

CHAPTER V

INDUSTRIES

OLD TIME
INDUSTRIES

Manufacturing industry was conspicuous by its absence in the Kalahandi ex-State area. Among cottage industries mention may be made of lac processing, weaving of cotton cloth, pottery, bamboo basket making, mat weaving, construction of plough and solid wheeled carts, making brass ornaments and blacksmithy. All these manufactures were to meet the simple requirement of the villages. In the past smelting of iron ore in charcoal furnances was widely practised by the Lohars, but incourse of time, the cheap factory made iron almost completely replaced the local products, though the practice is being still adhered to by villagers living close to the Basang hills and some parts of the plateau region.

Kalahandi is industrially one of the most backward districts of Orissa. According to the 1971 Census, only 0.93 per cent of the workers of the district were engaged in manufacturing other than household industry as against 2.30 per cent in the State. Household industry engaged 2.82 per cent of the workers which, however, was less than the State average of 3.63 per cent.

The district is quite rich in agriculture and forest resources. Moreover, a few mineral resources are also there in the district. Inspite of having all those resources the district is industrially very backward.

The slow growth of industries in the district is mainly due to the absence of coal and other sources of power, small extent of mineral resources available, and low production of agricultural raw materials excepting paddy, inadequate infrastructural facilities, lack of skilled workers, shortage of capital and entrepreneurial talent and large percentage of backward people in the district.

POWER

For the first time in 1925 a diesel power house was installed in Bhawanipatna. It mainly supplied electricity to the palace and a few other government institutions. After the merger of the ex-State, the power house was taken over by the State Government and it introduced a number of modifications in the supply and distribution system. Subsequently some other diesel power houses were installed in the district to supply electricity at Junagarh, Kesinga, Khariar, Nawapara and Khariar Road. In course of time these diesel power houses were closed and electricity was supplied to the district from the State Electricity grid fed by the Hirakud Hydro-electric Project.

All the five towns, namely, Bhawanipatna, Kesinga, Junagarh, Khariar and Khariar Road have been electrified. The rural electrification programme in the district has also gained some momentum. 277 villages have been electrified till December 1977 including the subdivisional headquarters of Nawapara and Dharamgarh.

The consumption of electricity in the district during 1976-77 is given below.

| Category | No. of Consumers | Consumption (in units) | Percentage to total district consumption |
|-------------------------------|------------------|------------------------|--|
| 1 | 2 | 3 | 4 |
| Domestic .. | 2,822 | 11,06,540 | (24.31) |
| Commercial .. | 1,710 | 13,55,347 | (29.78) |
| Industrial .. | 163 | 12,99,936 | (28.56) |
| Public lighting .. | 13 | 2,45,609 | (5.40) |
| Agriculture and Irrigation .. | 91 | 2,21,116 | (4.86) |
| Public Water Works .. | 12 | 1,66,814 | (3.67) |
| General purpose tariff .. | 3 | 1,55,662 | (3.42) |
| Total .. | .. | 45,51,024 | .. |

Compared to some other districts of Orissa, Kalahandi is rather poorly endowed with mineral resources. Graphite, manganese, bauxite, lithomargic clay, cobalt and galena are the important minerals found locally. But the deposits are either small or of low grade. Bauxite found in the district is low in silicon and high in iron with an estimated reserve of 1.8 million tonnes. Graphite deposits are found in Bhawanipatna and Nawapara *tahsils*. This is the only mineral which is being exploited at present. The extent of reserve of this mineral is not yet estimated. An area of 247 hectares was given as mining leases to different private parties. Mining operation in most of the areas is irregular and is done by manual labour. The annual production figure comes to nearly 500 tonnes on an average and is mostly used in the graphite crucible plant at Titilagarh in the neighbouring district of Balangir. According to the National Council of Applied Economic Research (vide Survey of Backward Districts of Orissa), the known occurrences of mineral deposits in the district with the possible exception of bauxite are of marginal viability and can not sustain any heavy mineral-based industry.

MINING

There is no large-scale or medium size industry in the district. Whatever other industrial units exist are either in the small-scale or in the household sector. Of the small-scale industries most of the units are of conventional type like rice mills, oil mills, saw mills, etc. Processing Units predominate the industrial set up of the district.

Prior to 1965 there were about 29 industrial units of which 12 were rice mills, 2 saw mills, 2 chemical industries, and one engineering unit ; all producing consumer goods. Schemes like the Panchayat Samiti industries are being implemented in the district based chiefly on the locally available resources. State-Aid loan and loans from the Orissa Financial Corporation and the State Bank of India have been able to provide some fillip to the industrial growth in the area.

Details of the existing small-scale industries are discussed below.

Rice Mills

There are at present 18 rice mills working in the district mainly located at Kesinga, Khariar Road and Junagarh. The total investment of the rice mills is Rs. 100.74 lakhs, having milling capacity worth Rs. 372.65 lakhs per annum. Most of these mills are registered with the Food Corporation of India and sell their products through the Corporation. Two rice mills have also oil extracting plants in addition to their main rice mills. Besides these rice mills, there are 123 rice hullers doing only job-work of hulling paddy.

Saw Mills

There are 12 saw mills working in the district. The units are engaged in job sawing and are located in places like Lanjigarh, Narla Road, Madanpur-Rampur, Khariar Road, etc. These industries have invested Rs. 4.30 lakhs in form of machinery and working capital.

The saw mill at Madanpur-Rampur is a Panchayat Samiti industry and is managed by a Co-operative Society. It has a branch saw mill at Narla Road. The Society has taken lease of 4 selected forest coupes since 1969.

Compared to the forest resources of the district the number of saw mills and their output is very small. Round logs have good demand outside the district as compared to sawn wood and the local consumption of sawn wood is also very small. Nearly 99 per cent of the timber extracted from the forests is exported outside the district in the form of logs.

Oil Mills

There are three oil mills in the district located at Kesinga. The total investment of these mills is about Rs. 2.5 lakhs. Oil seeds like mustard, groundnut, til, linseed, etc. are available in plenty in the district and these units utilise the surplus oil seeds for manufacture of oil.

The sugar factory at Medinipur was started in December 1965 as a Panchayat Samiti industry under the management of a Co-operative Society with a capital investment of Rs. 2.23 lakhs. Owing to running on a heavy loss the factory stopped production during 1971-72. The reason for its running into loss is ascribed to the non-availability of good quality sugar cane at reasonable rates. The sugar factory, however, was given on lease to a private party in 1975-76.

Sugar
Factory

At present there are five units, four located at Kesinga and one at Bhawanipatna, manufacturing bread, biscuits and confectionery. The capital investment of these units is Rs. 0.55 lakhs. These are small units meeting the local demand of the district. One unit at Kesinga is also supplying its products to the neighbouring district of Balangir. The prospects of these industries are good, subject to the assured supply of sugar at controlled rates.

Bakery and
Confectionery

There are two units engaged in retreading and resoling of old motor tyres, one each at Bhawanipatna and Kesinga. The capital investment of these units is Rs. 0.39 lakhs giving employment to 11 persons. These units are capable of doing job work worth Rs. 0.45 lakhs.

Retreading
and Resoling
of Motor
tyres

There are two units in the district manufacturing homeopathic medicines and pharmaceutical medicines. The pharmaceutical medicine plant started in 1967 at Khariar Road is quite well organised and it has invested about Rs. 1.5 lakhs. The other unit located at Bhawanipatna started production in 1970. These units have good future prospects provided the supply of raw materials like industrial alcohol and other imported and scarce products remain regular.

Homeopathic
and Pharma-
ceutical
Medicines

Four Gudakhu manufacturing units have been established in the district located at Bhawanipatna, Kesinga, Rupra Road and Narla Road. They have invested about Rs. 0.5 lakh and have provided employment to 26 persons.

Gudakhu

One unit engaged in the assembly of umbrella was started at Narla Road in 1970 with a capital investment of Rs. 25,000. It had an annual capacity of producing goods worth Rs. 60,000. The unit started production, but was subsequently closed.

Umbrella
Manufacture

There are two washing soap manufacturing units located at Khariar Road and Khariar with a capital investment of Rs. 50,000. These units have an annual capacity of producing soap worth Rs. 2.0 lakhs.

Washing
Soap

**Wirenails
and Panel
pins**

There is one well organised unit manufacturing wire nails and panel pins at Khariar Road. It was established during 1964 with a capital investment of Rs. 8.68 lakhs. In the past the industry was facing difficulty in procuring the required quantity of wire according to its requirements. Subsequently it installed a wire drawing plant of its own and was able to increase its annual production.

**General
Engineering**

There are 3 units in the district engaged in the manufacture of iron gates, grills, agricultural implements, steel trunks, etc. About Rs. 2.5 lakhs have been invested by these industries. They manufacture everything on order basis.

The unit at Khariar Road named as Khariar Road Blacksmithy Industrial Co-operative Society Ltd. was started in 1963 as a Panchayat Samiti industry. The unit manufactures iron gates, grills, screws, gear shutters, garden chairs and various other light fabricated items. It has to depend mostly on government orders as public demand in the locality is not much. The unit is doing good business.

**Aluminium
Factory**

An aluminium utensils factory was established at Dharamgarh in 1971 with a working capital of Rs. 2.15 lakhs. It provides employment to 16 persons.

**COTTAGE
INDUSTRIES**

The important household industries in the district are handloom weaving, pottery, blacksmithy, basket making, carpentry, leather work, jewellery making, mat weaving, making of brooms from broom sticks and lac processing. According to 1971 census the total number of workers in the district was 3,80,978, out of which only 10,738 persons (2.82 per cent) were engaged in manufacturing, processing, servicing and repairs. These activities are mostly hereditary in nature and the artisans are scattered throughout the district. During the 1st Five-Year Plan period (April 1951 to March, 1956) both the Central and the State Government started taking steps for the promotion of household industries in the country which were surviving in an unorganised manner. The activities of the Khadi and Village Industries Board, the All-India Handloom Board, the All-India Handicrafts Board, etc. helped the poor artisans in improving the technique and in augmenting production.

Weaving

Weaving of cotton is one of the oldest cottage industries of the district. The handloom weavers comprise of some members of the Scheduled Castes and the Tribes and the artistic weavers of the Bhulia caste. The Bhulias are capable of weaving very fine clothes having

the intricate Tie and Dye and Jala designs. To preserve the traditional skill of these artisans some co-operative societies have been organised in recent years and they get government patronage. Two co-operative societies having common weaving sheds have been constructed at Sunamal and Charbahal exclusively for the Harijan and the tribal weavers of the locality. The co-operative societies are provided with share capital and working capital loan and they get raw materials at reasonable rates. The co-operative department supervises the production activities of these societies and impart necessary guidance for their improvement. The Orissa State Handloom Weavers' Co-operative Society Ltd. procures the products from the Primary Weavers' Co-operative Societies for sale in its sale depots. Besides, other measures like organisation of exhibitions and fairs, providing rebate on sale of handloom cloths, etc., are being implemented to popularise the handloom products.

In 1977-78 there were 11,737 weavers in the district having 2,755 looms. Out of which 4,516 weavers having 1,599 looms were under the co-operative fold and the rest 7,221 weavers having 1,156 looms were outside the co-operative fold. Out of 25 weavers co-operative societies formed in the district 5 societies having 329 members with a capital investment of Rs. 2,15,110 were working, 5 were moribund and 10 societies were under liquidation. The rest 5 newly organised societies did not start functioning. During 1977-78 these 5 working societies produced 20,000 metres of handloom fabric valued at Rs. 1.61 lakhs. It is evident from the above fact that inspite of the facilities provided by the State the industry is in a state of decay. The wages earned by the weavers of the district are not sufficient to maintain themselves and are comparatively lower than the wages earned by other class of artisans. Moreover, the poor and illiterate weavers of the district are totally ignorant about the financial pattern and schemes devised by the Government from time to time to provide financial help both from the institutional agencies and the Government. Inadequate financing has retarded the healthy growth of the handloom industry in the district.

A number of cottage industries like pottery, Ghani, hand pounding of rice, carpentry, rope and fibre making, lime klin, brick making, bamboo processing, leather works, manufacture of gur and khandasari, etc., are being patronised by the Government and the Khadi and Village Industries Board. Industrial Co-operative Societies have been organised to unite the artisans for better management of these cottage industries and to get government assistance in a systematic manner.

MISCELLANEOUS
INDUSTRIES

During 1972-73 there were about 48 industrial co-operatives in the district. Details about these establishments are given in the following table:—

| Type of Co-operative | Number of Establishments | Number of members | Share capital (in Rs.) |
|--------------------------|--------------------------|--------------------------|------------------------|
| (1) | (2) | (3) | (4) |
| 1. Pottery .. | 13 | 325 | 1,066 |
| 2. Carpentry .. | 4 | 69 | 1,334 |
| 3. Gur and Khandasari .. | 3 | 241 | 5,110 |
| 4. Lime Stone .. | 1 | 16 | 60 |
| 5. Oil .. | 9 | 193 | 3,632 |
| 6. Fibre .. | 2 | 76 | 322 |
| 7. Handpounding .. | 11 | 399 | 4,030 |
| 8. Brick making .. | 1 | 29 | 32 |
| 9. Leather .. | 2 | 19 | 4,717 |
| 10. Bamboo processing .. | 1 | 19 | 15 |
| 11. Rope making .. | 1 | (Under liqui- dation) | |

The above table shows that among these industrial co-operative societies, pottery making, *ghani* and handpounding of paddy are considerable in number. These cottage industries need more careful attention for their survival.

Among other important cottage industries of the district mention may be made of mat weaving, broom making and lac processing. The raw materials are easily available in the forests of the district. A few artisans in some rural centres of the district are found engaged in the above mentioned crafts. Mat weavers are concentrated at Manikera and Mohangiri. Brooms are produced at Manikera, Mohangiri, Bandhakana, Dhansuli, Mangalpur and Kalampur. Lac processing is mainly done in the Jayapatna area.

A leather unit at Khariar and a lac processing unit at Jayapatna have been sponsored by the Rural Industries Project under the co-operative sector and these units are making steady progress.

The State Government in a bid to bring about rapid industrial development in this backward district have announced certain facilities and concessions like provision of land, power, etc., to prospective entrepreneurs at a cheap rate ; assisting them to secure licence to start

STATE ASSIS-
TANCE TO
INDUSTRIES

the industry and foreign exchange requirements, if any ; assistance in the preparation of project report and feasibility study ; providing technical guidance, extending financial assistance to deserving industries in the form of share capital, loans, Government guarantees, etc. Under the State Aid to Industries Act, concessions in sales tax and purchase tax in raw materials and finished goods, exemption of octroi duty on machinery and raw materials of new industries, and the establishment of 'Developed Areas' with some basic facilities where industries can be started quickly, are provided with.

For promoting intensive and intergrated development of all kinds of small scale industries by evolving effective techniques and methods, the Rural Industries Project was started in Kalahandi district in February, 1973. It has been sponsored with the assistance of the Planning Commission, Government of India, and is one among the four such projects in the State.

In brief, the following assistance are given by the Rural Industries Project for the development of small scale industries in the district.

1. Feasibility Project reports
2. Developmental programme
3. Training of skilled operatives
4. Technical and managerial consultancy
5. Built up shed and developed sites
6. Loans and hire purchase of machineries
7. Marketing assistance
8. Tie-up with various financing agencies
9. Central subsidy and other concessions for new small-scale industries
10. Supply of improved tools at subsidised rate to rural artisans

As a preliminary work, a techno-economic survey of the district was conducted in 1974 to assess the industrial potentiality and the scope for the development of existing industries in the district. Accordingly a list of prospective industries was prepared and follow up action is being taken for the establishment of these industries.

During 1974-75 the R. I. P. has advanced working capital and machinery loan to twelve industrial co-operative societies to the tune of Rs.1,10,000. During 1975-76 two industrial co-operatives received Rs.55,000 and three individual entrepreneurs received Rs.18,000. During 1974-75, Rs.2,000 was given as grant-in-aid to industrial co-operatives for the repair of industrial sheds and a sum of Rs.1,500 was given as managerial subsidy to the Badi Leather Industrial Co-operative Society. Since 1974-75 sets of improved hand tools have been distributed to 202 rural artisans like carpenters, blacksmiths, weavers, cobblers and potters of the district.

The Rural Industries Project has assisted sixteen candidates for undergoing training in the Local Industrial Training Institute in different trades. Further, 6 persons have been trained at Government Shoe Factory at Cuttack in manufacturing leather goods.

In 1976, the Rural Industries Project had conducted industrial camps at six growth centres, i. e., Kesinga, Khariar, Khariar Road, Jayapatna, Junagarh and Narla for a period of 2 to 3 days at each place. During these camps a team of officers from the Rural Industries Project were present for the identification of new entrepreneurs and for collecting applications for the registration of small-scale industries. A total number of 73 prospective entrepreneurs were identified during these camps and necessary preliminary assistance was given to them on the spot.

A Package Assistance Campaign for entrepreneurs of this district and the neighbouring district of Koraput was arranged in collaboration with the Small Industries Service Institute, the Orissa State Financial Corporation, the Directorate of Industries and the different commercial Banks with a view to render a package of assistance, such as registration certificate, supply of finance and raw materials, allotment of Government land, factory sheds and supply of electricity within a limited time for rapid development of industries. A total number of 97 entrepreneurs participated in the campaign. As a result of the special drive for the development of small-scale industries in the district, 92 units have been established during the period 1974 to 1976, providing employment to 554 persons.

The different agencies providing financial assistance to the small-scale industries are (i) Directorate of Industries, Orissa, (ii) Orissa State Financial Corporation, (iii) The State Bank of India, (iv) the National Small Industries Corporation, (v) Industrial Development Bank of India, etc.

INDUSTRIAL TRAINING

Technical training is given in different trades like electrician, wireman, motor mechanic, fitters, turners, welders, etc. in the Industrial Training Institute at Bhawanipatna to about 150 candidates. The duration of the course varies from one to two years. One-third of the trainees are awarded State Government stipend of Rs. 35 each per month. All Scheduled Castes and Scheduled Tribes candidates are given a monthly stipend of Rs. 50 each under the Tribal Welfare Scheme. In addition to this, Community Development Blocks of the district also give a monthly stipend of Rs. 45 each to the trainees sponsored by the respective Blocks. Other incentives given to the trainees after the completion of their courses are (i) provision of tools and implements, (ii) apprenticeship training in different factories and (iii) the award of All India Trade Scholarship to candidates who come out successful in the test conducted by the Central Training Institute.

Provisions have been made for professional training in different technical trades like carpentry, brick and tile making, blacksmithy and I. C. Engine, etc. in the Training-cum-Production Centre at Junagarh. There is provision for 15 candidates in each course with a duration of two years. Trainees belonging to the Scheduled Castes and the Scheduled Tribes get a monthly stipend of Rs. 50 each.

An industrial estate was established at Kesinga in 1973. It has been provided with two 'B' type factory sheds and four 'A' type factory sheds. It has been recommended for allotment of 'B' type sheds for setting up factories for making bolts and nuts, cycle carriers and aluminium utensils, etc.

INDUSTRIAL
ESTATE

Besides Kesinga, Khariar Road has also been selected as an important growth centre in this district. About 12.55 hectares of Government land have been reserved at Khariar Road for future industrial use.

Techno-economic survey conducted by the National Council of Applied Economics Research, Small Industrial Service Institute, commercial banks, the Directorate of Industries, etc., have revealed that the district is very backward in all respects and needs intensive and special efforts for its development and industrialisation. The basic infrastructure, i. e., development of roads and other modes of communication, power supply, purified water for drinking and for commercial purpose, banking facilities, etc., must be taken up on a priority basis.

INDUSTRIAL
POTENTIAL
AND PLANS
FOR FUTURE
DEVELOP-
MENT

There is not a single large-scale industry in this industrially backward district. Existing small-scale units are also few and far between. The important ones are rice and saw mills. The State Government is, however, keen to attract a number of industrialists to this district which has been identified as one to receive concessionary finance for setting up industries from the Industrial Development Bank of India and other agencies and some outright subsidies from the Government.

Kalahandi is one of the most backward districts of Orissa at present and may be identified as one such in the country. It does not, however, lack in development potentialities. Once its forest wealth, agricultural potentialities and irrigation possibilities are fully exploited with due accent on growth of necessary infrastructural facilities, this district will surely be on the road to progress in no time. The State Government and other financial institutions including commercial banks are keen on bringing about an accelerated development through various developmental schemes and concessionary facilities.

The Small Industries Service Institute have suggested further development of existing industries and also the prospect of starting new industries in the district in their latest survey report (1972). It is evident from the report that there is enough scope for small-scale units which can run on local resources depending on local demands. In addition, various other types of industries can also be started successfully as the district is nearer to the trading centres of Andhra Pradesh and Madhya Pradesh. In brief, there is scope for pre-tressed concrete poles, transmission line accessories, PVC cables, cement products, PVC shoes, printing press, aluminium utensils, stone crushing units, washing soap, plastic moulded articles, powerloom cloth, hosiery products, starch from maize, lead pencil, ice factory, rice bran oil, graphite crucible, starch from tamarind seeds, etc. During the past few years some of these industries have already been established in the district.

INDUSTRIAL LABOUR

There is no large-scale industry in the district. Workers employed in the rice mills and saw mills constitute the majority of the industrial labourers. Unfortunately the rice mills are of seasonal nature. So the percentage of casual labourers is more than the permanent employees. Employment in other industries is comparatively less. The industrial labourers of the district are not organised and they depend entirely on the Government for getting relief. A district level labour office is functioning at Bhawanipatna since 1957. The activities of the Labour Department in this district is to enforce the provisions of various labour laws in force and also to maintain harmonious relationship between the employers and the employees in the industrial establishments in the district.

For the welfare of the industrial labourers a Multipurpose Labour Welfare Centre has been established at Khariar Road by the Labour Department. At the Centre, recreational, educational, cultural and social facilities are being provided to the industrial workers and their family. Besides, a Reading Room-cum-Recreation Centre is functioning at Kesinga where facilities are provided both for reading and recreation. The State Government have constructed 10 numbers of industrial tenements under the Industrial Housing Scheme at Kesinga and these have been allotted to eligible factory workers.

Details about the labour organisations in the district have been given in Chapter XVII—Other Social Services.