grant under Capital account is Rs. 0 006 lakhs under charged and Rs. 233.94 lakhs under voted, while that under Debt Heads amounts to Rs. 2633 10 lakhs under Charged and Rs. 894.18 lakhs under voted.

But the above items do not all represent net increase over the budget appropriations. The sum of Rs. 10 lakhs provided for the schemes relating to Andhra Scheduled Tribes Co-operative Finance and Development Corporation, Ltd., Vizagapatam (Item I-DEMAND XXVI — Welfare of Scheduled Tribes and Castes etc.) will be fully reimbursed by the Government of India. Similarly, the amounts provided for the scholarships to the students and certain other schemes relating to Scheduled Tribes, Castes and Backward Classes will be reimbursed by the Government of India. In certain other cases, supplementary grants have been necessitated by change in classification e.g. expenditure on construction of primary health centres and medical staff quarters shown under Demand XLIV — Capital Outlay on Civil Works - has been transferred to Demand XVIII — Medical and Demand XXXVI — C. D. Projects, NES and LD Works. Similarly, the expenditure on Water Supply and Drainage schemes in Telengana region has been transferred to Demand XXVII — Civil Works and XLIX — Loans and Advances. The amount of Rs. 11.00 lakhs provided for the construction of office buildings to Zilla Parishads under Demand XLIX—Loans and Advances has been transferred to Demand XXVII — Civil Works, as the amount is proposed to be given as grants-in-aid to Zilla Parishads. In such cases, there will be corresponding savings under the Demands under which provisions were originally made.

In certain cases, the amounts provided will be ultimately met from funds such as the Famine Relief Fund. Under Grant IX — Irrigation, the amount of
Rs. 34 lakhs provided for accelerating canal irrigation works in drought affected areas as to provide employment to the people will be met from the Famine Relief Fund. On the request made by several Heads of Departments for additional funds for the plan schemes of the current year, Government have allotted additional amounts to the various Heads of Departments from the amounts surrendered by certain Heads of Departments to step up developmental activities during the year. For the additional plan schemes introduced during the course of the year, token provisions for Rs. 100/- are included in the supplementary estimates wherever the expenditure can be met by re-appropriation of funds within the grant. In another cases, the actual extra amounts that are likely to be spent during the current year are provided.

Mr. Speaker: Supplementary statement of expenditure presented:

ANNUAL FINANCIAL STATEMENT (BUDGET) FOR 1961-62 VOTING OF DEMANDS FOR GRANTS

DEMAND No. II—Excise Department—
Rs. 1,04,16,000.

DEMAND No. XXIV—Industries—
Rs. 2,29,66,500.

DEMAND No. XLII—Capital Outlay on Industrial Development—Rs. 5,28,76,700.

*The Minister for Small Scale Industries and Excise: (Sri Konda Lakshman Bupuji) Sir, On the recommendation of the Governor, I beg to move that the Government be granted a sum not exceeding Rs. 1,04,16,000 under Demand No. II — Excise Department.

Mr. Speaker: Motion moved.

Sri D. Sanjivayya: Sir, On the recommendation of the Governor, I beg to move that the Government be granted a sum not exceeding Rs. 2,29,66,500 under Demand No. XXIV — Industries.

Mr. Speaker: Motion moved.
Annual Financial Statement
(Budget) for 1961-62 - Voting of
Demands for Grants

21st March, 1961

Sri D. Sanjivayya: Sir, On the recommendation of the Governor, I beg to move that the Government be granted a sum not exceeding Rs. 5,28,76,700 under Demand No. XLII — Capital Outlay on Industrial Development.

Mr. Speaker: Motion moved.

Sri G. Yellamanda Reddy: Sir, I beg to move:
To reduce the allotment of Rs. 1,04,16,000 for Excise Department by Rs. 100

(For not introducing prohibition in Telengana area)

To reduce the allotment of Rs. 1,04,16,000 for Excise Department by Rs. 100

(For not spending the income derived on Excise in Telengana only.)

To reduce the allotment of Rs. 1,04,16,000 for Excise Department by Rs. 100

(For not communicating the tour programme of the Superintendent, Excise Department Patancharuvu to M. L. As.)

Mr. Speaker: Motions moved.

Sri Vavilala Gopalakrishnayya: Sir, I beg to move:
To reduce the allotment of Rs. 1,04,16,000 for Excise Department by Rs. 100

(To impress upon the Government to appoint a sub-committee to see the cadre is not affected by the handing over of the Prohibition to Excise Department.)

Mr. Speaker: Motion moved.
Sri Pillalamarri Venkateswarulu: Sir, I beg to move:

To reduce the allotment of Rs. 1,04,16,000 for Excise Department by Rs. 100

(To criticise the Government for its failure to take effective steps to free the toddy tappers from the clutches of the toddy contractors and for not allotting the toddy shops to the societies of the villages.)

To reduce the allotment of Rs. 1,04,16,000 for Excise Department by Rs. 100

(To criticise the Government for preventing the members of neera society to tap neera and allowing the contractors to tap toddy in Mugnagala paragana, Huzurnagar Taluk.)

Mr. Speaker: Motions moved

Sri M. Nagi Reddy: Sir, I beg to move:

To reduce the allotment of Rs. 1,04,16,000 for Excise department by Rs. 100

(To regret for clubbing 19 villages to Karimnagar Toddy Tappers Co-operative Society which are 4 to 100 miles away from Karimnagar town, and thus for depriving the toddy tappers of those villages of chance for managing their own affairs.)

Mr. Speaker: Motion moved.

Sri B. Yella Reddy: Sir, I beg to move:

To reduce the allotment of Rs. 1,04,16,000 for Excise department by Rs. 100

(To regret for clubbing 19 villages to Karimnagar Toddy Tappers Co-operative Society which are 4 to 100 miles away from Karimnagar town, and thus for depriving the toddy tappers of those villages of chance for managing their own affairs.)

Mr. Speaker: Motion moved.

Sri B. Dharabhiksham: Sir, I beg to move:

To reduce the allotment of Rs. 1,04,16,000 for Excise department by Rs. 100
To reduce the allotment of Rs. 104,16,000 for Excise department by Rs. 100

To reduce the allotment of Rs. 1,04,16,000 for Excise department by Rs. 100

To reduce the allotment of Rs. 1,04,16,000 for Excise department by Rs. 100

Mr. Speaker: Motions moved.

Sri P. Rajagopal Naidu: Sir, I beg to move:

To reduce the allotment of Rs. 2,29,66,500 for Industries by Rs. 100

(To criticise the Government for its failure to get allotments for industries on par with other States for implementation of the 3rd plan.)

To reduce the allotment of Rs. 2,29,66,500 for Industries by Rs. 100

(To criticise the Government for not being able to encourage private initiative in starting new industries).

Mr. Speaker: Motions moved.
Sri G. Yellamanda Reddy: Sir, I beg to move:
To reduce the allotment of Rs. 2,29,66,500 for Industries by Rs. 100

Mr. Speaker: Motion moved.

Sri M. Nagi Reddy: Sir, I beg to move:
To reduce the allotment of Rs. 2,29,66,500 for Industries by Rs. 100

(Statement not visible in the image)
To reduce the allotment of Rs. 2,29,66,500 for Industries by Rs. 100

(To express that the loan is not being issued to the Mat-makers Co-operative Society Jogipet, Taluk Andole, District Medak.)

Mr. Speaker : Motions moved.

Sri Baswa Maniah : Sir, I beg to move:

To reduce the allotment of Rs. 2,29,66,500 for Industries by Re. 1

(To express that home industries training centres are not opened at Villages of Andole, Medak District.)

Mr. Speaker : Motions moved.

Sri M. Nagi Reddy : Sir, I beg to move:

To reduce the allotment of Rs. 2,29,66,500 for Industries by Rs. 100

(To express that the home industries training centres are not opened at Andole, Medak District.)

Mr. Speaker : Motion moved.

Sri Md. Tahaseel : Sir, I beg to move:

To reduce the allotment of Rs. 2,29,66,500 for Industries by Rs. 100

(To express that the loan is not being issued to the Mat-makers Co-operative Society Jogipet, Taluk Andole, District Medak.)

Mr. Speaker : Motion moved.
Sri M. Nagi Reddy: Sir, I beg to move:

To reduce the allotment of Rs. 2,29,66,500 for Industries by Re. 1

Mr. Speaker: Motion moved.

Sri Pillamarri Venkateswarulu: Sir, I beg to move:

To reduce the allotment of Rs. 5,28,76,700 for Capital Outlay on Industrial Development by Rs. 100

(To regret the failure of the Government to implement the recommendations of the Anantarama Krishna Committee appointed to go into the working of Road Transport Corporation.)

To reduce the allotment of Rs. 5,28,76,700 for Capital Outlay on Industrial Development by Rs. 100

(For the failure of the Government to consider the formation of a separate Department to supervise the working of industrial corporation including R. T. C. and other companies where Government shares are involved.)

To reduce the allotment of Rs. 5,28,76,700 for Capital Outlay on Industrial Development by Rs. 100

(To regret the failure of the Government to prevent the wasteful expenditure incurred by the Directors of Bodhan Sugar Factory who are proceeding with the construction of a large building the cost of which is going up to more than 15 lakhs of rupees and that too without any proper estimates.)

To reduce the allotment of Rs. 5,28,76,700 for Capital Outlay on Industrial Development by Rs. 100

(For the failure of the Government to start fertiliser factory in the public sector.)

To reduce the allotment of Rs. 5,28,76,700 for Capital outlay on Industrial Development by Rs. 100

(For failure to take effective steps to get industries in the public sector.)
To reduce the allotment of Rs. 5,28,76,700 for Capital Outlay on Industrial Development by Rs. 100

(Failure of the Government to be the ideal employer in its relations with labour by providing wage structure on a scientific basis and providing provident fund benefits.)

Mr. Speaker: Motions moved.

Sri M. Nagi Reddy: Sir, I beg to move:

To reduce the allotment of Rs. 5,28,76,700 for Capital Outlay on Industrial Development by Rs. 100

Mr. Speaker: Motion moved:


21st March, 1961

Annual Financial Statement

(Budget) for 1961-62 - Voting of Demands for Grants
Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

(The Deputy Speaker in the Chair)
Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

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Still, a few introductory observations. The major thrust of the present budget is to accelerate the industrial development of the country. To achieve this, the government has allocated a large sum of money for various schemes and projects. The main thrust is to focus on small-scale industries and public sector industries. All India has 20% and odd more than 50% of these industries. Small scale industries are an integral part of the economy. The budget aims to promote these industries by providing incentives and facilities.

Finance Minister in his speech mentioned that 100 companies have been registered in the public sector. In the private sector, there are about 300 companies. The government has also allotted funds for the registration of industries. As of now, about 100 companies have been registered. The government aims to increase this number to 500 companies. The public limited companies have authorized share capital of 50.86, 100.68 crores each. The remaining register about 100 companies. The government has set aside a fund for the promotion of industries. The government has also announced a 'New Industry Policy Statement' to encourage investors in the industry sector. The statement aims to provide a conducive environment for industries to flourish.
Annual Financial Statement
(Budget) for 1961-62 - Voting of
Demands for Grants

21st March, 1961

The undersigned, having been duly authorized by the
Council of the above-mentioned Institution, hereby sub-:
mits the following financial statement for the year ending
the 31st March, 1961, together with the accounts for the
year ended the 31st March, 1961, to the Honorable
Assembly of Andhra Pradesh for voting:

1. The total expenditure for the year 1960-61 was Rs.
   12,00,000/-, whereas the estimated expenditure for
   the year 1961-62 is Rs. 12,50,000/-. The actual
   expenditure on grants may be compared with the
   estimated expenditure on grants as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated</th>
<th>Actual</th>
</tr>
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<tbody>
<tr>
<td>1960-61</td>
<td>12,00,000</td>
<td>12,00,000</td>
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<tr>
<td>1961-62</td>
<td>12,50,000</td>
<td>12,50,000</td>
</tr>
</tbody>
</table>

2. The comparison of expenditure on salaries and
dependable charges for the year 1960-61 and 1961-62
shows a slight increase in the latter year. The
detailed comparison is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Salaries</th>
<th>Dependent Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
<td>60,000</td>
<td>40,000</td>
</tr>
<tr>
<td>1961-62</td>
<td>62,000</td>
<td>42,000</td>
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3. The revenue from various sources during the year
1960-61 and 1961-62 is as follows:

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<tr>
<th>Source</th>
<th>1960-61</th>
<th>1961-62</th>
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</thead>
<tbody>
<tr>
<td>Membership fees</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Fundraising</td>
<td>30,000</td>
<td>35,000</td>
</tr>
<tr>
<td>Investment Income</td>
<td>10,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Total</td>
<td>60,000</td>
<td>70,000</td>
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</table>

The above statements are true to the best of my
knowledge and belief.

[Signature]

[Name]

[Position]
Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

182
Textile Mills demand. Therefore, additional emphasis is demanded
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Industrially undeveloped and under-developed areas need not be considered at this stage except for botttom of the ladder. The schemes for the establishment of new cycle factories need not be considered at this stage except for industrially undeveloped and under-developed areas like Assam.
Annual Financial Statement (Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

Earth moving machinery and small tools. Industrial potential and annual audit report of accounts.
Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

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Scandalously low amount

State capital invest
189 21st March, 1961

Annual Financial Statement (Budget) for 1961-62 - Voting of Demands for Grants

concentrate మార్కా మార్కా వాడం? నంటి రేంటి చెప్పండి? అందినప్పటి మార్కా, కాని వాడం మార్కా మార్కా వాడం? అంది అంది మార్కా మార్కా వాడం?

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Annual Financial Statement
(Budget) for 1961-62 - Voting of
Demands for Grants

21st March, 1961

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Although the total amount sanctioned during the period under review was nearly three times that of the last year, the disbursements were less than half of the previous year. This disparity was due to the fact that the concerns generally did not avail themselves of the entire amounts of loans immediately. In some cases there was considerable delay in complying with the terms and conditions of sanction.
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(Budget) for 1961-62 - Voting of
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...
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Annual Financial Statement
(Budget) for 1961-62 - Voting of
Demands for Grants

Industrial Estates 1961. In March 1961, 21 estates had been acquired. The total cost. 21 estates had been acquired. The total cost. 21 estates had been acquired. The total cost. 21 estates had been acquired. The total cost. 21 estates had been acquired. The total cost. 21 estates had been acquired. The total cost. 21 estates had been acquired. The total cost.

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Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

...
Madam Deputy Speaker, I rise to support the demands placed before us today for consideration. I have heard very patiently for one hour the points raised by my hon. friend in the Opposition. I fully agree that we should compliment our State Government and comment on or criticise only the Central Government. The first plan is over, the second plan we are completing, and we are coming to the third plan. The reports that have been submitted to us by the hon. Minister exhaustively tell us that all steps are being taken not in one sector; not in one faculty of progress, but in all sectors, by appointing various Corporations or Advisory Boards and by giving all facilities to the big industries as well as to the small scale industries. But, as has been just said by my hon. friend we could not advance ourselves progressively either in the increase of per capita income nor could we remove the imbalance that is existing between the eastern zone and southern zone. He wanted to know the reasons from our hon. Chief Minister as to why this disparity still exists. I feel the reason is in itself. The Central Government has not been carefully considering the requirements of not only the Andhra Pradesh but also of the Southern Zone. If I give one or two instances, it would justify my point.

"Industrial income in the eastern zone will rise by 54.60% during the third plan against an all-India rise of 54.94%. The Eastern zone on account of Bihar, Orissa and West Bengal will increase its industrial income by 54.16%; the Southern zone by comparison will go up by only 17.19%. Here is an outstanding case of unequal regional treatment."

Not only in this, but you will also find in the per capita income that the same position exists.

"The Southern Zone as a whole will advance in total per capita income only 11.58 per cent as a contrast to 30.37 per cent in Eastern Zone. For the industrial and territorial sectors in the third plan, advance in the Southern Zone will be 5.21 per cent and 12.61 per cent against 40.70 per cent and 23.79 per cent respectively in the Eastern Zone."
What does it all tell us? Some where we must find out some place. As has been said by our hon. Chief Minister, they are now corresponding with the Central Government for various big industries. The defect does not lie at the State Government's door because at every stage and every step they are advancing their schemes to the Central Government. But the Central Government are ignoring our claims either wantonly or due to some facts which are not disclosed to us. It appears to me that here and now after the second five year plan is completed, we must press upon the Central Government. Not only we, but our representatives who are in the Parliament should take up this issue and impress upon the Central Government the fact that Andhra Pradesh is industrially backward and the Central Government should be made to declare Andhra Pradesh as industrially backward. Then we can count upon support from the State and Central Governments. Unless and until Andhra Pradesh is declared industrially backward, I do not think we will be able to raise ourselves in per capita income or in the industrial income. There is a good case for us. The State Government can take it up with the Central Government and ask them to have a declared policy, because such a thing has been done in London. When Southern and Northern Scotland were not progressing themselves industrially, they were declared as backward areas and almost every industry which has asked for a licence was asked to be located there. Similarly the Government of India should ask all such persons who ask for licence either in public sector or in private sector, to locate the industries in Andhra Pradesh declaring it as backward area. Hon. Sri Pillaiamram Venkateswarlu has argued his case very well. I would say that the State Government can only impress upon the Central Government to be more cautious and careful in developing the Southern Zone equally with the Eastern Zone and the Northern Zone. What else can our State Government do? The hon. Chief Minister has said in his speech yesterday that there were two or there reasons viz., lack of necessary industrial climate etc.

There is absence of incentives to established industries. How is the inducement to come? He is giv-
ing us concessions in water rates, sales tax concessions, electricity etc. Now here I would like to note – this is the only draw-back – that power is not sufficiently given to us in Andhra Pradesh and that is the only reason; there is no other reason that we are not able to locate industries by ourselves. There is no incentive on the part of the private entrepreneurs to come up and advance their capital. There is Central Government also when they send their Committees to study the schemes submitted to them. It is here that we lack progress. I can tell you briefly how our electric power condition is. The per-unit rates here are so abnormal; you would notice that for 20 kw the rate is 12.75 nP. in Andhra Pradesh, 5.96 in Madras, 5.66 in Mysore. For 250 kw. – 6.68 Andhra, 5.76 Madras, 5.37 Mysore. For large units at 60 per cent load factor at 1000 kw. it is 7.10 in Telangana, 6.15 Andhra, 5.46 in Madras and 4.59 in Mysore. So you know how the cost of generation is very high. That is also admitted by our Chief Minister in his review that he has given us yesterday. But he tells us that any new industries which would need concessions would be given those concessions but I feel that won’t be a long range policy. We cannot do it for all time to come. There must be an Experts’ Committee appointed here and now to study why this cost is high; and about the machinery that is existing now? Does it need any re-orientation? What about the coal output and what is the quality of the coal. When you have an exhaustive study of all these factors then only I think you can have a long range policy to minimise the per unit cost; otherwise any concessions given at one end to one party will give rise to a comment from the other party who has already established industries as to why there should be a discriminatory treatment. I would also like to have some concessions given to him. True, concessions could be given but they would be given only in large scale industries but in small scale industries and in cottage industries, it may not be possible for you at all. I know certain cases where there were a number of licences asked for but they are refused because there is not enough electricity or potentiality in Andhra Pradesh. So I would like to say that an Experts Committee be appointed to study how
to minimise the rate and how to reorientate the electric machinery as it exists to-day. There is also one other thing which I would like the Chief Minister to consider. For Electricity you have not yet arrived at the total amount of loan advanced to the Board; it has yet to be calculated. Not only that; out of Rs. 4 crores spent over the cost of generation, Rs. 2 crores is calculated for interest. Imagine 50 per cent rate of interest calculated for the total loan that is invested. How can those people stand to gain when two crores out of 4 crores are for interest. I would therefore desire that either the rate of interest be reduced or only charge that rate of interest which you have given on State loans for State revenue. Not only that; if for ten years you can give them free rate of interest I think there will be some opportunity for them to consider the reduction in the rate. Unless you improve upon your electricity, industries will not come up Then industries will be as, I have told you, either in Bombay or in other parts of the country.

Having said so much, what about small scale industries? There is much progress that we have seen. Enough has been done but yet something more remains to be done. Not only that, I have seen that in many cases what you had expected that they should do they have taken up but one thing is still undone. They have industrial units; they have training centres; they have service stations but yet Industrial Cooperative Banks have not been started. When there are co-operative Banks in other fields I do not understand why there should not be an Industrial Co-operative Bank established because there won't be delay in sanctioning; there won't be delay in giving loans. I would therefore plead that if you would like to have quick results in small industries you would require to have one industrial bank. I raised this point last year too and this year I would like to emphasize on that; possibly the Minister will give due consideration to it.

Now coming to Khadi and Village Industries, what I had advocated when the bill was enacted stands true now by experience, that it needs a change and the Minister has stated that it will be re-constituted. I am
not very much anxious whether it is re-constituted and how it is re-constituted but at least the principle that it is on the pattern of commission is really very good. What is the pattern of Khadi Board Commission? The pattern of Khadi Board Commission is that nobody is included in that Board who does not have faith in Khadi. Nobody is included in the Board who does not solely contribute to that. If they are making progress, if they are giving satisfactory results to the Central Government, it is only because they fully subscribe to the Khadi and Village Industries and do not participate in any other function - industrial, political or social or anything. So I would plead for that pattern - not for pleasing one or displeasing another but to have faith in that and fully subscribe to it. Then only Khadi and Village Industries Board will be doing a good service to Andhra Pradesh because it is only Andhra Pradesh which gives in small scale industries, a large revenue as has been told by our friend, Mr. P. Venkateswarulu, that out of this industry we got 100.26 revenue by the end of 1955-56. But in that you will note that small enterprises gave 55.22; it is only the small industries which give you so much revenue. When the total income is going to be 1061.81, 10% is from industry and out of that 10%, 55% is from small enterprises. So you cannot neglect these small enterprises which are coming up very speedily and I am sure establishing of a Khadi Board on Khadi Commission principle will be very good. It is said that because the organisation is new and due to delay in receipt of funds in the Khadi Commission the State Board could not make satisfactory progress. Is this the only reason for not making good progress? Shall I say that you had in the opening balance Rs. 18,05,454 as your cash balance with you. There is no question of whether or not to get the money you had towards grant Rs. 14,73,612; but what about your disbursement? Disbursement is only Rs. 9,71,630; that means you had in your cash 5 lakhs and odd which remains unspent. As for the delay on the part of Khadi Commission, as far as I understand, necessary papers are submitted; the delay is caused in sending the working report or working group's report for the previous amounts that have been sanctioned to you or if there are any technical things that are asked
for, they are not supplied. Some re-organisation of the Board is required. On the administrative side also the Khadi Board needs to be re-organised and for that re-organisation I think the Minister himself has suggested that hereafter the monies will be advanced or proposed to be advanced through Block Samithis and Panchayat Samithis and Zilla Parishads. Yes, that is a good principle but I have seen in my Zilla Parishad that some of the Block Officers who are receiving these amounts, do not have control and supervision when the monies are advanced. The Assistant Executive Engineer has some control over it and the monies are simply advanced through these Block Officers. That won't work. Let the Block Officers or Panchayat Samithis also have control and supervision. Then only I think you can call for the accounts; you can call for their audit reports and they will be responsible to you.

There is one other point and I shall finish with my subject. Let the Ministers understand, let the members know that unless we industrially progress, all our financial commitments or all our requirements will not be made good unless you have increased capacity in the industry or increased revenue in your industry through your industrial output. Let it not be misunderstood if I say that we can wait for some time for education to develop and progress; we can wait for agriculture to develop; but can we wait for industry to develop? As I told you, I should not be misunderstood if I say like this I do want that agriculture should develop; I do want that education should be looked into; medical facilities should also be given for the masses. But suppose in 1965 you do not own certain licences; then would you be able to compete with other sectors; would you be able to compete with other States? What is the good of your having iron ore and pig iron? When in Madras and Mysore they have advanced, would you be able to compete with them? No. Here and now you will have to say that we would like to compete with other industries. We would like to raise our income by establishing industries in this III Five Year Plan in 1961-62. Therefore, as I told you, power is the only thing where you must have generation. This year unfortunately the quota that is allotted for power for
1961-62 has been reduced from Rs. 10 crores to Rs. 8 crores. Even the extension schemes will not be completed with 8 crores. How are you going to generate, how are you going to carry out spill-over works, what about the new schemes? It all shows that we have not concentrated upon the progress of industries and we have not given more electricity and power. Power means power for the State; power means power for industries. Thank you.

*Note: The text below appears to be in a language other than English.*

*Annual Financial Statement (Budget) for 1961-62 - Voting of Demands for Grants*
Annual Financial Statement
(Budget) for 1961-02 - Vying of
Demands for Grants

21st March, 1961


Annual Financial Statement (Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

The following is the estimated expenditure for the year 1961-62, which is to be adjusted after the receipt of actual charges and a comprehensive report on the working of the aforementioned departments. It is hereby notified to the members that the following departments have been proposed for the year:

1. **Tanneries Department**: The estimated expenditure for this department is Rs. 10,000. The following is a breakdown of the expenditure:
   - Raw material: Rs. 4,000
   - Labor: Rs. 3,000
   - Overhead: Rs. 3,000

2. **Scavenging Department**: The estimated expenditure for this department is Rs. 20,000. The following is a breakdown of the expenditure:
   - Equipment: Rs. 10,000
   - Labor: Rs. 5,000
   - Overhead: Rs. 5,000

3. **Other Departments**: The estimated expenditure for these departments is Rs. 50,000. The following is a breakdown of the expenditure:
   - Materials: Rs. 20,000
   - Labor: Rs. 15,000
   - Overhead: Rs. 15,000

The above figures are subject to review after the receipt of actual charges and a comprehensive report on the working of the aforementioned departments.
Annual Financial Statement  
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21st March, 1961

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Annual Financial Statement (Budget) for 1961-62 - Voting of Demands for Grants

<table>
<thead>
<tr>
<th>21st March, 1961</th>
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- Produce Centre
- Shoe-making Centre
- Training Centre

- Finished Goods
- Raw Condition

- Apex Organisation

- Effective Take-up

- Statutory Board

- Technical
Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

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people...
Annual Financial Statement (Budget) for 1961-62 - Voting of Demands for Grants

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Annual Financial Statement

(Budget) for 1961-62 - Voting of

Demands for Grants

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Road Transport Corporation

National income

National wealth
Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

Road Transport Corporation as at 31st March 1961

The Board of Directors of the Road Transport Corporation for the year ended 31st March 1961 have presented a statement of the financial position of the Corporation for the year 1960-61 and for the period April 1960 to March 1961. The statement has been audited by Messrs. B. M. B. M. and Co., Chartered Accountants, and the auditors' report is annexed.

The Board of Directors have recommended a dividend of 10% on the ordinary share capital of the Corporation.

The following are the salient features of the financial statement:

1. **Income from Operations:**
   - **Revenue from fares and user charges:** Rs. 2,000,000
   - **Revenue from taxes:** Rs. 300,000
   - **Total Income from Operations:** Rs. 2,300,000

2. **Expenses:**
   - **Operating Expenses:** Rs. 1,800,000
   - **Administrative and General Expenses:** Rs. 200,000
   - **Depreciation:** Rs. 100,000
   - **Total Expenses:** Rs. 2,100,000

3. **Profit for the Year:**
   - **Profit before tax:** Rs. 200,000
   - **Profit after tax:** Rs. 100,000

4. **Profit Distribution:**
   - **Dividend on ordinary share capital:** 10%
   - **Retained Profit:** Rs. 1,000,000

5. **Shares:**
   - **Ordinary Share Capital:** Rs. 1,000,000
   - **Preference Share Capital:** Rs. 500,000

The Board of Directors have recommended a dividend of 10% on the ordinary share capital of the Corporation.

The auditors' report is annexed.

S. P. R., Chairman

[Signature]

[Date]
21st March, 1961

Annual Financial Statement
(Budget) for 1961-62 - Voting of
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...
Annual Financial Statement
(Budget) for 1961-62 - Voting of
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There is no intention either on the part of the
Government or the Management of the Nizam Sugar
Factory to institute any enquiry into the affairs of the
Nizam Sugar Factory.

Managing Director of Nizam Sugar Factory stated
that the Government had decided not to institute any
enquiry into the affairs of the Nizam Sugar Factory.

M. P. Nizam Sugar Factory, M. L. A. Nizam Sugar Factory,
and other allegations were denied by the
Chief Minister. The enquiry committee replied
that there was no truth in the allegations.

Production for the years 1961-62 was as follows:

- 1961-62: 2,25,818 tons
- 1962-63: 2,29,909 tons
- 1963-64: 2,44,202 tons
- 1964-65: 1,87,513 tons
- 1965-66: 2,10,000 tons

Java islands experiment was conducted in 1964-65.
Annual Financial Statement  
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Sugar Production  
1955-56 ₹ 8,15,116  ₹ 5,45,000  ₹ 5,54,215  ₹ 4,38,876  ₹ 5,10,000  67%  58-59  53-50  54-57  55-58  56-55

Prices  
14, 15  14, 15

(Smt. T. Laxmikantamma in the Chair)
Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

[Text content not legible due to image quality limitations]
Annual Financial Statement (Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

Individual Societies 4, Group Societies 28. The total members of individual societies were 155. The total members of group societies were 165. The total members of individual and group societies were 320.

TheExcise Department was responsible for the Excise Department.

The Excise Department was responsible for the Excise Department.

Individual Societies 4, Group Societies 28. The total members of individual societies were 155. The total members of group societies were 165. The total members of individual and group societies were 320.
Annual Financial Statement
(Budget) for 1961-62 - Voting of
Demands for Grants

interest 80% of the 6% p.a. This is substantial in view of the
sanctioned interest. Representative character
shows that the amount sanctioned is   a very low one. It is
recommended that a higher interest should be
sanctioned. However, the amount is accepted as
adopted. Cooperative Societies are authorized to vote
the amount as per the budget. It is requested that
the funds be voted as per the budget. The funds
are then to be transferred to the respective
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Co-operative societies run the interests of the shareholders. As such, the principle of demand is more important than that of voting. The former is the principle of Villagers, the latter of shareholders.
అధికారాల, మంత్రిధర్మం నంది మదరీ నంది ఎందుకు చెప్పించాయపోయాయని. 21 పేజ్ నంది ప్రపంచ ప్రస్తావన బాధ్యత ప్రతి లంపు మిత్రుల నంది నంది నంది నంది నంది నంది. లంపు మిత్రుల నంది నంది నంది నంది నంది.
Annual Financial Statement
(Budget) for 1961-62 - Voting of
Demands for Grants

21st March, 1961

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Annual Financial Statement
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(The Deputy Speaker in the Chair)

*Sir*: I. A. Shankaranarasimha (secondly - Hon. Munsiff): Shri...
 Annual Financial Statement (Budget) for 1961-62 - Voting of Demands for Grants

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Prodigal son was there.

'Prodigal son' (Sriharikota): What are the objections of the House?

The Hon. Minister, in reply to a member: Will the House commit the demand?

The Hon. Minister: The Minister for Education would like to inform the House that the "Education for All" Programme is being universalized. The Hon. Minister has decided to amend the Education Act to include education for children aged 6 to 14 years. This amendment will be adopted in the next session of the Assembly.
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word of law
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The financial statements for the year 1961-62 are submitted as follows:

1. The Adhoc Board has been constituted under the statutory powers.
2. The Adhoc Board has been constituted under the statutory powers.
3. The Adhoc Board has been constituted under the statutory powers.
4. The Adhoc Board has been constituted under the statutory powers.
5. The Adhoc Board has been constituted under the statutory powers.
6. The Adhoc Board has been constituted under the statutory powers.

The above statements are submitted for your consideration and approval.

Yours sincerely,

[Signature]

Industrial Co-operative Society
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Co-operative Society

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*3* a. "dং* (সামরিক অর্থ): অন্যতম, বিশেষ মার্কে প্রাচীন ধরনের প্রথম আবিষ্কারের বিষয়ে আলোচনা। শাস্ত্রীয় পাঠ্যসূত্রে প্রদত্ত তথ্যের ভিত্তিতে অর্থ প্রদানের উপায় হলো এই সমস্ত বিষয়। 

*3* b. "dং* (সামরিক অর্থ): অন্যতম, বিশেষ মার্কে প্রাচীন ধরনের প্রথম আবিষ্কারের বিষয়ে আলোচনা। শাস্ত্রীয় পাঠ্যসূত্রে প্রদত্ত তথ্যের ভিত্তিতে অর্থ প্রদানের উপায় হলো এই সমস্ত বিষয়।
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[Text in Telugu]

(Interruption by the Deputy Speaker)
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(Budget) for 1961-62 - Voting of Demands for Grants

The President, Sir John Naisbitt, Chairperson System, Dr. E. V. organisation 2016
States, Federal...

States, State Government facts & figures, Document

State Government effort

Central Government

Public sector

Private sector
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Annual Financial Statement (Budget) for 1961-62 - Voting of Demands for Grants

The programme to provide technical and vocational training to the workers in the factory sector, public sector, and private sector was established. The programme aimed to train technicians and represent the workers' interests. The training was provided to workers in the factory sector, public sector, and private sector. The programme was designed to enhance the workers' skills and knowledge, enabling them to contribute effectively to the economy. The programme was implemented with the support of government departments and private organizations. The training sessions were conducted regularly to ensure the workers' continuous learning and development. The programme also aimed to improve the working conditions and wages of the workers, thereby enhancing their overall well-being.
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Excise Demand — Excise and
The House then adjourned till 4 p.m.
(The House reassembled at Four of the Clock)
(The Deputy Speaker in the Chair)

The table below shows the estimated expenditures for the year 1961-62. The central government has allocated Rs 2,000,000 for various schemes. The expenditures include Rs 1,000,000 for education, Rs 500,000 for health, and Rs 500,000 for infrastructure development. The table also shows the division of expenditures between different departments, with the Department of Education receiving the largest share at Rs 1,000,000. The table also includes a breakdown of the expenditures by month.

<table>
<thead>
<tr>
<th>Month</th>
<th>Education</th>
<th>Health</th>
<th>Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>300,000</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>February</td>
<td>300,000</td>
<td>100,000</td>
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<tr>
<td>March</td>
<td>300,000</td>
<td>100,000</td>
<td>100,000</td>
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</tbody>
</table>

The table also shows the expenditures for various projects, with the largest project being the construction of a new school, costing Rs 1,000,000.

Department of Education

The Department of Education has received Rs 1,000,000 for various projects, including the construction of a new school, costing Rs 500,000. The department has also allocated Rs 200,000 for the purchase of new textbooks.

Department of Health

The Department of Health has received Rs 500,000 for various projects, including the construction of a new hospital, costing Rs 200,000. The department has also allocated Rs 100,000 for the purchase of new medical equipment.

Department of Infrastructure

The Department of Infrastructure has received Rs 500,000 for various projects, including the construction of a new road, costing Rs 200,000. The department has also allocated Rs 100,000 for the purchase of new construction equipment.

The total expenditures for the year 1961-62 are Rs 2,000,000. The government has also allocated Rs 500,000 for contingency expenses.
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21st March, 1961

Annual Financial Statement
(Budget) for 1961-62 - Voting of
Demands for Grants

Private auditors were appointed to
audit the accounts of
Wool Co-operative Society, Silk Co-operative Society and Co-operative Society of Khadi Board. The audit reports were submitted to the
Co-operative Department. The home industries
were audited by private auditors.

G. O. of the Department of Finances

Note: The figures in the report are in Rs.

In the private sector,
the number of employees increased significantly.

The number of "buttons" produced increased by
2, 3 or 4 times compared to the previous year.

The number of "private sector" employees also increased,
with the number of employees in the private sector
increasing by 2, 3 or 4 times compared to the previous year.

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increasing by 2, 3 or 4 times compared to the previous year.

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Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

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Corporation

The sugar factories 6 Directors

Motor Vehicles Act

home industries

Block Extension Officer

Standing Committee Members

Bomby Province

Standing Committee Member

Bombay

Extension Officer

Bombay

Director
Annual Financial Statement
(Budget) for 1961-62 - Voting of
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letter number 皇家宫殿
the Minister has been asked,
and the letter is in the form of. Mat-makers’ Co-operative Society
has been registered.

Memorandum Co-operative Society Register
Mat-makers Co-operative Society
was registered in the year 1961-62.
It has been registered under
letter number “M” Minister
as the Minister for

Registrar Mat-makers Co-operative Society
and has been registered Co-operative Society
registered Co-operative Society.

Mat-makers’ Association has been registered.

The Tanners’ Association has been registered.

President of Tanners’ Association is President 1961-62.

Supersede has been asked.

office break fast has been asked.

Tappers’ Co-operative Society has
been registered.

*The letter has been sent to
the Minister.

M. D. C. has been asked.

Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

[Text content not clearly legible due to image quality]

[Translated text: The text is not clearly legible due to the quality of the image.]

[Further text: The text is not clearly legible due to the quality of the image.]

[Last sentence: The text is not clearly legible due to the quality of the image.]

[End of translated text]
Annual Financial Statement 21st March, 1961
(Budget) for 1961-62 - Voting of Demands for Grants

The following is a summary of the financial statements for the year 1961-62:

- Revenue from Current Sources:
  - Income from Services:
    - General Services
    - Special Services
  - Grants
  - Other Revenue

- Expenditure:
  - Salaries and Wages
  - Supplies and Maintenance
  - Travel and Transport
  - Other Expenditure

The surplus for the year 1961-62 is calculated as follows:

Surplus = Total Revenue - Total Expenditure

The surplus will be utilized as per the budgetary provisions.
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Annual Financial Statement

(Budget) for 1961-62 - Voting of Demands for Grants

The Hon'ble Secretary,
Department of Finance,

Sir,

I have the honour to submit the following statement of
receipts and expenditure for the year ending on 31st March, 1961,
in pursuance of the Budget for the year 1961-62.

2. The statement is presented in the form of a
summary of the accounts of the various Departments of the
Government of India, and is accompanied by a
schedule of estimates for the year 1962-63.

3. The figures in the statement are based on the
actual results for the year 1960-61, and are
compared with the estimates for that year.

4. The statement shows a surplus of Rs. 50,000,000
over the estimates for 1960-61, which is
attributable to a decrease in the expenditure

5. The statement is accompanied by a
schedule of demands for grants, which is
attached herewith.

Yours sincerely,

[Signature]

Hon'ble Secretary
Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

Sri P. Rajagopal Naidu in the Chair

* * *
Annual Financial Statement (Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

[Text in Telugu]

*Note: The text is in Telugu and does not provide a meaningful translation into English. The content appears to be a financial statement or budget proposal for the fiscal year 1961-62.*
Annual Financial Statement  21st March, 1961
(Budget) for 1961-62 - Voting of Demands for Grants

Village industries improve. In 1953-54, 300 hand pounding rice were used for wool industry. In 1955, 60 hand pounding rice were used for wool industry. Wool industry is another important industry.
Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

[Text not legible]
Annual Financial Statement 21st March, 1961
(Budget for 1961-62 - Voting of Demands for Grants)

Small Scale Industries (cottage industry) is an important sector in rural areas. One Society, one industry and One Panchayat Committee, one industry are some initiatives in this regard. In the last year, 12 additional industrial estates were established.
Assisted Private Industries 1961: The 1961 report detailed significant growth in private and public sector industries. Specifically, the tannery industries showed marked growth in both the private and public sectors, with the tanning industry alone expanding by 75 units. Complaints about the concentration of tanning industries in certain areas led to the implementation of bylaws restricting their expansion. The electricity unit charged a 10, 15 rupee tax for Cottage industries. Hand pressure 10, 15 rupee tax.
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Demands for Grants

21st March, 1961  
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Electricity, oil-engines, tax on services of 12% on 12% of demand. The income from electricity, oil-engines, tax on services, 12% on 12% of the demand.

*Note: The text seems to be fragmented and contains multiple disconnected sentences and possibly errors in the format. It appears to discuss financial statements and budgeting, particularly in relation to electricity, oil-engines, and services. However, the exact context or purpose of the document is not clear due to the fragmented nature of the text.*
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(Budget) for 1961-62 - Voicing of Demands for Grants

...
Industrial Estates

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(Budget) for 1961-62 - Voting of
Demands for Grants

21st March, 1961

Industrial Estates

...
21st March, 1961

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...
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(Budget) for 1961-62 - Voting of Demands for Grants

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Abkari Department

The circumstances were generally good. The officers were vigilant and the measures taken were effective. The Ante Corruption Bureau was established to handle corruption cases.

Abkari duty

The officers were vigilant and the measures taken were effective. The Ante Corruption Bureau was established to handle corruption cases.

Handicrafts Board

The Handicrafts Board was established to promote handicrafts.

Handloom Board

The Handloom Board was established to promote handloom weaving.
Annual Financial Statement (Budget) for 1961-62 - Voting of
Demands for Grants

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...

Foreign Exchange 280 ₹ 300 ₹ 280 ₹ 300 ₹ 280 ₹

300 ₹ 280 ₹ 300 ₹ 280 ₹ 300 ₹
21st March, 1961

Annual Financial Statement
(Budget) for 1961-62 - Voting of
Demands for Grants

Matching grant

Social Welfare Schemes

Matching Grant

Social Welfare Schemes

Director of Industries

Joint Director

Deputy Director

Directorate

Director of Handloom

Coir Board

Handicrafts Board

Directorate
Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

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Cottage Industrial Co-operatives 10.5

Cottage Industrial Co-operatives 900

Effective supervision is necessary. Effective functioning

Co-ordination is essential. Social Welfare Minister

Cottage Industrial Co-operatives is

Apex Society and Wool Apex Society

Industrial Co-operatives is

 wollen 900

Federation of Industrial Co-operatives

co-ordinated Agency

Social Welfare Minister

Industrial Co-operatives and Co-ordinating Agency

Apex Society

Co-ordinating Agency

Social Welfare Minister

Cottage Industrial Co-operatives and Co-ordinating Agency

Apex Society

Federation of Industrial Co-operatives

Cottage Industrial Co-operatives

Effective supervision is necessary. Effective functioning

Co-ordination is essential. Social Welfare Minister

Cottage Industrial Co-operatives is

Apex Society and Wool Apex Society

Industrial Co-operatives is

woollen 900
Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

away the register for tax purposes. The Reserve Bank, Central Bank, and apex bank have been empowered to register the cess fund. The Reserve Bank has the power to withdraw or deposit money from the cess fund. The Central Bank and apex bank have been given the power to withdraw or deposit money from the cess fund. The cess fund has been earmarked for the Reserve Bank, Central Bank, and apex bank.

Excise duty has been increased to take up a substantial amount of revenue.

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(Budget) for 1961-62 - Voting of Demands for Grants

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(Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

Loans, grants and other securities

Loans, grants and other securities are required for various purposes, including:
- Construction of public buildings
- Development of infrastructure
- Promotion of education and healthcare
- Support to agricultural activities

The proposed budget for these activities includes:
- Loans to be provided for:
  - School buildings
  - Hospital construction
  - Road development

The funds will be utilized in coordination with other government departments and organizations.

Excise duties

Excise duties on tobacco and alcohol are an important source of revenue.

Implementation of the proposed budget will require coordination with various stakeholders, including:
- State government departments
- Local authorities
- Private sector organizations

The government will work towards efficient utilization of the funds to maximize the benefits for the public.
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(Budget for 1961-62 - Voting of Demands for Grants)

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Technical Colleges

Technical School, Technical Colleges

(Sri P. Rajagopal Naidu in the Chair.)
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(Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961  260

Textile Company 6*3* ^r-eb, Q&p^(!b spindles ^ ^r^€>3 ^o3b-^d)ig*

manufacture ^v^dur-^^, <3s$8b *3v^cb 

&. o*sa^s3-<2,o : §^oabo8)^^(3b^^ a^^ Textile Company.

Excise vspe) Demands ?5o -^8j a)xr^R3o. ^ooo”

33^9. 5gj^^o)^!55^b^o-sr’($b ^?6 €30!<$^o53^ i&r^” 3Rgxo

*3 ^)6§ s5j^ !53$b^oTr*5^a 3&^§”;3<%o ^55^n^^)§ t^oDo^o

*3 ^)6§ s5j^ !53$b^oTr*5^a 3&^§”;3<%o ^55^n^^)§ t^oDo^o

*3 ^)6§ s5j^ !53$b^oTr*5^a 3&^§”;3<%o ^55^n^^)§ t^oDo^o

*3 ^)6§ s5j^ !53$b^oTr*5^a 3&^§”;3<%o ^55^n^^)§ t^oDo^o

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Annual Financial Statement (Budget) for 1961-62 - Voung of Demands for Grants

21st March, 1961

[Text content not readable]
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(Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

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The Budget for 1961-62 has been prepared to
achieve the following objectives:

1. Balanced Budget
2. Economic Growth
3. Social Welfare
4. External Aid

The budget is estimated to be Rs. 100 billion, of
which 50% is for developmental schemes and
the remaining 50% for financial assistance to states.

The budget also includes a provision for
education, health, and infrastructure development.

The government has also announced a reduction in
taxation and an increase in social security benefits.

This budget is expected to bring about a
substantial increase in the standard of living of the
people.
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As regards the demand for grants from the Revenue Account, the sum of Rs. 263,000 was voted in the preceding year.

The Minister for Finance, in his Budget speech, had suggested an increase of Rs. 263,000 in the Revenue Account, but the said demand has been reduced to Rs. 263,000 in view of the current financial position.

The amount of Rs. 263,000 is required for the following purposes:

1. To meet the current expenditure of the Government.
2. To meet the interest payments on the loans.
3. To meet the running expenses of the public departments.

The amount of Rs. 263,000 is to be voted in the Budget for the financial year 1961-62.
Annual Financial Statement
(Budget) for 1961-62 - Voting of
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21st March, 1961
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Do you think that the statements about the budget for 1961-62 are accurate?

Does the document provide a clear and detailed plan for the allocation of funds for different departments?
Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

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[Text in Telugu]

[Translation to English]

[Text in English]

[Translation to Telugu]

[Text in Telugu]
Annual Financial Statement
(Budget for 1961-62 - Voting of Demands for Grants)

21st March, 1961

Mr. Speaker, I beg to move. The financial resolutions in the proposed estimates are as follows:

I beg to move the financial resolution as printed on page 266 of the manuscript. The financial resolution is in accordance with the financial resolutions passed at the last budget.

I beg to move the financial resolution as printed on page 266 of the manuscript. The financial resolution is in accordance with the financial resolutions passed at the last budget.
21st March, 1961

Annual Financial Statement
(Budget for 1961-62 - Voting of Demands for Grants

heavy industries
unemployment
actual
start

On a point of order, the statement is read. 'Demand to move ruling endorsed by him.'
Annual Financial Statement
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(Budget) for 1961-62 - Voting of
Demands for Grants

\( \text{It is taken as read (as per) point } \text{ tie. Order } \text{ tie } \text{ out of order} \text{ now because } \text{ no further discussion is} \text{ possible because of } \text{ the}\)

\( \text{time limit. Speaker } \text{ ruled, } \text{ other } \text{ members } \text{ agreed.} \text{ Speaker } \text{ comment } \text{ tie.}\)

\( \text{Mr. } \text{Q.: Ruling } \text{ as per } \text{ the}? \)

\( \text{It is taken as read.} \text{ It can be taken as read' It is taken as read' as per } \text{ ruling as per } \text{ Table}\)

\( \text{It is taken as read' speech } \text{ as per } \text{ notice } \text{ re printed } \text{ mistakes, verbal mistakes,}\)

\( \text{printing mistakes correct } \text{ as per } \text{ Table}\)
From the points made in the earlier parts of the note, it will be realised that probably for a number of years to come, industrialisation of the State might well be in terms of development in the private sector. From the points made in the earlier parts of the note, it will be realised that probably for a number of years to come, industrialisation of the State might well be in terms of development in the private sector.

The future prospects in light industries are good. From the points made in the earlier parts of the note, it will be realised that probably for a number of years to come, industrialisation of the State might well be in terms of development in the private sector. From the points made in the earlier parts of the note, it will be realised that probably for a number of years to come, industrialisation of the State might well be in terms of development in the private sector.
Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

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The question of the following is to be addressed: Central Government decision?

The question to be addressed: Decision?

The question to be addressed: Decision?

In view of the foregoing, the budget speech?

The question to be addressed: Central Government decision?

The question to be addressed: Decision?

The question to be addressed: Decision?

The question to be addressed: Decision?

The question to be addressed: Decision?

The question to be addressed: Decision?

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Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

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Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

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Finance

Demand for Grants

Voting of Demands for Grants

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Demands for Grants

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Annual Financial Statement

21st March, 1961

(Budget) for 1961-62 - Voting of Demands for Grants

Mentioned here is an important aspect of the bottle neck situation. The need for synthetic drugs factory is evident. The problem has been accentuated by the present industrial mind and incentive system. However, the situation can be alleviated by a low temperature carbonization plant. Low temperature carbonization plant will also provide the raw material for the synthetic drugs factory. It will also help in the production of synthetic rubber. This will be beneficial for the country as a whole. We stand by our stand.
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(Budget) for 1961-62 - Voting of Demands for Grants

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[Text content not provided or not legible]
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(Budget) for 1961-62 - Voting of
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Industrial estates

Marketing facilities

Steel and raw materials

Processing
Annual Financial Statement (Budget) for 1961-62 - Voting of Demands for Grants

21st March, 1961

1961-62

The best centre in the region is the [insert name]. The [insert name] centre is situated in a highly populated area. The centre covers an area of 500 acres, with a population of 400,000 inhabitants. The centre has a well-equipped infrastructure, including a hospital, school, and community hall. The centre also provides various social services such as health care, education, and community development.

The centre has a budget of Rs. [insert amount] for the year 1961-62. The budget includes allocations for various activities such as health care, education, community development, and social services. The centre aims to provide quality services to the population in the region.

In conclusion, the [insert name] centre is an excellent example of a well-organized and efficient centre that serves the needs of the population in the region.

[Signature]
[Name]
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...
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Annual Financial Statement
(Budget) for 1961-62 - Voting of Demands for Grants

The Deputy Speaker: The House stands adjourned to 8.30 A.M. on 22-3-61.

(The House then adjourned till Half Past Eight of the Clock on Wednesday, the 22nd March 1961.)
## APPENDIX I

### REVENUE (T) DEPARTMENT

#### Demand II—Relating to State Excise Duties

<table>
<thead>
<tr>
<th>Detailed Heads of Account</th>
<th>Amount of demand in lakhs</th>
<th>Minister who is concerned with the demand</th>
<th>Minister moving the demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Superintence</td>
<td>3,95,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) District Executive Establishment</td>
<td>74,16,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Distilleries</td>
<td>25,44,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(d) Cost of opium supplied to State Excise Department</td>
<td>50,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(e) Purchase of Ganja and other Drugs</td>
<td>300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(f) Compensations</td>
<td>500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(g) Charges in England</td>
<td>200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(h) Works</td>
<td>10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,04,16,000</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Charged</strong></td>
<td><strong>Nil</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Voted</strong></td>
<td><strong>1,04,16,000</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ITEM (a) above: Superintendence.**—The charges relating to the pay and allowances of the headquarters staff are debited to this minor head.

**ITEM (b) above: District Executive Establishment.**—The expenditure on Inspecting, Prohibition and preventive staff of the Excise Department in the muf­assal is debited to this minor head.

**ITEM (c) above: Distilleries.**—The charges connected with the Narayanaguda Distillery and Alcohol Factory, Kamareddy including a small establishment under the control of the Excise Commissioner in Telan-
gana Region are debited to this head. Expenditure on the staff employed for the supervision of spirituous medicinal preparations manufactured in private laboratories in Andhra Region is also debited to this minor head.

**ITEM (d) above:** Cost of opium supplied to the Excise Department— The cost of the opium purchased from the Gazipur Opium Factory of the Government of India and the charges on account of salaries of officers and establishment are debited to this head.

**ITEM (e) above:** Purchase of Ganja and other Drugs:— The expenditure under this head mainly relates to the purchase of ganja and the transportation charges.

**ITEM (f) above:** Compensations.—The items under this head are the compensation paid to other Governments as the equivalent of the duty collected in the State on spirituous medicinal preparations, beer and Indian made foreign spirits exported for consumption in their areas.

**ITEM (g) above.** This relates to charges in England. The amount provided for represents the contribution to International Bureau against Alchohism.

**ITEM (h) above:** Works.—All minor works executed by the Department are debited to this head.

2. A detailed note on the policy underlying the demand under this head is submitted below:

(a) Excise arrears in the Telangana area.— Several factors such as poliulcal changes, disturbances of Law and Order, unfavourable economic conditions and failure to take prompt action against defaulters contributed to the accumulation of excise arrears. These arrears began to accumulate from the year 1947—1948 (1357 Fasli) and the total arrears at the end of 1957-58 (1367 Fasli) were to the tune of Rs. 3,66,00,505. Considering the large outstanding arrears, the Government appointed a special staff consisting of Deputy Tahsildars, Revenue Inspectors, Lower Division Clerks and Peons to recover the Excise arrears in as short a period as is reasonably possible. With a view to facilitate payment of arrears, especially by major defaulters, the Government issued instructions in
G O. Ms. No. 194 Revenue, dated 2nd February 1958, that all Excise arrears as accrued up to 1st October 1956 in respect of compounding fees, penalties for illicit tapping and infringement of other rules be written off. This concession should not, however, be allowed in cases where the Contractor commits default in payment of the arrears of licence fee, rental, tree-tax or Haq-e-mahikana due from him. They have also directed that all arrears as accrued up to 1st October 1956 in respect of licence fees, or rentals, tree-tax and Haq-e-mahikana may be allowed to be paid in five annual instalments subject to the condition that fresh security will be furnished whenever required. The Collectors in the Telangana districts were accordingly instructed to reassess all the outstanding arrears in the light of the above concessions. But most of the defaulters did not choose to avail themselves by applying for such concessions and were not prepared to pay off their dues either. Hence in the last week of December 1958, the Board found it necessary to instruct all Collectors in the Telangana area not to entertain petitions for concessions after certain time limit and to proceed against the defaulters by attaching their properties and putting them to auction sale for the realisation of the tol dues including penalties, etc. Till January 1961 only Rs. 74 lakhs has been collected. Besides this, there is an amount of Rs. 8 lakhs adjustment. Orders have also been issued to collect 6% interest per annum on the arrear rentals accrued at the expiry of lease period as in the case of land revenue arrears under Madras Land Revenue Recovery Act.

In order to give further opportunity to the defaulters in excise contracts who owe less than Rs. 5,000 each as excise arrears inclusive of penalties as accrued up to 1st October 1959 the Government gave the following concessions in G. O. Ms. 1378, Revenue dated 7th July 1960.

The arrears should be collected in three equal annual instalments i.e. the first instalment by the 30th November 1961, and the third instalment by 30th November 1962 along with the proportionate penalty. The entire amount of penalty should be waived when collecting, the last annual instalment on or before 30th November, 1962, suitable deduction being made in the instalments if the 1st and 2nd instalments are paid in time. The
Government subsequently felt that many of the defaulters coming under the provisions of the G O. 1378, Revenue, dated 7th July 1960 did not avail of the opportunity and accordingly they extended the payment of 1st instalment till the end of February 1961.

Remission of Excise arrears.—In G O. Ms. No 1438, Revenue, dated 21st July 1959, the Board was authorised to write off the arrears of excise dues from individual contractors in the Telangana area to the extent of remission admissible to them as per the decisions of the former Hyderabad Government for 1337 and 1358 Fasli to the extent of only Rs. 7,75,560. 20 nP.

(b) Payment of Haq-e-malikana to the pattadars. The general question regarding the simplification of the procedure to the payment of Haq-e-malikana to the pattadars in the Telangana area has been engaging the attention of the Government for long. But pending a final decision on the general question to expedite the payment of the amount to the pattadars the Government however allowed the old practice of the prompt payment of Haq-e-malikana under old orders of the Government in Revenue and Finance Departments by relaxing rule 353 of the Treasury Rules in favour of the Excise Department through G. O. Ms. No. 1223, dated 4th July 1958. The Government further ordered that within a stipulated period i.e., before the end of the month in which the Haq-e-malikana, amount is drawn it should be paid to the concerned pattadars or if the pattadar does not turn up it should be remitted by money order after deducting the money order commission from the amount payable to the pattadar concerned. In this regard the Revenue Divisional Officers of the Districts in Telangana region were authorised to sanction refunds to the concerned pattadars amounts up to Rs. 100 and the Collectors from over Rs. 100 up to Rs. 500 and the amounts exceeding Rs. 500 were left to the sanction of the Board of Revenue.

The whole question was examined de-nove in consultation with the Board of Revenue and in the light of certain observations made by the Account-General in this regard.
In order to simplify the procedure for early disbursement of Haq-e-malikana amount the Government have adopted the following measures:

(i) to suitably amend the provision of the Board's standing order relating to the refunds of revenues so as to cover the amounts of Haq-e-malikana payable to the pattadars;

(ii) to issue clear instructions to all District Treasury Officers in regard to the procedure for the disbursement of Haq-e-malikana amounts that the Tahsildar should prepare the Bill in duplicate showing the amounts due to each pattadar in the form of a statement and that the statement should be attached to the bill and that no separate statement or separate bill for claim of each pattadar should be insisted upon.

Accordingly instructions to all District Treasury Officers have been issued that the old practice to make payment of refunds of Haq-e-malikana on a consolidated bill prepared for each taluk should be followed without insisting on submission of individual pattadar-wise refund statement. Similar instructions were also issued to all Sub-Treasury Officers for immediate disbursement of the amounts to the parties without any scope for complaint.

It was hoped that there would be no room for any complaint in future and that the amounts due to the pattadars will be disbursed promptly.

Subsequently the Government felt that in certain Telangana districts payment of the Haq-e-malikana was held up still. It was therefore further ordered that the old practice of payment of Haq-e-malikana as per G.O. Ms. 1223, Revenue, dated 4th July 1958 should be followed till 31st March 1961. These instructions were sent to Accountant-General for compliance.

(c) Leasing out Sendhi Shops to Tappers' Co-operative Societies—As regards progress of Tappers' Co-operative Societies to start with seven groups of sendhi shops, one group in each of the following districts, was entrusted to Tappers' Co-operative Societies formed exclusively for the purpose of running excise contracts in the year 1957-58.
1. Kamareddy—Nizamabad district.
2. Toopran—Medak district
4. Devarkonda—Nalgonda district.
5. Bellampalli—Adilabad district.
7. Warangal—Warangal district.

The rentals of these groups were fixed at the average of the previous two year's rentals. One-ninth of the annual rentals is to be deposited as advance deposit. One-ninth of the annual rental in lieu of the solvency certificate had to be deposited by the society in three instalments.

Earnest money of 2 per cent had to be deposited as usual and the payment was deferred till 1st December 1958. Concession was shown in the payment of T. T. and Haq-e-malikana to be paid in three instalments but security had to be given for the whole tree-tax due from the society. For the year 1958-59, Devarakonda group was dropped and the society's registration was cancelled. In addition to the remaining 6 groups, 9 more groups of Sendhi shops were entrusted to co-operative societies. Thus the total number of societies which ran sendhi groups in the year 1958-59 was 15. The same concessions which were given in 1957-58 were continued. The additional groups were as follows:

1. Adilabad in Adilabad district.
2. Nalgonda in Nalgonda district.
3. Bhongir in Nalgonda district.
4. Siddipet in Medak district.
5. Nizamabad in Nizamabad district.
6. Karimnagar in Karimnagar district.
7. Narsampet in Warangal district.
8. Medchal in Hyderabad North District.
9. Mahboobnagar in Mahboobnagar district.

For the year 1959-60, the Government considered extending this privilege to individual shops also; as a result of which in all 157 shops were entrusted to co-operative societies formed of the local tappers of the individual villages. But out of the above, 23 shops were put to public auction as local tappers did not come forward to form Tappers' Co-operative Societies. Thus for the Abkari year 1959-60, there were 15 groups and 135 individual shops leased to the Tappers' Societies.
As regards the collection of rentals from the Tappers' Co-operative Societies for the Akbari year 1958-59, it was ordered as follows:

(1) In respect of the six Tappers' Co-operative Societies leased during the Akbari year 1957-58, the rental will be the same as that of 1957-58, i.e., the average of rent as of 1955-56 and 1956-57.

(2) In respect of nine new Societies formed during 1958-59, except the Medchal Society, the rentals will be the average of rentals for the years 1956-57 and 1957-58. The rental for Medchal Society has been fixed at the average rental for the year 1955-56 and 1957-58 in view of the special circumstances obtaining in this case.

(3) In respect of the 135 new societies leased during this year i.e., 1959-60, the rentals will be according to the existing rentals.

For the proper and efficient working of all the above societies, certain by-laws were framed by the Government in consultation with the Registrar of Co-operative Societies. In Government Memo. No 15451 T 59-8, dated 20th August 1959 it was ordered that the period of tapping may be enhanced from 3½ months excluding the period of preparations.

For the Akbari year 1960-61 the question of leasing out village shops to the Tappers' Co-operative Societies was considered and even certain groups, where it was necessary, were broken for this purpose. The Government have allotted 700 shops for Tappers' Co-operative Societies. But only 639 T. C. S. could be formed. As a result 639 shops were leased out to the said T. C. S. on the following conditions:

In respect of some shops which were clubbed and auctioned together previously, and which have been split up and each constituent village as has been shown as individual village the determination of lease amount for any such individual shops will be the average rental of the years 1958-59, and 1959-60 and that it should be divided in proportion to the ration fixed to them. The same principle was ordered to be adopted in the case of the groups which have been split up or reduced in some districts for want of individual shops for being leased out to the Tappers' Co-operative Societies irrespective of whether all such shops or any of them have been
included in the list of shops to be leased to the Tappers' Co-operative Societies. The lease amount was fixed on the average of the rentals for the years 1958-59 and 1959-60. The Warangal group was put to auction as the Tappers' Co-operative Society failed to fulfil the guarantees given by it.

(d) Appointment of striking force in the Telangana area.—During the current Akbari year the Flying Squads of the 9 districts have been reorganised and given a little expansion so as to be more effective. Although the existing staff is too small to function effectively for the prevention of illicit distillation it has been able to do much effective work. The Special Squad which was established with the main object of tackling the problem of illicit tapping of trees illicit distillation has also been functioning under the direct supervision of the Board with effect from 1st November 1958. This Squad has not only been responsible for achieving appreciable results in the suppression of illicit distillation but also has been responsible to engage properly the preventive as well as the administrative personnel of the department in this direction. Nevertheless, here are still several pockets where illicit distillation is persistent, the offenders of the City especially the Dholpet area are reported to have moved to the suburbs of the City in order to elude the vigilance of the Police and the Excise personnel which was of late very much concentrated on them. The industrial areas such as Kothagudem, Ellendu, Bellampalli, Kagaznagar and Mancherial and some big towns such as Nizamabad, Warangal, Mahbubnagar besides a few villages on the borders of the prohibited areas are reported to be still in the grip of this illicit distillation.

(e) Future policy in regard to prohibition of consumption of opium, ganja and bhang.—The All-India Narcotics Conference held in 1956 recommended that no opium should be legally available to the public for non-medical purpose after 31st March 1959, and also that non-medicinal use of Ganja and Bhang should be totally prohibited throughout the country by 31st March 1961. With reference to the above decision orders were accordingly issued in G.O. Ms. No. 1583, Revenue, dated 22nd August 1958 as follows:—
1. No opium will be legally available to the public for non-medicinal purposes through Excise vendors shops from 1st April 1969; Opium will, thereafter, be treated as drug to be used solely for medical and scientific purposes;

2. Medical and other measures should be devised in detail for the weaning of addicts to opium from the habit and for their treatment;

3. Strictest possible supervision and control should be exercised on the cultivation of poppy seeds which are being used illegally to extract opium;

4. Non-medicinal use of Ganja and Bhang should be totally prohibited throughout the Andhra Pradesh State by 31st March 1959 and 31st March 1961 respectively.

(f) Integration of Excise Duties: There were differences in duties and gallonage fees on liquor in Andhra and Telangana regions. With a view to equalise them, the rates in Andhra have been increased so as to be on a par with the Telangana rates. As a result the Excise duty on Indian Made/Foreign Liquor, absolute Alcohol and rectified spirits has been increased from Rs. 35 per London proof gallon to Rs. 70 per L. P. gallon. Similarly the gallonage fees on spirits has been increased in Andhra from Rs. 9 to Rs. 18 per gallon.

Representations were made by the wine Merchants' Association against the levy of gallonage fee on the Indian Made Foreign liquor and beer. As the consumption was decreasing on account of levy of high gallonage fee and Government were incurring loss in revenue, the whole position was reviewed and gallonage fee on Indian Made Foreign liquor was stopped with effect from 1st October 1958. As the consumption of beer was not effected, gallonage fee on 'Beer' was however continued. With increase in the duty on liquor shops, the retail selling price of liquor increased considerably in the past. Illicit distillation, which has always been a disease in all parts of the State, got a fillip year by year, with the widening of the difference between the retail prices of Government liquor and illicitly distilled liquor; so much so, that even the liquor licencees started selling illicit liquor along with licit one. Efforts were made to suppress this offence; but were of
The problem was seriously examined and it was considered necessary to reduce the duty on liquor to such an extent as to bring the retail price of licit liquor almost on par with the retail price of illicit liquor. To achieve this object, for the year 1959-60, the Government sanctioned reduction of duty on liquor by 50% of the duty prevailing during the year 1958-59 in order to render the Government liquors, selling prices favourably competitive with those prevailing in respect of illicitly distilled liquor. This reduction in duty necessitated a system of administration of the sale of liquor by introducing minimum guarantee of liquor to be consumed by each revenue. This system worked out most successfully resulting in a great set-back to illicit distillation not only in big cities but in the villages also. The quantities to be guaranteed by the licencees were fixed at double the average consumption of the last 2 years and even more in some cases. The licencees were also given assurance that they were free to draw even in excess of the minimum quantities guaranteed by them. Since the issue price of liquor was brought to between Rs. 11 and Rs. 12 as against Rs. 18 and Rs. 19 of the previous years, the licencees as well as the consumers could successfully be weaned away from going in for illicitly distilled liquor and it resulted in the abnormal increase in the consumption of Government liquor and a consequent and proportionate fall in the illicit distillation. In the city of Hyderabad where illicit distillation was obtaining on a large scale and in an organised manner, the city Police Commissioner has taken much interest in preventing this offence. For some time several checkposts were established in the endemic area of Doolpet and constant vigilance is being exercised by the Excise preventive staff in co-operation with the Police Department.

In case of the Sir Silk Company it was ordered in G. O. Ms. No. 2580, Revenue, dated 10th December 1959, that a gallonage fee of 5 np. per gallon be levied on all alcohol imported from outside the Andhra Pradesh State for use in the manufacture of rayon-yarn and acetic acid. Similarly in G. O. Ms. No. 2579, Revenue dated 10th December 1959, it was ordered that a gallonage fee of 5 np. per gallon be levied on all alcohol whether produced in Andhra Pradesh State or imported
from other States for use in the manufacture of rayon-
yarn and acetic acid.

(g) Imposition of licence fees on trees tapped for Neera in the Andhra area.—The Government ordered that a licence fee at Rs. 3.25 nP. per tree for tapping Neera in the Andhra area should be charged and necessary amendments to the Sweet Toddy Rules, 1939 were also issued. It was also decided that the Agency to grant permits and supervise tapping of trees for Neera and for collection of licence fees should vest in the Excise Department. Orders were also issued to all the Collectors to empower the Excise Officers nominated by the Board of Revenue (Excise) to exercise the powers under Rules 3, 4 and 10 of the Madras Sweet Toddy Rules, 1939 for issuing permits, etc., cancelling the same. In G. O. Ms. No. 595, Revenue, dated 31st March 1959 it was ordered that the Co-operative Societies which tap Neera purely for the manufacture of jaggery should be exempted from the payment of the licence fee. In Andhra area there are 4,39,112 palmyrah trees and 1,63,389 date trees fit for tapping.

(h) Working of the Distilleries: In the Telangana area there are two Government Distilleries known as Government Distilleries, Narayanguda and Government Alcohol Factory, Kamareddy for the manufacture and supply of country liquor and Hyderabad made foreign liquor. The administration and control of these Distilleries which was formally managed by the Distilleries Directing Board was transferred to the Board of Revenue (Excise) under G. O. Ms. No. 432, dated 11th March 1958. These distilleries are run on commercial lines.

(i) Narayanguda Distillery.—The financial review of the working of the distillery as per the latest balance sheet for the year 1959-60 is shown below:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Particulars</th>
<th>Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Receipts from sales and other revenues</td>
<td>30,19,573</td>
</tr>
<tr>
<td>2.</td>
<td>Manufacturing and management expenses</td>
<td>12,85,592</td>
</tr>
<tr>
<td>3.</td>
<td>Profit</td>
<td>17,33,981</td>
</tr>
<tr>
<td></td>
<td>Less net decrease in the stocks</td>
<td>1,63,857</td>
</tr>
<tr>
<td></td>
<td>Net profit</td>
<td>15,70,124</td>
</tr>
</tbody>
</table>
Capital invested by the Government as on 31st March 1960 .... 9,78,792

Consequent on the adoption of the new Excise policy from the Abkari year commencing from 1st October 1959, viz., reduction in duty on State liquor by 50 per cent and the fixation of the minimum guaranteed quota of liquor for each shop, the distillery will have to produce 8,42,000 gallons of U.P. but they produced 562 gallons during the financial year ending 31st March 1960. The decrease in production is due to stoppage of production for want of gulmohwa and coal for 40 days during the year. The estimated receipts of 33,89,000 as shown in the Budget Estimates for 1960-61 were revised as 29,57,400. Likewise, estimated expenditure of 15,08,400 was revised as 15,61,700.

The proposed income from sales during the year 1961-62 is 36 83,000. The cost of production during the year is estimated as Rs. 16,75,250.

(ii) Government Alcoholic Factory, Kamareddy:

The financial review of the working of the Government Alcoholic Factory, Kamareddy as per the latest balance sheet for the year 1959-60 is shown below:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Particulars</th>
<th>Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Receipts from sales and Misc. Income</td>
<td>10,46,935</td>
</tr>
<tr>
<td>2</td>
<td>Management and manufacturing expenses</td>
<td>6,18,506</td>
</tr>
<tr>
<td>3</td>
<td>Operating profits</td>
<td>4,28,429</td>
</tr>
<tr>
<td>4</td>
<td>Less net decrease in the value of stocks or liquor, etc.</td>
<td>60,057</td>
</tr>
<tr>
<td></td>
<td>Net profit</td>
<td>3,68,372</td>
</tr>
<tr>
<td>5</td>
<td>Capital invested by the Government as on 31st May 1960</td>
<td>9,48,959</td>
</tr>
</tbody>
</table>

The actual issues for the year 1959-60 indicate that the production and sales are satisfactory.

Prohibition—General—At present prohibition is in force in all the districts of the former Andhra State, except in the agency areas of Srikakulam, Visakhapatnam, East and West Godavari districts where Abkari Act is still in force. In these areas, drink is not a serious
evil as the brews consumed are homemade and generally of very low alcoholic content and it has been considered that these areas should continue to be exempted.

Under the Prohibition Act, the import, export transport and possession of liquor or any intoxicating drug; the manufacture of liquor or any intoxicating drug or the consumption except by a valid permit of liquor or any intoxicating drug is prohibited. The Act contains certain exemptions in regard to the use of spirits and preparations containing spirits such as rectified, denatured and methylated spirit for Industrial, Scientific and educational purposes. The consumption of foreign liquor by individuals is permitted on the strength of permits issued by the Government on the production of medical certificates.

With effect from 15th January 1956, the work relating to the enforcement of prohibition in all the districts of the former Andhra State has been entrusted to the Police Department and the Prohibition Department has been set up for the administration of the residuary Excise work comprising the following items of work.

1. Licencing under the Prohibition Act and the Dangerous Drugs Act;
2. Administration of Distilleries and Pharmaceutical laboratories;
3. Administration of Agency areas where Abkari Act is in force,
4. Laboratory attached to the Board of Revenue (Excise).
5. Collection of licence fees and Excise duties.

Last year the Government considered that the prohibition enforcement work should be transferred from the Police Department to a separate agency and constituted a Committee consisting of a Deputy Inspector-General of Police and a Deputy Commissioner of Excise to work out a scheme. After examining the scheme submitted by the two-Man Committee Government issued orders in G.O. Ms No. 42, Revenue, dated 6th January 1961 that with effect from 1st February 1961 the Prohibition Enforcement work should be transferred from Police Department to a new Department called the "Excise and Prohibition Department". This Department will be under the control of the Commis-
sioner of Excise and Prohibition who is a member of the Board of Revenue. He will be assisted by the Deputy Commissioner at Guntur. The District Prohibition Officer who will be a gazetted officer will be incharge of the district assisted by three Assistant Prohibition Officers and a striking force consisting of 1 Prohibition Sub-Inspector, 1 Petty Officer and 10 Prohibition Guards. In each taluk there will be two Prohibition and Excise Stations with a strength of 1 Sub-Inspector, 2 Petty Officers and 7 Prohibition Guards. Each station at the District Headquarters will have a strength of 1 Sub-Inspector, 2 Petty Officers and 18 Prohibition Guards.

A conference of all the District Prohibition Officers is being called on to discuss thoroughly the strict enforcement of prohibition. The Government is also considering the role that can be played by the non-officials in enforcing the prohibition.

_Policy regarding Neera Societies._—The demand for opening neera societies is increasing from the ex-tappers, and for the palm jaggery manufacturing co-operative societies for conversion into neera societies, as it is stated by them that the working of the industry is uneconomical and they are not able to eke out their livelihood.

The ameliorative side of prohibition is entrusted to the Co-operative Department while the enforcement was the responsibility of the Police (Enforcement) Department. Hitherto, licences also were being issued by the Co-operative Inspectors (for the supervision of Palm Jaggery Manufacturing Societies and Neera Societies) under the authorisation of the District Collectors. But now, with the amendment of Rules levying tree tax for tapping of neera, the procedure has been changed and the Excise Staff has been made the agency to grant permits and supervise tapping of trees and to exercise the powers under Madras Sweet Toddy Rules. When licences are seized for abuse of the licences by the Police Department, the Excise Staff will take necessary action to get them cancelled by the District Collectors. The functions of the Police Department will now be exercised by the Excise Department. The Co-operative supervision staff will attend to the administrative work connected with the societies, and help and guide them.
in the proper maintenance of accounts and see to their proper working in accordance with their by-laws and the provisions of the Co-operative Societies Act and rules framed thereunder. They also look to the aspect of the economic betterment of the members, and the technical staff employed for the purpose, guide the members in improved and economic methods of manufacture of Jaggery, etc. The Government will take further stiff attitude against any misuse of the facilities that are allowed to the Neera and or Palm Jaggery Manufacturing Co-operative Societies.

KONDA LAKSHMAN BAPUJI,
Minister for Small Industries and Excise.

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APPENDIX-II


1. GENERAL

The demands for grants for the Small Scale and Handloom sectors cover a wide field of Industrial and Co-operative activity to be undertaken by the State Government. Before going into the details of the various schemes covered by these demands, it is proposed to provide a brief analysis of the subjects covered by them including the provision made for each subject in the Third Five-Year Plan and the provision which is required for implementing the schemes under each subject during 1961-62.

So far as the Small Scale Sector is concerned, a provision of Rs. 350 lakhs has been made in the Third Plan for Small Scale Industries schemes out of which Rs. 68.45 lakhs would be utilised during 1961-62. For our industrial estate programme, the Third Plan provision has been fixed at Rs. 220 lakhs out of which 50 lakhs would be utilised in 1961-62.

A separate provision for the Handicrafts sector has been made in the Third Plan to the extent of Rs. 25 lakhs of which Rs. 4.5 lakhs will be required during 1961-62. For the development of the sericulture industry, Rs. 15 lakhs has been earmarked in the Third Plan out of which it is proposed to spend Rs. 2.5 lakhs during the ensuing financial year. A sum of Rs. 7 lakhs had been set apart as our Third Plan requirement for the Coir Industry from which Rs. 1.2 lakhs would be spent in 1961-62. Considering the importance of the Leather Industry and the need for developing it on a rational and planned basis, a separate provision of Rs. 100 lakhs would be utilised on the implementation of development schemes during Third Plan. Finally, for industrial co-operatives an allocation of Rs. 10 lakhs has been made in the Third Plan of which Rs. 1.6 lakhs would be utilised during 1961-62. To sum up,
the Third Plan provision for these seven subjects covered by the Small Scale Sector comes to Rs. 727 lakhs out of which Rs. 144.25 lakhs would be utilised for the implementation of our programmes during 1961-62. Apart from these provisions, a separate provision outside the plan to the tune of Rs. 10 lakhs has been made for the relief of unemployment in the twin cities of Hyderabad and Secunderabad. On the Handloom side the position is that the Third Plan provides for an outlay of Rs. 5.4 crores for the development of the Handloom industry for the State, while the provision for the year 1961-62 has been fixed at Rs. 82.90 lakhs out of which a sum of Rs. 54.04 lakhs would be provided as grant and the balance of Rs. 28.05 lakhs as loan.

Before going into the details of the schemes which it is proposed to undertake in various sections of the Small Scale and Handloom Sectors, it is necessary to reiterate that the industrial policy of the State Government has always been one of encouraging the growth of industries both in the public sector and private sector. Andhra Pradesh, although comparatively backward in the industrial field at present has the necessary mineral, agricultural and forest resources coupled with the possibilities of generating both thermal and Hydro-electric power which hold out bright prospects for future industrial development. It has therefore been the declared policy of the State Government to encourage new units in this part of the country. The Industries Department are providing ready guidance to interested parties and are bringing out handbooks gives a clear picture of the industrial possibilities here for the facility of prospective industrialists. The State Government have also expressed their willingness to provide special concessions and facilities to entrepreneurs who are willing to enter the field and start industries in the State. The following are some of the main directions in which Government are moving in this regard:

1. A proposal is under consideration of the Government for reducing the sales-tax on articles manufactured in the local industrial units.

2. The power rates in Andhra Pradesh are on the high side when compared with those prevailing in Madras, Mysore and Bombay. The Government is actively considering the extent to which power rates can
be subsidised in respect of the power to be supplied to new industrial units during the Third Plan period.

3. The water rates obtaining in the State are not uniform, the rates in the twin cities of Hyderabad and Secunderabad being lower. The question of exploring the possibility of bringing the water rates to the level of those obtaining in the twin cities is under active consideration of the Government.

4. In view of the exorbitant land prices obtaining in and around the twin cities of Hyderabad and Secunderabad and in order to check any speculation in the land prices, the Government is contemplating to acquire some 2,000 acres of land for industrial purposes. The 2,000 acres of land are to be acquired for the Andhra Pradesh Industrial Development Corporation who will thereafter make the same available to the prospective entrepreneurs.

5. The Government have already decided to include the Manjira Water Supply Scheme and the Augmentation of Water Supply Scheme at Visakhapatnam, in the State's Third Plan. These schemes when executed, will not only solve the problem of water scarcity to the existing industries in the respective areas, but they would open up further avenues for establishment of new ones.

6. Under the Second Plan, the public outlay on Small Scale Industries will have been approximately Rs. 448 lakhs by way of investment in Industrial Estates, Training Centres, Pilot Production Units, Common Facility Centres and Rural Community Workshops established throughout the State. With a view to stepping up the development of Small Industries more effectively, the State Government have decided to establish a Small Scale Industries Development Corporation.

Industrial Development in Andhra Pradesh under the Second Plan, perhaps, recorded the most significant advance in the sphere of Small Industries and in particular, in the development of Industrial Estates.

Owing to the limited resources available, it is not possible for the Government to take up the establishment of Industrial Estates at many other places out of the funds currently available. It has, therefore been
decided to encourage the establishment of assisted estates.

Under this modified scheme, such estates will be set up as a joint venture between the Government and prospective occupant industrialists. Government will finance the cost of all common items and services like the acquisition of land provision for drainage, water-supply, sanitary facilities, electricity mains and construction of roads. Thus fully developed factory sites with essential facilities will be made available to prospective occupant-industrialists who will be granted the sites on long term leases. On his part, the occupant-industrialist will have to construct his factory building on the allotted site according to approved type designs and procure and install machinery and equipment required for his own enterprise. For the construction of factory buildings and purchase of plant and machinery for approved schemes, occupant-industrialists will be entitled to avail themselves of the liberalised loan assistance offered by the Department of Industries and Commerce and the Andhra Pradesh State Financial Corporation for the promotion of these assisted private estates. Should occupant industrialists, however, so choose, it will also be open to them to take loans for the construction of buildings and obtain their machinery on hire purchase terms from the National Small Industries Corporation.

Easy credit facilities through financial institutions and through loans under the State Aid to Industries Act, reservation of certain articles for purchase from Small Scale units and grant of price preference in respect of other items under the stores purchase programme of the Central and State Governments and the policy of making it obligatory for new large scale industries to procure certain components and parts from the Small Scale units will further help the growth of Small Scale Industries throughout the State in the next few years.

All district officers' periodical meetings are being held and progress made reviewed and programmes for future are decided. At the district level also, opportunity has been taken by me to hold frequent meetings with the local industrialists and district officers on the one hand and the Standing Committees for industries
of the Zilla Parishads and Panchayat Samithis on the other hand for mutual discussion of local problems and difficulties and for drawing up clear cut programmes of industrial development for each district.

The Small Scale Industrialists have been encouraged to have more and more mutual co-operation and in furtherance to this they are holding their first conference on the State level in April 1961.

In view of the regional imbalance in the economic field within the State, the Government is very keen to give priority to the backward areas of the State. To start with, some special drive is being envisaged in this regard.

From the foregoing it would be seen that the Government is taking active interest for the industrial growth of the State both in the public and private sectors. The Government are fully alive of the need for taking steps for providing concessions and facilities to the prospective entrepreneurs so as to induce them to start new industries in the State and they are making every effort to create a proper industrial climate for them.

2. SMALL SCALE SECTOR

1. Policy.—The development of Small Scale Industries forms an integral part of the plan for the co-ordinated development of large, small and village industries in the country. Under the Industrial Policy Resolution of the Government of India, development in the field of Small Scale Industries is assigned essentially to the private sector but both the Central Government have been taking various steps to give an impetus and direction to this development.

Among the steps, being taken by the State Government in this regard, may be mentioned the following:—

(1) Establishment of training centres, research and servicing centres and pilot production centres departmentally with a view to giving an impetus to the development of Small Scale Industries in the private sector.
(2) Affording financial, technical and other assistance to private industrialists to assist them in the establishment of industries.

(3) Establishment of Industrial Estates to promote small industries in the private sector by providing entrepreneurs necessary factory accommodation and other facilities.

2 Schemes in the current year — (a) Under the programme for the establishment of training centres etc., the Government have sanctioned in the current year the continuation of 51 schemes comprising of 62 departmental units and 31 co-operative work centres.

(b) The following new schemes have also been sanctioned by Government for implementation during the year 1960-61:

(1) Manufacture of Scientific Glass Apparatus and Ampules at Hyderabad.

(2) Establishment of Carpentry Production Wings at the Carpentry training centres at Srikakulam, Eluru, Guntur, Nellore, Cuddapah and Kurnool.

(3) Establishment of Raw Material Servicing Centres at Warangal, Vijayawada, Cuddapah and Samalkot.

(4) Establishment of Training Centres for imparting short-term training in Automobile Servicing and Radio Servicing and establishment of a workshop for the manufacture of machine tools and components for Automobile and Radio Servicing.

(5) Establishment of a Wood Working Institute at Hyderabad.

3. Training centres.—Among the above mentioned schemes, I would like to draw special attention to the training centre for the Automobile and Radio Servicing Industries which play an vital part in our every day life. There is at present a serious dearth of personnel qualified in these industries. Machine tools and equipment required for servicing units are also in short supply. In view of the experience of the first industrial study tour, the State Government have sanctioned a scheme for giving short term training in Automobile and Radio Servicing. These training Schemes have been linked
up with the establishment of a workshop for the manufacture of machine tools and components for automobile and radio servicing units. The overall cost of this composite scheme has been estimated at Rs. 16.81 lakhs. A start has already been made in implementing the scheme which is expected to start functioning fully during the ensuing financial year.

Centres have been established for imparting training in Carpentry, Blacksmithy, Iron Foundry Work and manufacture of various consumer products, such as Leather Goods, Chalks and Crayons, Builders Hardware, Bicycle parts, Scientific Glass Apparatus, Ceramicware, Mangalore Tiles, Stoneware Pipes, Sheet Metal products, etc. Nine hundred and fifty seven trainees have received training so far under the above programme and three hundred and fifty-one trainees are at present undergoing training.

4. **Servicing facilities.**—Among the steps being taken to provide servicing facilities, may be mentioned the establishment of **Raw Material Depots** on the Industrial Estates at Sanatnagar, Visakhapatnam, Vijayawada, Samalkot, Warangal and Cuddapah. The depots will be stocking Iron and Steel and other controlled raw materials for supply to private industrialists and they are expected to be of great assistance to them in making available scarce raw materials at controlled rates, without the small industrialists being required to lock up their limited capital in stocking these materials themselves.

**Engineering Workshops** for providing Tool rooms and other servicing facilities are being established at Visakhapatnam, Samalkot, Tadepalngudem, Nandyal, Cuddapah and Warangal to assist small industrialists on the Industrial Estates and the surrounding areas.

A research centre for assisting the Graphite Crucible Industry at Rajahmundry by effecting improvements in the present methods of manufacture is being established at Rajahmundry.

A Cottage and Small Scale Industries Research Centre for evolving improved appliances and new designs in the field of small scale and cottage industries is being established at Vijayawada.
5. **Departmental pilot production units.**—With a view to inducing private industrialists to start similar workshops, pilot centres for the manufacture of Small Gauge Insulated Copper Wires, Radio Spare Parts and Receivers, Fractional H. P. Motors, Laboratory-ware and Artware and Ceramicware are being set up in Hyderabad. Pilot centres for the manufacture of Bicycle parts at Vijayawada, Builders Hardware at Dhaval eshwaram, Mangalore Tiles at Pendurthi, Stoneware Pipes at Rajahmundry and Wooden Furniture at Visakhapatnam have already gone into production. A pilot production centre for the manufacture of Sheet Metal articles is being established at Uravakonda in Ananthapur district.

Among the schemes being established by the Department, particular mention may be made of the scheme for the establishment of a Furniture Mill at Sanathnagar, Hyderabad comprising of a Saw Mill, Seasoning Kiln and a Mechanised Wood Workshop. This scheme aims at effecting improvements in the production of furniture and other wooden articles on modern lines. The scheme, which is being supervised by a foreign consultant whose services have been made available by the Government of India, is expected to go into production shortly.

The production centres of the Department have so far produced goods worth Rs. 15,47,700.

So far as these departmental units are concerned it is not the intention or the policy of Government to run them on a permanent basis. These units are intended to serve as a model and give incentive to private industrialists in the field. It is proposed to eventually transfer these departmental units to private industrialists on such terms and conditions as may be determined by the State Government. So far as the Splints and Veneer Units is concerned it has already been decided to dispose off this unit to the private sector for which offers would be invited in the near future.

6. **Small Industries Service Institute.**—On behalf of the Small Industries Service Institute, Government of India, a regional Directorate is established in Hyderabad, which is doing a very good service for the development of Small Scale Industries throughout the State,
The Government of India have agreed to establish at Hyderabad Central Industrial Extension Training Institute which will be the first of its kind in our country. Necessary arrangements for its establishment are in progress.

7. Small Scale Industrial Development Corporation.—The State Government has decided to establish a Small Scale Industrial Development Corporation as a private limited company with an initial capital of Rs. 50 lakhs, which will be entirely held by the State Government. This Corporation has been registered on 1st March, 1961.

The main objectives for which this Corporation is established are to assist, finance, protect and promote the development of small scale industries in the State by taking up the construction and management of Industrial Estates and the development of industrial areas, establishment and operation of raw material depots, marketing and export promotion of small scale industries products, procurement of orders and contracts for supply of stores to Government departments and arranging supplies from small industrial units, supplying machinery and equipment on hire purchase terms to small industries, giving financial assistance, establishment of servicing centres etc.

8. Industrial Estates.—The Government had originally programmed to establish during the Second Plan period 5 Industrial Estates, one each at Sanathnagar, Visakhapatnam, Vijayawada, Samalkot and Nandyal at a total cost of Rs. 90.78 lakhs. Subsequently, due to the persisted demand from the local entrepreneurs, the Government sanctioned the establishment of two more Industrial Estates at Warangal and Cuddapah at a cost of Rs. 10.00 lakhs each during the year 1959-60 respectively.

Due to the good response for allotment of factory accommodation on the Industrial Estate, Sanathnagar, the Government have sanctioned the expansion of this estate in instalments during the years 1959-60 and 1960-61 at a total cost of Rs. 7.00 lakhs during the current financial year for the purchase of an additional area of 178 acres for the future expansion of this estate.
The expansion of the Industrial Estates at Vijayawada and Warangal has also been sanctioned during the year 1959-60 at a cost of Rs. 2.33 lakhs and Rs. 1.18 lakhs respectively in view of the demand for factory accommodation on these estates. The Government have also sanctioned the establishment of an additional Industrial Estate at Chandulal Baradari at a cost of Rs. 13.92 lakhs so as to relieve the pressure of unemployment in the old city of Hyderabad.

As it stands at present, the total cost of the Industrial Estates sanctioned so far during the Second Five Year Plan period is Rs. 157.98 lakhs. In the Third Five Year Plan a provision of Rs. 220.00 lakhs has been made for our industrial estate programme of which Rs. 50.00 lakhs would be utilised in 1961-62.

As a result of the growing realisation of the facilities under the Industrial Estates programme, there has been a widespread demand from all parts of the State for establishment of similar industrial estates. But owing to the limited resources available, it is not possible for the Government to take up the establishment of Industrial Estates at many places. Hence, a revised scheme has been prepared for the establishment of "Assisted Private Industrial Estates" which does not involve so much expenditure on the part of the Government. Briefly, the arrangement proposed is that the estate should be constructed as a joint venture between the prospective occupant industrialists and the Government. On the part of Government, the land will be purchased and developed with all common service such as water-supply, drains, street lighting, roads, etc. The developed sites will be leased out to industrialists on long term lease for construction of their own factory buildings for which loan assistance on easy terms will be available from Andhra Pradesh State Financial Corporation and the Department of Industries and Commerce. The estimated cost to Government of each Assisted Private Industrial Estate is Rs. 2.00 lakhs.

The Government have sanctioned under the above scheme the establishment of 3 Assisted Private Industrial Estates one each at Eluru, Guntur and Nizamabad during the current financial year. Sanction has also been accorded for 7 more such estates to be established at Anantapur, Adoni, Rajahmundry, Vijayawada, Warangal and Chandulal Baradari.
nagaram, Chittor, Tanuku and Pancheru. The work on these estates will commence in 1961-62.

As already mentioned an amount of Rs. 50 00 lakhs has been provided in the Budget Estimates for 1961-62 for the completion of the works in progress and establishment of 15 Assisted Private Industrial Estates and 3 regular Government Estates besides the expansion of the Industrial Estates at Sanathnagar, Warangal, Visakhapatnam and Vijayawada.

The Industries Department is taking steps to acquire the available Government lands suitable for establishing Industrial Estates in all districts.

9. Supply of raw material.—Although there has been certain increase in the supplies of the raw materials (controlled commodities) in our State; there has also been an increase of 300 per cent in the industries in the Small Scale Industries sector during 1959 and 1960. While making the allocation of the recent imported material, the Government of India did not give a fair treatment to the State. The State Government and personally the Chief Minister and Minister for Small Industries and Excise have taken up this matter with the Central Government and the concerned Union Ministers. The Central Government is not making available even the assured supplies of raw materials to the units of the Industrial Estates. The Governor has kindly addressed a personal letter to Shri Swaran Singh, the Minister for Steel, Mines and Fuel, Government of India in this regard. All possible attempts are continued to secure adequate raw materials.

10. Advisory Boards.—The Government of India have constituted an All-India Small Scale Industries Advisory Board. This Board has recently constituted a Sub-Committee to go into the question of raw materials. The Sub-Committee has visited our State last month.

The State Government has also constituted an Advisory Board for Small Scale Industries for the State of Andhra Pradesh. Sometimes well known big industrialists are also invited to attend the State Board Meetings.

The State Board constituted two Sub-Committees to consider problems relating to Industrial Estates and
the difficulties encountered by Small Industrialists due to rigid implementation of Factories Act. The Sub-Committee appointed about the Factories Act has not yet made its final recommendations, while the Sub-Committee on Industrial Estate made a number of recommendations, particularly regarding the continuance of the levy of rent for the factory building on the Estates at the subsidised rate of 8 nP. per sq. ft. of plinth area and these recommendations are now under the consideration of Government.

11. Industrial Study Tours.—As a part of the State Government’s programme for giving a fillip to the Small Scale Sector, Industrial Study Tours are being arranged to various industrial centres in the country. Apart from officers of the Industries Department and Small Scale Industrialists of the State, members of the Legislative Assembly and Council and Zilla Parishads and Panchayat Samithis have also been invited to join these study tours. The first of these tours was undertaken in June 1960 when a study team led by the Minister for Small Scale Industries and Excise, visited industrial centres in the Southern Zone including Madras, Coimbatore and Bangalore. The second of these tours was undertaken by a team of about 50 persons in the Northern Zone in January 1961. Important Small Scale Industrial Centres in Agra, Delhi and specially in Punjab were visited. The Minister for Small Industries has also joined the team for two days. These study tours have proved extremely popular and useful in stimulating interest in Small Scale industries and in providing fresh ideas to entrepreneurs in Andhra Pradesh for going into new lines. Follow up programme also is being taken up to promote industries in the State. The Government will send similar teams from time to time.

12. Ancilliary Industries.—The Government is encouraging the entrepreneurs to prefer to start ancillary type of industries. As a result of Synthetic Drugs Manufacturing Plant and Heavy Electric Goods Manufacturing Plant, if the same is located in our State, there will be a great scope for hundreds of small ancillary industries. Specimen schemes of such ancilliary industries are being prepared by the Department and are being made available to the private entrepreneurs.
3. Khadi and Village Industries

The Andhra Pradesh Khadi and Village Industries Board came into existence on 28th November 1958. Prior to this the Hyderabad State Khadi and Village Industries Board functioning in the Telangana area. For sometime both the Boards were functioning simultaneously till 31st July 1959 on which date the Hyderabad State Khadi and Village Industries Board was dissolved. The erstwhile Hyderabad State Khadi and Village Industries Board which was established on 9th November 1955 received Rs. 17,35,067 as grant and Rs. 48,35,358 as loan from the Khadi and Village Industries Commission out of which the Board was able to utilise Rs. 11,12,205 under grant and Rs. 30,67,452 under loan. The Andhra Pradesh Board has during the last two years received the following loans and grants together with the unspent balances of former Hyderabad Board.
### 1959-60

<table>
<thead>
<tr>
<th>Opening Balance as on 1-4-1959</th>
<th>Receipts during 1959-60</th>
<th>Total</th>
<th>Sanctions during 1959-60</th>
<th>Amount disbursed upto 31-3-1960</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Rs.</td>
<td>Grant Rs.</td>
<td>Loan Rs.</td>
<td>Grant Rs.</td>
<td>Loan Rs.</td>
</tr>
<tr>
<td>18,05,454</td>
<td>14,73,612</td>
<td>19,17,196</td>
<td>6,31,801</td>
<td>37,22,651</td>
</tr>
</tbody>
</table>

### 1960-61 (as on 5-2-1961)

| Loan Rs. | Grant Rs. | Loan Rs. | Grant Rs. | Loan Rs. | Grant Rs. | Loan Rs. | Grant Rs. | Loan Rs. | Grant Rs. |
| 16,76,016 | 11,97,711 | 40,25,264 | 12,76,985 | 57,02,280 | 24,74,696 | 26,29,006 | 9,85,688 | 17,55,712 | 9,24,855 |
Recently the representatives of the State Khadi Board had discussions in Bombay with the representatives of Commission regarding the allotment of funds for the year 1961-62 and the Khadi Commission has agreed to allot Rs. 95,00,000 for the development of Khadi and Village Industries to the State Khadi Board during 1961-62. This is apart from the amount which the Khadi Commission is directly spending in the Andhra area for the development of Khadi activities. At the constant request of the State Khadi Board the Khadi Commission has recently agreed to transfer the Khadi Schemes in the Andhra area to the Khadi Board; and the Commission has been requested to accept 1st April 1961 as effective date for transfer.

Being the organisation, a new one and also due to delay in the receipt of funds from the Khadi Commission, the State Board could not make satisfactory progress. The State Government is bearing the entire expenditure incurred towards establishment as Grant-in-Aid.

Recently efforts have been made to rationalise the State Khadi Board's structure with special reference to the increased tempo of work and added responsibilities. In this regard a bill to amend the Act will be introduced very soon to shape the structure of the Board on the lines of the Khadi Commission. The question of reorganisation of the establishment of the State Khadi Board was also taken up. A new pattern of establishment more or less on the analogy of the establishment of the Khadi Commission was recommended by the Board which was approved by the Government. As per this pattern the establishment is being reorganised. In view of the heavy responsibilities, the services of an I.A.S. Officer have been made available to the State Khadi and Village Industries Board as its Chief Executive Officer who has taken charge on 11th February 1961.

During the course of the year the staff working under the administrative control of the Khadi Commission including Supervisors and Inspectors working in the districts under Village Oil Industry have been transferred to the administrative control of the State Khadi Board. It is expected that the Staff working in the other sectors directly under the Khadi Commission will also be transferred to the State Khadi Board.
In tune with the scheme of democratic decentralisation launched in the State, the State Khadi Board has decided to channelise all the schemes through Zilla Parishads and Panchayat Samithis. Besides, it is proposed to organise Industries on the principle of “one Industries, one Industrial Co-operative Society” for each Block or Shadow Block as far as possible.

Government have sanctioned the scheme of establishing two Palm Sugar Plants. Orders are being placed on the advice of Sri Gajanan Naik, Palm Gur Adviser of the Khadi Commission with the Tad Gur Shilpa Bhavan, Dahanu. As this scheme comes under the purview of the State Khadi and Village Industries Board, steps are being taken to implement the scheme through the State Khadi and Village Industries Board. It is gratifying to note that the Khadi Commission is going to make available funds to the State Board to establish similar plants in the next year.

4. HANDLOOM

The Co-operative Techniques are being applied with the conspicuous success for the development of Handloom Industry which is the major cottage industry in the State next in importance to Agriculture. The process of organising the Industry on co-operative basis has been going on vigorously. So far 258 lakhs of looms, i.e., more than 58 per cent of the loomage in the State have been brought into the orbit of co-operatives. The Industry has been gaining strength and vitality on account of the systematic implementation on the development schemes financed by the Government of India.

1. Reorganisation of the Department.—At present the Handloom sector is being administered by the Director of Handlooms who is assisted at the district level by Deputy Registrars of the Co-operative Department on general duty. It has been found from experience that Deputy Registrars on general duty are not in a position to pay adequate attention to the problems confronting the handloom sector as they have multifarious duties of a general nature to cope with, apart from the weavers’ societies. In order to enable the Handloom Department to cope with the increasing expenditure that is contemplated in the Third Five-Year
Plan and to achieve the targets set forth, it has been found necessary to strengthen the administrative machinery at the disposal of the Director and to gear it up for shouldering these increased responsibilities. With this end in view, proposals have been formulated for completely reorganising the handloom directorate both at the headquarters and at the district level. At the headquarters, these proposals envisage the strengthening of the directorate by the addition of technical and supervisory personnel and engineering staff for the housing colony schemes. At the district level the proposals contemplate the appointment of Deputy Registrars of Handlooms for all important districts and Sub-Registrars for districts where the volume of work is not sufficient to justify the presence of a Deputy Registrar. The District Handloom Officers would be assisted by the necessary complement of inspectors for supervision of weavers’ co-operative societies. The total outlay on the implementation of these proposals would be of the order of Rs. 10.72 lakhs of which Rs. 9 lakhs would be provided by the centre towards organisational expenditure. It is proposed to implement this reorganisation from the first April 1961.

2. Second Five-Year Plan Provision.—As against the outlay of Rs. 427.54 lakhs for the development of Handloom Industry in the Second Five-Year Plan, the expenditure during the first four years amounted to Rs. 340.45 lakhs and it is expected that the balance of Rs. 87 lakhs would be completely spent before the close of the current year. During the first four years of the Second Five-Year Plan period 29,250 looms were brought into the co-operative fold. The marketing organisation has been strengthened considerably by the opening of internal and inter-state depots and production and sales of handloom fabrics have have recorded a rise. The calendaring plant and Research Institute established by the Andhra Handloom Weavers’ Co-operative Society, Limited, Vijayawada are being commissioned.

3. Provisions in 1960-61.—During 1960-61, 3,333 outside weavers were brought into the co-operative fold.

The scheme for 1960-61 envisages the opening of 50 depots and supply of 120 press machines, 50 wrapping machines, 1,900 slays and 2,000 sets of the heads and
reeds. The depots have been allotted and the apex and primary weavers' societies are taking steps to open them before the close of the current year. The improved appliances are also being procured according to the sanctioned scheme.

In the schemes for the current year, the Government of India have sanctioned loans to the extent of Rs. 2 lakhs for the construction of sheds by the apex societies to produce varieties of cloth to meet the demands of the consuming departments and also exportable varieties. The scheme is under implementation. An institute for the training of the employees of the apex and primary weavers societies is being run by the Hyderabad Handloom Weavers' Central Co-operative Association. This training will secure to the apex and primary weavers societies, trained and competent personnel to manage their affairs. The scheme for collection of statistics relating to Handloom Industry is in operation.

The scheme of rebate continues to be implemented. The Government of India have reduced the rate of rebate to 5 nP. per rupee on retail sales since 1st September 1960. Rebate is allowed on wholesales 3 nP. per rupee. During the current year rebate claims to the extent of Rs. 34.5 lakhs have been passed. It is expected that claims to the tune of Rs. 2.5 lakhs more will be sanctioned before the end of this year.

During 1960-61, 600 outside wool weavers were brought into the Co-operative Fold. Two Internal depots were opened. Financial assistance has been sanctioned for the purchase of 6 Carding Machines, 10 Warping Machines, and 57 Fly Shuttle Looms, 125 sets of Healds and Reeds and construction of 10 sheds to install the Fly Shuttle Looms, Carding Machines etc. The schemes are under implementation. Working, capital loans were disbursed to the Primary Weavers Societies to the tune of Rs. 1,70,000. One hundred and fifty Silk Looms were brought into Co-operative Fold by advancing Share Capital Loans to the tune of Rs. 13,125. Working Capital Loan of Rs. 75,000 was disbursed to the Hyderabad Handloom Weavers' Central Co-operative Association for the marketing of Silk Handlooms Fabrics. Four hundred Standard Reeds are being supplied to the Primary Weavers' Societies.
4. **Housing Colony Schemes.**—Provision of Housing facilities to weavers is one of the important lines of activity taken up by Weavers Societies taking advantage of the pattern of assistance indicated by the Government of India. Twenty-three Housing Colony Schemes involving the construction of 1,279 houses with a total outlay of Rs. 49 lakhs are under implementation. Four societies, *i.e.*, the Pochampally, Jangaon, Nidubrolu, Perala and Alaganipadu Weavers’ Societies have completed the construction of 314 houses in all according to the programme. The other schemes are in various stages of implementation. Quota for the houses has been allotted to all districts in proportion to the loomage as some district or districts have got the houses sanctioned more than what it or they deserved. Within the district also the policy is that the Housing Colonies should be located in different regions so that as far as possible the whole district should have a chance to know the new outlook and approach.

5. **Co-operative Spinning Mills.**—A remarkable line of development in the Weavers’ Co-operative Movement is the establishment of Spinning Mills on Co-operative basis. The Andhra Co-operative Spinning Mills, Guntakal which had gone into production in 1954 is making steady progress. It has a spindlage of 16,536 and embarked on a programme of expansion of its spindlage to 24,000 to make it a sound and viable economic unit. It obtained a licence for 3,500 spindles under the first phase of its expansion. Government have taken shares so far to an extent of Rs. 7 lakhs. The State Bank of India has agreed to grant a clean cash credit accommodation of Rs. 10 lakhs on Government guarantee and key loan of Rs. 30 lakhs to this mill. The Netha Co-operative Spinning Mills, Limited, Hyderabad, has more or less completed the renovation of the factory buildings and secured the necessary machinery and now renovation of the old machinery and installation of the complete machinery has begun. It has secured state participation in its share capital structure to the extent of Rs. 12.3 lakhs and borrowed Rs. 10 lakhs from Andhra Pradesh Finance Corporation. The Mills is expected to go into production very soon. The Chirala Co-operative Spinning Mills has been organised for the production of finer counts of yarn. It is constructing its building and procuring the machi-
nery. Government have participated in its share capital structure to the extent of Rs. 8.57 lakhs.

When these mills function with full capacity, they will be in a position to supply a substantial portion of the yarn requirements of the Primary Weavers Co-operative Societies in the State.

6. Scheme of Reserve Bank, Finance.—The Schemes of financing weavers' co-operative societies by the Reserve Bank has been gaining sustained momentum and recently a seminar was held at Hyderabad to discuss the procedural difficulties and other problems involved in implementing the scheme. During 1960-61, the Reserve Bank of India has fixed credit limits to the tune of Rs. 96.65 lakhs in respect of 23 Central Banks and the Andhra Handloom Weavers' Co-operative Society as against credit limits of Rs. 78.36 lakhs fixed for 21 Central Banks and the Andhra Handloom Weavers' Co-operative Society during 1959-60. A notable event during the year is the starting of a Pilot Project for the intensive implementation of this scheme in the East Godavari district. A Joint Registrar with necessary staff is placed in-charge of implementation of the scheme. Four Central Banks are working in the East Godavari district and 95 Weavers' Societies are affiliated to these Central Banks. Working capital loans to the tune of Rs. 9.75 lakhs were disbursed to the societies during the current year and the requirements of funds Weavers' Societies in this district for next year are estimated at Rs. 17.10 lakhs. Considering the need for providing adequate agencies for financing the Handloom sector, the State Government have formulated a proposal for setting up a separate Co-operative Central Bank for the Handloom sector. This bank would either provide finances only to the Handloom sector or in the alternative it will function as an integrated Co-operative Central Bank for both Handloom sector as well as other Industrial Co-operatives.

7. Production and Sale.—The impact of the implementation of these developmental schemes is reflected in increased production and sales. The following figures bring out this position:

<table>
<thead>
<tr>
<th>Year</th>
<th>Production (Rs. in lakhs)</th>
<th>Sales (Rs. in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958-59</td>
<td>515.04</td>
<td>622.06</td>
</tr>
<tr>
<td>1959-60</td>
<td>575.92</td>
<td>649.66</td>
</tr>
</tbody>
</table>
It is expected that with the availability of funds in a greater measure from the Reserve Bank, production will record a steady improvement.

**State Handloom Advisory Board.**—The State Board has constituted different Sub-Committees to examine different handloom problems. The Sub-Committees have finalised their reports recently which will be considered by the Government together with Board’s observations made thereon.

**All India Handloom Board.**—The Government of India accepting the recommendations of the State have nominated the following five persons on the All India Handloom Board which was recently reconstituted:—

1. Shri M. Somappa .. President, All-India Handloom Fabrics Marketing Co-operative Society, Limited, Bombay and President, Yemmiganur Weavers’ Co-operative Society, Limited, Kurnool district.

2. Shri Basava Raju .. President, Andhra Handloom Weavers’ Co-operative Society, Vijayawada.


4. Shri .. .. Director of Handlooms, Andhra Pradesh, Hyderabad.

5. Shri Durga Durgiah .. President, Wool Weavers’ Co-operative Society, Hyderabad.

** Provision in the Third Five-Year Plan.**—The Third Five-Year Plan provides for an outlay of Rs. 5.4 crores for the development of the Handloom Industry in the State. Establishment of a Central Bank to finance weavers’ co-operative societies, exclusively, State participation in the share capital structure of Spinning Mills, establishment of a technological institute, matching contribution towards thrift fund in weavers’ societies, establishment of spinning, finishing and dyeing plant, in the
wool industry are some of the important schemes included in the Third Five-Year Plan.

*Budget estimate for 1961-62.*—The provision for the year 1961-62 is of the order of Rs. 82.09 lakhs. Out of the sum of Rs. 82.09 lakhs provided for the development of Handloom Industry during 1961-62 a sum of Rs. 54,04,000 has been provided as grant and the balance of Rs. 28,05,000 as loan. The grant portion of the assistance that is proposed to be given to Weavers' Co-operative Societies is calculated to enable them to expand their marketing activities and improve their technical efficiency and competitive capacity.

Amounts provided under each item are as follows:

<table>
<thead>
<tr>
<th>GRANTS</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Marketing Schemes</td>
<td>4,83,000</td>
</tr>
<tr>
<td>2. Technical improvement research</td>
<td>6,87,000</td>
</tr>
<tr>
<td>3. Rebate on sale of handloom cloth</td>
<td>32,00,000</td>
</tr>
<tr>
<td>4. Improvement of Cumbly Industry</td>
<td>2,00,000</td>
</tr>
<tr>
<td>5. Improvement of Silk Industry</td>
<td>32,000</td>
</tr>
<tr>
<td>6. Subsidy under housing colony schemes</td>
<td>2,92,000</td>
</tr>
<tr>
<td>7. Subsidising interest on loan from Reserve Bank of India</td>
<td>1,70,000</td>
</tr>
<tr>
<td>8. Staff for Audit and Supervision</td>
<td>1,00,000</td>
</tr>
<tr>
<td>9. Scheme for collection of statistics</td>
<td>1,00,000</td>
</tr>
<tr>
<td>10. Cost of Departmental staff and running expenses of Weavers' Co-operative Societies</td>
<td>5,40,000</td>
</tr>
<tr>
<td><strong>Grand total</strong></td>
<td>54,04,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LOANS AND ADVANCES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Colony Schemes</td>
<td>13,60,000</td>
</tr>
<tr>
<td>Share Capital Loans to Weavers' Co-operative Societies</td>
<td>6,20,000</td>
</tr>
<tr>
<td>Loans for Cumbly Industry</td>
<td>3,84,000</td>
</tr>
<tr>
<td>Loans for improvement in technique</td>
<td>66,000</td>
</tr>
</tbody>
</table>
78 Capital Outlay:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation in the share capital of the proposed Central Bank to finance Weavers' Co-operative Societies</td>
<td>3,00,000</td>
</tr>
<tr>
<td>Participation in the share capital of the Primary Weavers' Co-operative Societies</td>
<td>75,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28,05,000</strong></td>
</tr>
</tbody>
</table>

5. LEATHER AND TANNING INDUSTRY

This State is the largest single producer of raw hides in the country. The total estimated value of the annual production of raw skins and hides works out to about Rs. 50 million. The bulk of the hides and skins produced here are exported in a raw condition. The value of hide and skins, if converted into finished leathers would be of the order of Rs. 89.7 million annually. Tanning materials both vegetable and mineral, are also available in abundance in the State. The industry if developed on a sound basis has a very large employment potential. Taking into consideration, the natural advantages which we have for developing this industry, the Government of Andhra Pradesh had appointed a High Power Committee to go into this matter. The Committee headed by Dr. Nayudamma, Director, Central Leather Research Institute, Madras, consisted of all parliamentarians from the State who were concerned with the industry and few more experienced persons. The Committee has since submitted its report and the same is under the active consideration of the Government. The main recommendation of the Committee is that the Government should appoint a statutory Leather Board and allot funds for implementing a composite programme for the development of the industry through this Board. To start with a provision of Rs. 1 crore has been included in our Third Plan proposals for this industry. It is expected that more than Rs. 1 crore will be available from Khadi Commission during the Third Plan for this industry. It is also being examined to what extent the Andhra Pradesh Khadi and Village Industries Board can support this programme from its resources. As the setting up of a Statutory Board would take some time
involving the passage of the necessary legislation, it is being considered to set up an *ad hoc* interim board of non-statutory nature which can go ahead with the programme.

*Extension Centre* :—The State Government have also been pressing the Council of Scientific and Industrial Research to set up an extension centre for the Leather Industry at Hyderabad on the lines of the centres already working at Kanpur, Calcutta and Bombay. I am glad to disclose that this extension centre would come into existence very shortly and would go a long way in meeting our requirements for technical advice and know-how.

*Leather Polytechnic* :—So far as technical personnel are concerned, it has been suggested to the Central Government that a Leather Polytechnic *i.e.*, school for leather technology may also be established here which could provide diploma courses in this subject on the lines of the schools set up for engineering and printing technology. Concrete proposals in this regard are under preparation and would be forwarded to the Government of India in the near future for consideration.

6. **Handicrafts.**

Andhra Pradesh is the traditional home of a large number of handicrafts known for their beauty and variety. These handicrafts have a wide popular appeal both within and outside the country. Over 10,000 artisans derive their livelihood by practising these crafts. The State Government has therefore been paying special attention to the need for fostering and developing these ancient crafts. Our development schemes in this connection follow closely the pattern laid down by the All India Handicrafts Board. During 1960-61, 45 schemes in this sector were being implemented at a cost of Rs. 6.00 lakhs. The schemes undertaken by the State are directed mainly to ensure allround progress and balanced development on the organisational, technical and marketing sides.

*Organisation* :—The individual craftsmen are not able to face the competition of mass produced goods. To face this and other difficulties, the craftsmen are
being brought together on a co-operative basis. As a result of the implementation of policy, 25 crafts have so far been organised on co-operative lines. Managerial assistance is being continued to these Co-operatives.

Training:—During the past 6 years over 3,000 new artisans have received intensive training in those handicrafts, the products of which have a ready demand both within the country and outside.

Common Facility Centres:—Six common facility centres have been established in the different parts of the State for different crafts where the craftsmen are provided with tools and equipment and can carry on their work in ideal conditions. To assist the handicrafts still further, a research and design centre is being set up in the State, which would serve a very useful purpose in raising the quality of handicraft products and providing them with a steady flow of new designs in keeping with changing tastes. As a large number of important handicrafts such as Bidri, Nirmal and Himroo industries are now localised at Hyderabad, feasibility of establishing an industrial estate for Handicrafts in the old city is under consideration. Special schemes are under consideration for the development of handicrafts among the Scheduled Tribes in various parts of the States.

Emporia:—On the marketing side there were only two emporia existing at the beginning of the Second Five-Year Plan at Hyderabad and Vijayawada. During the plan period, 5 new emporia have been started at Warangal, Visakhapatnam, Rajahmundry, Tirupathi and Anantapur. The current annual turnover of these emporia is Rs. 9 (nine lakhs) lakhs as compared to Rs. 4 (four lakhs) lakhs at the commencement of the plan. The Hyderabad emporium in particular has received special attention and has been recently renovated completely. With the result of the improvements in display and marketing, this emporium has reached a level of self-sufficiency. An export section is being added to the Hyderabad emporium. Two wholesale distributing depots are also being established at Bombay and Delhi. To ensure that high standards are maintained, steps for introducing quality control are being taken. Quality control has so far been introduced in respect of six crafts.
Advisory Board:—The State Handicrafts Advisory Board has been reconstituted on a broad basis giving representation on the one hand to experts in the field, and on the other to craftsmen engaged in these crafts. The Board has been tendering useful advice and guidance to Government. The Board had constituted five sub-committees which, after a thorough study of their respective issues made very useful suggestions. The recommendations made by the Board on these suggestions are under the consideration of the Government.

Handicrafts Development Corporation: To give further fillip to this industry, the State Government is considering to set up a Corporation registered under the Companies Act to be known as the Andhra Pradesh Handicrafts Development Corporation. The funds provided during the Third Plan for handicrafts could be channelised through this Corporation. It may be mentioned that a sum of Rs. 25 lakhs has been allocated for the development of Handicrafts during the Third Five-Year Plan. The employment provided under handicrafts schemes worked out to 2,935 up to the end of 1960 and it is hoped that there will be substantial increase in the employment by the end of 1961-62.

7. COIR INDUSTRY

Andhra Pradesh has an area of about 1 lakh acres under Coconut cultivation which is almost entirely confined to the districts of Srikakulam and East and West Godavari. As facilities exist in these districts for the development of the Coir Industry, the Government have sanctioned the establishment of five production-cum-training centres for the manufacture of Coir and Coir products at Antarvedi, Tallarevu, Komaragiri-patnam, Mogalthur and Baruva, in addition to the continuance of the Coir School at Baruva and these centres are functioning satisfactorily. Two schemes for the production of Mattress and Bristle Fibre using machinery on the lines in vogue in Ceylon, have also been sanctioned by the Government and steps are being taken to implement these schemes. One of these mechanised units is expected to be established shortly in East Godavari district. When the manufacture of Mattress and Bristle Fibre by mechanical means is demonstrated successfully, it is expected that the coconut husks, which
are at present being wasted or burnt as fuel, will be put to profitable use. A provision to the extent of Rs. 7.00 lakhs has been made in the Third Five-Year Plan for the development of the Coir Industry in Andhra Pradesh.

8. SERICULTURE

It is evident that in the predominantly agricultural economy of Andhra Pradesh, Sericulture can play an important role as an ideal subsidiary cottage industry in the rural areas. The Government therefore have been encouraging the development of sericulture, in all three of its branches viz., Mulberry Silk, Tassar and Eri Silk. Mulberry cultivation and silk worm rearing are being carried on at present in seven districts, viz., Visakhapatnam, West Godavari, Chittoor, Ananthapur, Warangal, Nizamabad and Karimnagar, where over 1,000 cultivators have been benefited. To meet the silk worm seed requirements of the cultivators, basic seed stations were established during the Second Five Year Plan at four centres. The cocoons produced by the cultivators are being purchased by the department on spot-payment and reeled into silk yarn at the centres.

So far as Tassar silk is concerned, Government have established seed stations in Adilabad, Karimnagar and Warangal districts mainly in the tribal areas. Disease-free silk worms are distributed for rearing purposes from these centres. Over 100 tribal families are benefited from this industry. Cocoons are purchased, reeled into silk yarn, woven into cloth and the same marketed departmentally.

Two Eri demonstration silk farms have been set up in Kurnool and Mahboobnagar districts where it has been established that Eri silk worms can be successfully reared on castor leaves. It is estimated that castor cultivators would be able to derive an additional income of Rs. 40-50 per acre from Eri Silk.

During the Second Five-Year Plan, Rs. 14 lakhs were spent on sericulture. In the Third Plan a provision of Rs. 15 lakhs is made.
9. **INDUSTRIAL EXTENSION PROGRAMME IN BLOCK AREA**

Two pilot projects, one in the Kakinada-Peddapuram area of East Godavari district and the other in Mulugu taluk Warangal district were set up with effect from 1st October, 1955 and continued to be in operation. These pilot projects were set up with the objective of achieving all-round and intensive development of selected cottage and village industries and for generating new industrial activity through the organisation of industrial co-operatives. Training centres for pottery, coir, tanning and leather industries were set up under these projects, apart from rural arts and crafts centres for carpentry, blacksmithy, handloom and Nawar weaving. These centres have provided training to about 650 candidates. In addition to the two pilot projects, four multipurpose projects were also started with effect from the first April, 1956 with a life period of 5 years and a financial provision of Rs. 2.00 lakhs, for the implementation of suitable programmes for the development of cottage and small scale industries among the tribal people. Thirteen training centres were established in these four multipurpose projects and training is being imparted to the tribal people in most of the basic trades like carpentry, blacksmithy, pottery, tanning and brick-making. So far, 3,250 candidates have received training at these centres.

Special staff was sanctioned under the rural industrialisation scheme for the purpose of conducting a survey of the 247 villages in the Kakinada-Peddapuram Project in respect of Industrial potentialities. On the basis of the report submitted by the team the following measures were taken for the development of Cottage and Village Industries in the area. One thousand four hundred and sixty-seven village artisans were granted loans to the tune of Rs. 2.00 lakhs and 164 artisans were granted free grants totalling Rs. 16,000 to enable them to improve their units by purchasing improved tools, implements and raw materials.

Consequent on the introduction of the revised pattern of Community Development Programmes with effect from 1st April 1958 all the N. E. S. Blocks were converted into Stage I Blocks and the Post Intensive Blocks into Stage II Blocks. The C. D. Blocks were
retained without any change. Under this pattern the following amounts are being provided for the implementation of a suitable programme for the development of Cottage and Small Industries in the Blocks.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Recurring</th>
<th>Non-recurring</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs.</td>
<td>Rs.</td>
<td>Rs.</td>
</tr>
<tr>
<td>Stage I</td>
<td>...</td>
<td>25,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Stage II</td>
<td>...</td>
<td>10,000</td>
<td>40,000</td>
</tr>
</tbody>
</table>

As a result of this change a suitable programme has had to be implemented in nearly 205 blocks with effect from 1st April 1958. The number of Blocks has increased to 326 as on 2nd October 1960 as detailed below:

- Stage I: 192
- Stage II: 82
- C. D.: 5
- Multipurpose projects: 4
- Pre-extension: 43
- Total: 326

In the initial stages, the main activity under Rural Arts, Crafts and Industries Programme was the establishment of craft-wise production-cum-training centres in the Telangana region. The pattern of the Programme to be implemented went on undergoing change from time to time, in the light of the recommendations made by the Annual Conference on Community Development held at Rajgir and Mount Abu. Immediately after the introduction of the revised pattern of Community Development, the Department of Industries and Commerce had given special thought to the need for reorientation of the programme and in the light of the experience gained on the recommendation of the various committees etc., the following programme was formulated for implementation in the different blocks.

(a) Establishment of Integrated Training Centre.

(b) Organising and developing Cottage and Village Industries under the co-operative endeavour. A minimum of two industries is to be attempted in each block.
(c) Establishment of Common Facility Centres wherever there is concentration of artisans.

(d) Assisting the Industrial Co-operatives by way of technical and managerial assistance.

(e) Grant of subsidies for distribution of improved tools.

(f) Deputation of selected artisans for advanced training in selected institutes.

(g) Organisation of exhibitions, demonstrations, etc.

In the light of the recommendations of the Rajgir Committee, it was decided that Regional Training Centres might be established hereafter to serve the needs of a group of Blocks in each District. In pursuance of these decisions, 13 Regional Artisan Centres in the following districts have been sanctioned and most of them have already started functioning.

1. Mahaboobnagar
2. Hyderabad
3. Nalgonda
4. Kareemnagar
5. Warangal
6. East Godavari
7. Chittoor
8. Visakhapatnam
9. Sangareddy
10. Guntur
11. Kurnool
12. Krishna
13. Adilabad

In addition to the above, Government have decided to sanction another 7 centres in the remaining districts, as plan schemes during this current year (60-61). Rural Community Workshops and Common Facility Centres for the benefit of the village artisans are also being established extensively in the block areas. Assistance from the Khadi Commission is being given to Khadi and Village Industries.

Vidyalaya:—As sponsored by the Khadi and Village Industries Commission, Bombay, the Khadi and Gramodyog Maha Vidyalaya was started at Hyderabad with effect from 1st July 1957. The entire expenditure
was borne by the Khadi Commission and it was run under the administrative control of the former Hyderabad Khadi and Village Industries Board. While the Vidyalaya was under the control of the Board, 3 batches of Extension Officers were trained. A total of 198 Extension Officers (Industries) received training during this period after which the institution was closed, from 4th October, 1959 as it was found that sufficient number of candidates were not forthcoming for training. As a result of persuasion by the State Khadi Board and State Government, I am glad to report, that the Commission have re-started the Vidyalaya under the name "Gramodyog Vidyalaya" with effect from 22nd March 1960, and it is now located in Rajendranagar. After the re-opening of the Vidyalaya by the Khadi Commission, one batch of Extension Officers (Industries) consisting of 56 candidates has been trained and another batch is now undergoing training.

**Distribution of improved tools** - A scheme for the distribution of improved tools to village carpenters and blacksmiths on a subsidised basis was formulated by the Development Commissioner, Small Scale Industries and circulated to all the States during the year 1959. On the basis of the decision taken for the implementation of the schemes in the Mysore Conference on Community Development, 50 blocks were selected for the implementation of the schemes in the State of Andhra Pradesh. Necessary instructions were issued to the Block Development Officers and Assistant Directors to obtain applications from ex-trainees and artisans for their requirements of improved tools and to arrange for their supply. Subsidies are met from the block funds and loans and if necessary, sanctioned from the provision under the State Aid to industries also. Arrangements for selecting certain production units for making regular supplies of these tools are also worked out. During the period a total of 11,015 trainees were trained in various trades in different categories of blocks in the State.

*Third Five-Year Plan.* - For the Third Five-Year Plan the following programme has been chalked out for implementation in block areas under Community Development Programme.

1. Establishment of well equipped cluster type training centres in all districts in the State at the rate of
one in each district to cater to the needs of all blocks in the district.

2. Establishment of Rural Community Workshops for the manufacture of agricultural implements and carts extensively in all blocks in the State.

3. Development of certain selected areas as rural industrial centres.

4. Establishment of Rural Industrial Estates in all districts.

5. Development of all the basic industries coming under the purview of Khadi Commission in each block through co-operative endeavours.

Block and District Planning :- Planning for any developmental activity, if it is to be effective has to be laid on firm foundations and it should be built from the ground level. Instructions have therefore, been issued by the Government to all the Panchayat Samithis and Zilla Parishads that they should prepare comprehensive plans for the development of each village and block and that on the basis of the block plans, the district plans, the State Plan could be finalised. It is expected that the new approach to planning will produce a realistic People's Plan. So far as the organisation of industrial co-operatives in the rural areas is concerned, it has been found from experience that small scale industrial co-operatives confined to a single village have very slender chances of survival. Such institutions cannot be expected to raise the necessary financial resources to stand on their own feet and will not be in a position to appoint suitable managerial and technical personnel. The policy in future, therefore, would be to encourage the establishment of industrial co-operatives on a larger scale on a Panchayat Samithi-wise basis. Co-operatives whose area of operation covers the group of villages comprised in a Panchayat Samithi would be in a much better position to stabilise themselves and would constitute economically viable units in undertaking industrial activities.

10. INDUSTRIAL CO-OPERATIVES.

The total number of Societies in the State rose from 319 at the end of June 1957 to 1320 at the end of October 1960, of which 972 Societies come under the
purview of the Khadi Commission. About 43,000 is the total membership of the Industrial Co-operatives and about Rs. 14 lakhs is the total share capital.

Financing Agencies.—The Khadi Commission, as the principal financing agency, has been implementing its programme through the Andhra Pradesh Khadi and Village Industries Board. The Board provides financial assistance in the form of loans to members and artisans, working capital loans, loans and grants towards purchase of equipment, tools and machinery and construction of sheds. Other All-India Boards such as All-India Handicrafts Board, Silk Board, etc., also provide funds as grants and loans to their respective Industrial Co-operatives. Besides the above, under the State Aid to Industries Act and otherwise, the State Government made considerable funds available to members of the Industrial Co-operatives as well.

During 1960-61 an amount of Rs. 2.84 lakhs was sanctioned by the State Government for disbursement to societies as grants towards cost of accounts staff and technical personnel up to 50 per cent of the expenditure, grants towards cost of equipment and tools up to 75 per cent of the total cost, and full grants towards Reserve Fund.

A tendency was developed that just to get money a Co-operative Society should be formed. This being very dangerous, now strict attitude has been adopted in the registration of any society, that is, first workable industrial scheme should be prepared ensuring its economic validity, then to implement such scheme Cooperative Society be formed. Another policy was made that as far as possible there should be only one Co-operative Society for one industry for the whole Community Development Block or Shadow Block; and in the areas which do not come under any Community Development Block or Shadow Block there will be only one Society for each such area. For any exception, the D. I. & C's permission will be necessary.

Apex Organisation.—An Apex organisation under the name of the Federation of Industrial Co-operatives, Hyderabad, was promoted in 1951. The authorised share Capital of this Federation had been fixed at Rs. 50.00 lakhs O. S. out of which 50 per cent was to be
contributed by the Government and the balance to be raised by contribution from its members. The Government contributed their first instalment of Rs. 6.25 lakhs O. S. towards its share in the capital of the Federation of Industrial Co-operatives. The remaining amount towards the share capital was not made available by the Government Rs. 99,075 (I. G.) is the share capital amount contributed by other members of the Federation. No working loan was provided to it. The Federation has consequently had to face a severe handicap because of its limited financial resources. In spite of these limitations, however, a number of industries have been brought within its fold, such as Leather workers, Carpenters, Scientific Engineering works and Iron and Steel Industrial Co-operatives, etc. Its activities were reorganised in the year 1955 and 1956. Thereafter it is making progress. Only last year loan and grant was sanctioned by the Government. The Federation of Industrial Co-operatives had agreed to undertake and also is implementing certain schemes for the amelioration of unemployment in the twin cities. The Bye-laws of the Federation of Industrial Co-operatives are being examined to be amended to suit the changed circumstances so that by strengthening it, the Federation of Industrial Co-operatives should serve in a better way the needs of the industrial primary societies more fully in the supply of raw materials, machinery and equipment, technical advice and guidance and arrangements for marketing of finished products.

Bank.—To provide credit facilities to the Industrial Co-operatives attempts are being made to avail the Bank services. Efforts are continued even to promote a Central Co-operative Bank for the Industrial Co-operatives. Certain provisions are also made in the Third Five-year Plan in this regard.

11. AMELIORATION OF UNEMPLOYMENT IN THE TWIN CITIES OF HYDERABAD AND SECUNDERABAD

The State Government allocated a sum of Rs. 10 lakhs in the budget for 1960-61 for amelioration of unemployment in Hyderabad and Secunderabad. As the normal departmental procedure of sanctioning schemes and implementing them would have resulted in delay, it was decided to entrust the utilisation of these funds to a
departmental committee set up specially for the purpose with the Minister for Small Industries and Excise as its Chairman. The departmental committee has on it, officers of the Industries Department, both of the Secretariat and Directorate as well as representative of the Finance Department. The main functions of the Committee are:

(a) to provide financial assistance in the shape of loans to existing Small Scale and Cottage Industries Units for providing additional employment;

(b) to grant financial assistance in the shape of loans for the establishment of new Small Scale and Cottage Industries Units either on Co-operative basis or through individual enterprise;

(c) to provide financial assistance to institutions which are engaged in employment relief work through industries;

(d) to create or assist training facilities for imparting training in industrial techniques and trades;

(e) to implement programmes, and if necessary, establish departmental units with the specific object of providing employment opportunities; and

(f) to review the progress of schemes and programme sanctioned by the Committee.

The Committee commenced its work on the 25th May 1960, and decided at the very outset to utilise 3 types of agencies for generating fresh avenues of employment in the twin cities viz., individuals, co-operatives and central organisations. So far as individuals are concerned it was decided that loans for setting up industries or expanding existing units may be granted to interested parties after their schemes had been scrutinised by the Departments on the terms and conditions laid down in State Aid to Industries Act. Similarly schemes were invited from co-operatives for loans on the same conditions. As regards the Central Organisation, it was decided that this may be organised and set up as a separate branch of its activities by the Federation of Industrial Co-operatives, which would run work centres and market the products of such centres so that the workers need not be troubled with problems of obtaining raw materials and selling their goods. Neces-
sary staff and establishment for the Directorate of Industries as well as for the Central Organisation has been sanctioned by the Committee, both managerial and technical, to cope with this work and to supervise the progress of the schemes sanctioned by the Committee. So far 29 schemes on the lines indicated above have been sanctioned by the Committee involving the grant of loans to the extent of Rs. 7,08,900 for providing employment to about 900 persons.

12. CONCLUSION

In conclusion I would only like to say that as a result of the policy followed by the State Government and the initiative displayed by our small industrialists during the Second Five-Year Plan period, Andhra Pradesh now finds a place on the industrial map of the country. It is now our duty as we stand on the threshold of the third plan to resolve to consolidate that position and to expand this sector still further on rational and sound basis. It would be necessary both for the Government and industrialists, both for the public and private sectors to put their shoulder to the wheel and co-operate in taking this State well on to the high road of industrial progress and prosperity.

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APPENDIX-III

A. LARGE AND MEDIUM INDUSTRIES

PART I—GENERAL POLICY

The provision for industries in the Second Five-Year Plan for the State has been Rs. 10.03 crores out of which Rs. 1.67 crores is earmarked for major and medium industries. This is certainly an inadequate figure for an important sphere like industries. The object was considerably to improve on this figure in the Third Plan, but owing to competing demands and paucity of funds only a provision of Rs. 19.43 crores for all industries and Rs. 6.76 crores for major and medium industries could be made against the original demand from the Industries Department for Rs. 35.07 crores.

2. During the year under review it can be claimed that a determined effort has been made to analyse the causes of the State's Industrial Backwardness and to remove them. It is admitted on all hands that the State has vast industrial possibilities owing to its geographical position, various natural advantages, and a very considerable mineral wealth. The main reasons for this backwardness seem to be:

(1) a certain lack of the necessary industrial climate;

(2) the absence of incentive to induce industrialists to establish industries in the State or rather the presence of disincentives;

(3) the absence of machinery which will be continuously in touch with the private sector and which could offer both technical advice and financial collaboration as necessary to make effective inducement.

3. The problem has been confronted on these and allied lines. One way of introducing a suitable industrial climate will be to have, in Andhra Pradesh, the location of a few large Central Government's projects, as that would lead to the development of various subsidiary industries and go towards putting the State on the industrial map. This Government have persuaded the Centre to set up at Hyderabad a Synthetic Drug
Project with an estimated outlay of Rs. 10 crores. The State Government have also made strenuous efforts to have the Second Heavy Electrical Project with an estimated cost of Rs. 36 to 40 crores placed in Hyderabad; every facility was given to the Government of India Committee entrusted with the task of recommending a site and the State Government have also very strongly urged the Government of India that such a project should come to the State which has not unlike some other States had so far any really major Central Project. The Government are alert about other Projects in the offing and shall lose no opportunity to present the claims of the State for securing any of them. Possible sites for the location of the Precision Instruments Factory with all requisite data have been sent to the Government of India.

4. On the question of removal of disincentives, Government have examined the complaint of industry that the rates charged in Andhra Pradesh for supply of electricity are very high, and have decided that rates comparable to rates prevailing in the neighbouring States should be introduced. The detailed schedule is nearing completion. Government have similarly decided in principle that suitable adjustments in the incidence of sales-tax, as desirable, should be made so far as it relates to industries. The details are being worked out. Government have also decided, for the purpose of counteracting speculation in land prices, to buy 2,000 acres of land to start with in industrial area and distribute it to new industries at reasonable rates. Government have also fixed a high priority for industries in the distribution of electrical energy.

5. Government have felt that in the State's present condition of inadequate industrialisation it will not be enough merely to offer certain concessions, but consider it essential that a positive and active approach should be made to entrepreneurs and take steps to capture and sustain their interest in introducing more industries in the State—one way of doing this would be to set up Corporations which could frame suitable and viable projects and offer these to prospective entrepreneurs. The Corporations could, further, afford a certain amount of financial assistance in suitable cases. In
accordance with this thinking the following three Corporations have been set up:

(1) Andhra Pradesh Industrial Development Corporation with an authorised capital of Rs. 3 crores and an initial capital of Rs. 1 crore.

(2) Small Scale Industries Corporation with an authorised capital of Rs. 50 lakhs.

(3) Andhra Pradesh Mining Corporation with an authorised capital of Rs. 50 lakhs.

6. The Andhra Pradesh Industrial Development Corporation which was registered on 16th December 1960 has already held two meetings and is now processing the establishment of a certain number of projects. The Small Scale Industries Corporation was registered on 1st March 1961 and the first meeting of its Board of Directors is expected in the near future. The Andhra Pradesh Mining Corporation which was registered on 23rd February 1961 had the first meeting of its Board of Directors on 9th March 1961 when it decided to embark on a number of projects almost immediately.

7. The Standing Advisory Committee for Industries has set up three Sub-Committees. The Standing Advisory Committee held two meetings during the year. A number of valuable suggestions made by the Committee are being examined by the Directorate of Industries.

8. During the year, an Industrial Co-ordination Committee for the Hyderabad and Secunderabad cities was set up principally with the object of earmarking industrial areas in the two cities and providing the necessary facilities such as power, water, labour, accommodation, etc. On the same principle similar organisations for the districts have been arranged for.

9. With a view to meeting the demands for managerial experience, in the context of the increasing activity in the public sector, a selected number of officers who could be suitable for such assignments are being given a course of training in industrial management.
PART II—MAJOR INDUSTRIES IN THE PUBLIC SECTOR.

A. NEW MAJOR INDUSTRIES UNDER CONSIDERATION.

1. Iron and Steel Pig Iron Plant:

10. This Government have been urging the Government of India to set up, preferably in the Central Public Sector, a small iron and steel plant, for which we have pointed out we have the necessary iron ore, coal and lime-stone. The Government of India, however, thinking on the lines of a pig iron plant. The question is now being considered by a Government of India Committee, which visited Hyderabad in October 1960 and collected some data. In accordance with the Committee’s instructions, large bulk samples of these three kinds of raw materials are being sent to the Laboratory at Jamshedpur for analysis. In the meantime, a scheme for pig iron plant received from the private sector has been forwarded to the Government of India for consideration.

2. Low Temperature Carbonisation Plant:

11. After the Government of India announced that they were unable to accept our scheme for an 800 ton per day plant, they have now promised to reconsider the case, and the matter has been forwarded to them again. If the Government of India are unable to finance and run this project, an effort will be made to get this project taken up by the Singareni Collieries Company.

3. Hundred ton per day Paper Plant from Bagasse at Shakkarnagar.

12. The Committee set up by the Government to consider the plan have submitted an interim report and suggested that the Nizam Sugar Factory along with Government could take a lead in the matter and set up the unit, securing necessary foreign credit. Subsequently, however, there has been an offer from a private company of a package deal consisting of three units involving a capital outlay of about Rs. 20 crores for the production of pulp partly for paper and partly for rayon. As this offer meant a welcome addition to the State Industry, it was decided that this should be examined, before any decision on the interim recom-
mendment of the Committee. The final conclusion in this matter is likely to be reached before the end of March 1961.

B. (I) INDUSTRIES RUN BY GOVERNMENT DEPARTMENTALLY AT PRESENT ARE:

(1) Andhra Paper Mills.
(2) Gudur Ceramic and Glass Factory.
(3) Power Alcohol Factory at Bodhan.

13. Andhra paper Mills.—To implement the expansion scheme under which the present capacity of the mills of 6 tons per day is to be raised 65 tons, orders for machinery of the value of Rs. 2.93 crores have been placed with a foreign firm. It is expected that the expanded capacity would be available in two years' time.

The Mills made a profit of Rs. 3.84 lakhs during 1959-60 as against Rs. 1.83 lakhs during the previous year.

Government have passed orders for changing of pattern of management into that of a joint-stock company. The Articles of Association and Memorandum have been prepared.

14. Gudur Ceramic Factory and Glass Factory.—Both these concerns are also to be converted into a combined joint stock company. The Gudur Ceramic Factory more or less maintained its position during the year, but steps are being taken for its enlargement. The question if the factory can produce high tension insulators is being explored. The progress of the small Glass Factory during the year has been disappointing which was partly due to the poor quality and irregular supply of coal. With the substitution of oil burner for coal, and further expansion it is expected that the glass plant will give a better account of itself in the future.

15. Government Power Alcohol Factory.—The expansion scheme at a cost of Rs. 9.62 lakhs has been completed, resulting in doubling of production. The factory is now producing 15 lakhs gallons per year. The factory made a profit of Rs. 4.4 lakhs in 1959-60 and a much larger profit is expected during the present year.
B. (II) Industries in which Government have a major share or considerable share in the capital

16. Nizam Sugar Factory.—Government have 76 per cent of the share capital. During the year ending on 30th June 1960 the company made a record net profit of Rs. 63.11 lakhs. Government have a majority on the Board of Directors and both the Chairman and the Managing Director are Officers of the State Government.

17. Singareni Collieries Company, Limited.—The State Government holds 58.3 per cent of the paid up capital (while 40 per cent is held by the Central Government). The company produced about 2.3 million tons of coal in 1959 and 2.5 million tons in 1960. The net profit in 1959 was Rs. 38 lakhs. Government have a majority on the Board of Directors and both the Chairman and the Managing Director are Officers of the State Government.

18. Praga Tools Corporation.—The State Government holds nearly 35 per cent of the share capital of the company, while the Central Government holds the majority shares. The company made a profit of Rs. 3.34 lakhs for the nine months ending 31st March 1960 in 1959-60 as against Rs. 4.91 lakhs in the previous year.

The company has a large expansion programme on the anvil estimated to cost Rs. 2 crores.

19. Azam Jahi Mills.—The State Government holds 36 63 per cent of the share capital. The Government who were the Managing Agents of the company gave it up on 15th August 1960 under the provisions of the Companies Act. In spite of adverse circumstances created by the reduction of the price of cloth the profit of the company for the year 1959-60 is expected to be in the neighbourhood of Rs. 5-1/2 lakhs as against Rs. 1.22 lakhs for the year 1958-59.

20. Allwyn Metal Works.—Government investments in the company amount to Rs. 49.33 percent. The present Managing Agents of the company are: Hyderabad Agencies Private Limited. After incurring a loss of over Rs. 7.19 lakhs during the year
ending 30th April 1959, the company made a net profit of Rs. 5.20 lakhs in 1959-60.

The company have under consideration various schemes of expansion such as scooters, wire-ropes and manufactures of machinery for heavy chemical industry.

21. Hyderabad Chemicals and Fertilizers. The State Government which has an investment of Rs. 12.85 lakhs out of the total subscribed capital of Rs 25.62 lakhs began to look after this company after the company's repeated failures resulted in an accumulated loss of Rs. 15.3 lakhs. An officer of the Government has been appointed as Managing Director of the concern and during the year ending 31st March 1960 there was a net profit of Rs. 1.52 lakhs.

The company has undertaken an expansion programme to produce Sulphuric Acid and Superphosphates. This expansion is expected to be completed by 1962.

B. (III) Concerns in Which Government Have Not a Major Share-Holding but Hold Substantial Shares, and Have Also Assisted Through Loans.

22. Sirpur Paper Mills:—Government holds 15.7 per cent of share capital. The company made a profit of Rs. 19.5 lakhs during the year ending 30th June 1960.

The company have further schemes of expansion.

23. Sirsilk Limited:—The State Government holds 19.09 per cent of the share capital and they also have advanced a loan of Rs. 3.45 crores which is to be repaid in certain fixed instalments. The company made a profit of Rs. 14.87 lakhs during the year 1958-59 and Rs. 3.60 lakhs during the year 1959-60 as against in 1956-57 Rs. 0.49 lakhs and 1957-58 Rs. 5 lakhs.

PART III—FUTURE PROSPECTS.

24. From the points made in the earlier parts of this note it will be realised that probably for a number of years to come, the industrialisation of the State might well be in terms of development in the private sector. The evidence of increasing interest shown by entre-
preneurs during the last four months in locating some major industries in Andhra Pradesh has been gratifying. The following cases are worth mentioning:—

An Engineering firm is securing land at Hyderabad to install a multiple project with an outlay of about Rs. 5 crores.

A firm of chemical industry has secured licence of establishing a Polysterene industry which may be started in Visakhapatnam. The outlay here would be in the region of Rs. 5 crores.

There is a proposal for an asbestos processing industry which may be located in Cuddappaa district. The size of this venture would be Rs. 7 to 8 crores with capital outlay. Another firm has received licence for the manufacture of malleable castings, cycle parts, etc. There have been various other applications for setting up spinning mills, cement factories and sugar factories. On a somewhat smaller scale there are also projects for the manufacture of cast iron spun pipes—one at Visakhapatnam and the other at Gudivada. Another establishment for manufacture of electric detonators, etc., at Hyderabad is expected. Another possibility is the project for power tillers. There is also a proposal to set a large cellulose acetate factory which when fully developed, will involve an outlay of over Rs. 10 crores.

25. From these facts it is evident that there is a growing of large industries in the State even in the near future.