

## CHAPTER V

### INDUSTRIES

#### INTRODUCTION

Boudh-Khondmals is industrially one of the most underdeveloped districts of Orissa. In spite of rich forest resources the industrial sector has remained stagnant over the successive Five-year Plans. The slow growth of industries in the district is due to the absence of sufficient coal and other sources of power, lack of mineral resources, low production of different raw materials, not to mention the inadequate infrastructure facilities, lack of demand for finished products, lack of skilled workers, shortage of capital and entrepreneurial talent. The entire district is not served by any railway line. The district has, however, a railway Out-Agency at Phulabani which is served by Berhampur railway station in the neighbouring district of Ganjam, situated at a distance of 164 km. from Phulabani. The district is also poorly served by roads compared to the State and the country as a whole.

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. According to the 1971 Census, only 0.50 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 3.63 per cent of the workers which, however, was equal to the State average of 3.63 per cent. Household industry thus predominates the industrial set-up of the district.

#### POWER

The supply of electricity in Boudh-Khondmals is highly inadequate. The first electrical power house of the district was established at Phulabani during 1955 and power was made available to the consumers of the town by a diesel generating station having an installed capacity of 57 K.W. During subsequent years some other diesel generating stations were installed at Boudh, G. Udayagiri, Tikabali and Baligurha. In course of time all these diesel power houses and generators were closed down and electricity was transmitted to the district from the hydro-generating stations of Machhkund and Hirakud.

The towns of Phulabani and Boudh; 231 villages of the district including Baligurha, G. Udayagiri and Tikabali have been electrified till 1977-78. Extension of electricity to more villages is being taken up under the Rural Electrification Programme with the aim of getting the people in the remotest corner of the district acquainted with the use of electricity for irrigation, industrial and domestic use.

The consumption of electricity in the district during 1977-78 is given below.

Category	No. of consumers	Consumption (in units)	Percentage to total district consumption
Domestic	3,700	11,88,391	55.05
Commercial	13	18,001	0.83
Industrial	48	3,52,932	16.35
Lift Irrigation	40	3,26,956	15.14
Public lighting	28	1,36,260	6.32
Public water works	9	1,31,712	6.10
General purpose tariff	1	4,428	0.21
<b>Total</b>	<b>3,839</b>	<b>21,58,680</b>	

Compared to some other districts of Orissa, Boudh-Khondmals district is very poorly endowed with mineral resources. Occurrences of clay, manganese, graphite, mica, quartzite, felspar, rock crystals, coal and stilbite in small quantities are reported in the district. But the deposits are either small or of low grade. Kankar, a nodular variety of limestone, is found in Boudh Tahsil area and is locally burnt for lime. Graphite is the only mineral being worked out at present on commercial basis.

MINING

An area of 126.168 hectares has been leased out during 1963 for the graphite mines at Madagurha near Tumudibandha in Baligurha subdivision. About Rs. 2.5 lakhs have been invested by a private firm in this mine which is being operated by manual labour. The average annual production of the mine during the last 5 years (1973-77) is 1,431 tonnes.

A decade back the number of small scale industries registered with the District Industries Officer was only 19, viz., 3 rice mills, 2 rice-cum-flour mills, 2 oil mills, 2 carpentry units, 2 leather units, 1 rice-cum-oil mill, 1 tannery, 1 tin container repairing unit, 1 saw mill, 1 silver ornament manufacturing unit, 1 brick making unit, 1 medicine unit and 1 tailoring unit. These small sized units provided employment to only 150 workres and had a total investment of about rupees thirteen lakhs. Most of these units were located at Boudh, Phulabani, Baligurha, G. Udayagiri and Manamunda. Of these industries, four were Panchayat Samiti

SMALL SCALE  
INDUSTRY

Industries organised on co-operative lines and one (the Boudh Tannery) was departmentally managed by the State Government. The estimated number of all small scale industries in the district was about twenty-five which were mostly agriculture and forest based. But a considerable number of small scale industries have developed during recent years mostly with Government initiative. Till the end of the year 1977-78 a total number of 96 units were established in the district, which are discussed below. Mostly these are small units meeting the local demand of the district.

#### General Engineering

There are 5 engineering units in the district managed by private entrepreneurs. About Rs. 71,000 have been invested by these industries and they employ 17 persons. The unit located at Boudh undertakes iron and steel fabrication work. The rest four units are located at Phulabani and they do automobile repairing, body building, etc.

#### Chemical and Allied Industries

There are 13 units in the district engaged in the manufacture of confectionary, ice candy, candles, *gudakhu*, shell lime, Ayurvedic medicine, medicated hair oil and dyed yarn. The total capital investment of these industries is Rs. 4,80,500 and they provide employment to 55 persons. Out of these, two confectionary units, a *gudakhu* unit, an Ayurvedic medicine unit, the ice candy unit and the cotton yarn dyeing unit are located at Boudh. The Boudh Chemical works, which manufactures Ayurvedic patent medicines has earned fame in and outside the State. The total capital investment of the factory is about Rs. 1.8 lakhs. The other Ayurvedic medicine unit of the district and a *gudakhu* factory are located at Tikabali. Another *gudakhu* manufacturing unit and two shell lime units are located at G. Udayagiri. The fourth *gudakhu* factory and the medicated hair oil unit are located at Baligurha. The only unit manufacturing candles is located at Raikia.

#### Agriculture based Industries Oil mills

The district is rich in oil-seeds, especially in mustard, niger and groundnut. The average annual production is about 7,500 tonnes. At present there are 7 oil mills and one flour-cum-oil expeller unit in the district. These industries are located at Purunakatak, Boudh, Phulabani, Tikabali, Tileshwar and Patraparha. The oil mills at Tikabali and Tileshwar are run by co-operative societies. The other four oil mills located at Purunakatak, Patraparha, Boudh and Phulabani and the flour mill-cum-oil expeller unit at Phulabani have been established by private entrepreneurs. About Rs. 8 lakhs have been invested in these industries, which include Rs. 3,50,600 invested by the co-operative societies.

#### Rice huller and Flour mills

There are 9 rice hulling units in the district at present located at Tikabali, Butupalli, Boudh, Manamunda, Janapanka and some other villages. Flour mill units with rice hullers have been established in 9

units located at different places in the district. These rice hullers are doing only job work of hulling the paddy. Besides, 9 separate flour mill units are functioning at Phulabani, Boudh, G.Udayagiri, Raikia and Baligurha to cater to the needs of the local people. The total investment of these industries is about Rs. 8.8 lakhs and they provide employment to 62 persons.

The district is the prime grower of turmeric and chillies. The total annual production of turmeric and chillies is about 8,000 tonnes and 600 tonnes respectively, out of which 80 per cent is exported outside the district. At present there are only 2 units for grinding turmeric at Phulabani and Raikia, which are attached units of rice hullers and flour mills.

Turmeric powder and spices grinding.

During recent years 12 bakery units have been established in the district located at Phulabani, Boudh, Baligurha, Khajuriparha, Raikia and G. Udayagiri. The products of these small units are mostly meant for local consumption. The capital investment in this industry is Rs. 67,000 and the total employment potential is 36 persons.

Food Industry

The district is rich in forest resources. The chief marketable forest products are timber, poles, firewood, bamboo, Kendu leaf and other minor forest products. The present utilisation of forest products within the district is negligible. Only 9 carpentry units are working in the district which are located at G. Udayagiri, Tileshwar, Phulabani, Boudh, Baligurha and Raikhol. In the absence of any saw mill, the carpentry units depend on the neighbouring districts for supply of sawn wood. Besides, there are 4 small industrial units at Tileshwar for bamboo products. Of these industries, the carpentry units at Phulabani and Baligurha are managed by co-operative societies and have invested Rs. 2,78,500. The capital investment in the remaining 11 units is Rs. 30,900.

Forest based Industries

There are 5 brick making and one tile making industries in the district located mainly at Boudh and Malikpada. Total investment of these industries is Rs.81,000 and they provide employment to 38 persons.

Brick and Tile

The tannery was started by the ex-ruler of Boudh which was subsequently taken over by the State Government after the merger of the State with the Province of Orissa. The locality has remarkable scope for the availability of hides and skins and the tannery is mostly fed by these hides. Other raw materials like myrobolan, Sunari bark, etc. are also available in the local forests. Bark tanning is mainly done in this unit. The finished products are mostly consumed by the Government Shoe Factory at Cuttack. During 1975-76 the tannery collected 13,343 pieces of hides valued at Rs.2, 24, 563 and sold 36,752 kg. of leather worth Rs. 3,69, 365. About 60 per cent of this was purchased by the Government Shoe Factory, Cuttack.

Leather Industries  
The Government Tannery, Boudh

Footwear  
units

There is a semi-mechanised footwear unit at Boudh established with a capital investment of Rs.73, 000. Besides, there are two small footwear units at Phulabani. The shoes produced in the district are of standard quality and follow the latest pattern and designs.

Brass and  
Bell-metal

The only brass and bell-metal utensil manufacturing unit in the small scale sector has been established under co-operative fold at Gudavelipadar. It has invested Rs.9,000 and provides employment to 11 persons.

COTTAGE  
INDUSTRIES

The important household industries in the district are handloom weaving, pottery, blacksmithy, carpentry, leather works, mat weaving, making of hill brooms, basket making, etc. Besides, hand pounding of rice, stitching of *siali* leaves, rope making, etc. are also undertaken. These activities are mostly hereditary in nature and the artisans are scattered throughout the district. But skilled weavers are mainly concentrated in Boudh Tahsil area. During the 1st 5 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 techniques and in better production.

## Weaving

Handloom weaving is commonly practised in the district. Mostly Panas, a local tribe of the area, have taken up this industry as their source of livelihood. They generally produce cheap and coarse cloths for sale to the local people. Manamunda in Boudh Tahsil is noted for artistic cotton handloom sarees and *tussar* clothes. The place has a large concentration of skilled Bhulias (weaver caste). Godabisha village near G. Udayagiri is noted for the production of diamond-pattern bed sheets.

During 1975-76 there were 8,031 weavers in the district having 2,922 looms. To preserve the traditional skill of these artisans co-operative societies have been organised and they get Government patronage. Out of these weavers only 2,928 were inside the co-operative fold. 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 Handloom Weavers' Co-operative Society Ltd., procures the products from the primary weavers' co-operative societies to market them through its sale depots situated in urban and semi-urban areas. Besides, other measures like organisation of the exhibitions, providing rebate on sale of handloom clothes, etc., are being implemented to popularise the handloom products. But in spite

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 their family and are comparatively low to the wages earned by other class of artisans. Moreover, the poor and illiterate weavers of this district are totally ignorant about the financial pattern and schemes devised by the Government from time to time to provide financial help both from institutional agencies and from the Government. Inadequate financing has retarded the healthy growth of the handloom industry in the district.

A number of cottage industries like pottery, brick making, processing of cereals and pulses, oil pressing (Ghani), leather works, making of lime, Gur and Khandasari, carpentry, etc., are being patronised by the Government and the Khadi and Village Industries Board for their improvement. 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 Cottage Industries

During 1977-78 there were about 37 industrial co-operatives. Details about these establishments are given in the following table.

Type of Society		Number of establishments	Capital investment (in Rs.)	State assistance (in Rs.)
1		2	3	4
Pottery and Brick laying	..	5	71,384	29,546
Hand pounding	..	12	2,29,602	1,85,686
Oil	..	8	1,04,964	46,470
Leather	..	3	1,04,967	38,396
Lime	..	3	58,823	36,886
Gur and Khandasari	..	2	10,318	8,086
Carpentry	..	1	26,633	9,563
Beekeeping	..	1	60	2,000
Fibre	..	1	17,957	8,500
Soap and Non-edible Oil	..	1	32,547	29,000

Of the above mentioned industrial co-operative societies only the brick and pottery unit at G. Udayagiri is functioning satisfactorily. Out of the 12 hand pounding societies only 4 are functioning and 2 leather units are doing well. Most of the other societies are almost dormant. These cottage industries need more careful attention for their survival.

Besides the above mentioned industries, there are two bell-metal co-operative societies, one horn work co-operative society and one readymade garment and embroidery works co-operative society in the district. These 4 industries have received Rs. 36,500 as State assistance for their working capital and have provided employment to 30 persons. During 1977-78 these units produced goods worth Rs. 37,500.

## CRAFTS

The district is mostly inhabited by the Scheduled Castes and the Scheduled Tribes people. The tribal people in the district live mostly in far off interior regions inside the forests. Their primary occupation is cultivation of land by primitive methods, hunting and collection of forest produce. As such, the scope for crafts and industry is very much lacking. The poor economic condition prevailing in the district is also a major handicap. However, the following crafts are indentified which are still in an undeveloped State.

Applique  
Works

A particular community in Boudh is engaged in applique work. They manufacture attractive umbrellas, decorative bags, pillow covers, etc. At present this craft is confined to only 11 families and they do not get proper assistance for improvement. A co-operative society has been formed for this craft and the State Government have given an assistance of Rs. 16,500 to improve this craft. It has a fair prospect in the future. During 1977-78 applique goods worth of Rs. 10,000 were produced by this society.

Lacquer-  
wooden  
comb

The lacquer-wooden comb craft has been developed by a set of Scheduled Castes and Scheduled Tribes families of G. Udayagiri area. The main raw materials used for it are lac and bamboo which are available in the local forest. The State Government have also financed a sum of Rs. 13,000 to the co-operative society formed for this industry. But gradually the demand for this comb is diminishing among the local tribals.

STATE  
ASSISTAN-  
CE TO IN-  
DUSTRIES

For rapid industrial development of this backward district the State Government is extending financial assistance in form of block and working capital, managerial grants, power subsidy, etc., to deserving industries. The Industries Department also provides assistance in the preparation of project report, feasibility

study, technical guidance, etc. Under the State Aid to Industries Act, concession in sales tax and purchase tax in raw materials and finished goods and exemption of octroi duty on machinery and raw materials for new industries are given to prospective entrepreneurs. Moreover, the Orissa State Financial Corporation and the nationalised Scheduled banks also extend financial assistance for the growth of small scale industries. The Industries Department have so far granted term loan of Rs. 1,95,000 to 33 entrepreneurs to set up their own industries and the Orissa State Financial Corporation have granted term loan of Rs. 2,10,000 to the small scale units in the district. The Orissa Small Industries Corporation have also granted Rs. 35,000 to an intreprenuer for setting up a leather goods manufacturing unit under the Educated Unemployed Scheme. The nationalised banks have granted a sum of Rs. 1,33,000 as working capital loan to 9 small scale units. The State Industries Department have also granted a sum of Rs. 66,000 to 6 handicraft societies.

Under the Special Drive Programme launched by the State Government since 1973-74, it is contemplated to achieve speedy development of the small scale and village industries in the State. Under the said programme growth centres at various growth points of the district, viz., Boudh, Phulabani, Tikabali, G. Udayagiri, Baligurha, Raikia, Manamunda and Harabhanga have been selected.

Out of the 4 Panchayat Samiti Industry units in existence 3 units are running and Government have already provided Rs. 54,000 to the Baligurha Carpentry Unit under the revitalisation programme for setting up a saw mill at Baligurha during 1978-79. Besides, the Integrated Tribal Development Project have sanctioned Rs. 31,000 to the Phulabani Carpentry Panchayat Samiti Unit for the establishment of a saw mill at Phulabani.

There are 6 handicraft industry co-operatives in the district and they have been provided Rs. 66,000 by the Handicraft Board. Under the new policy decision of the Khadi and Village Industries Board and the State Government, the Multipurpose Co-operatives will be organised, one at each Block headquarters, taking all village artisans under its fold.

The State Government have sanctioned two industrial estates for the district—one at Phulabani and the other at Boudh. The sheds of the industrial estates will be allotted on lease to small scale industries.

Industrial  
Estate

Boudh-Khondamals being one of the most backward districts of the State, inhabited mostly by the Scheduled Tribes and the Scheduled stes people, no industry or art worth the name is known to have

Industrial  
Potential



existed in the old times in the thickly wooded hilly regions of the district comprising mostly the Baligurha and the Khondmals subdivisions. Ancient remains of art, architecture and sculpture are only met within the Boudh area lying in the Mahanadi valley to the north of the district. The Hari-Hara Temple at Jagati, 16 km. away from Boudh town, and the archaeological remains found in its vicinity speak of the past glory of the region. Traditional artisans are also found in Boudh subdivision. The people of Khondmals and Baligurha subdivisions, due to their extreme poverty, are content with the bare necessities of life. No artisan castes are met within these areas, but a few families have adopted crafts or cottage industries like handloom weaving, carpentry, smithy, pottery, etc., as their part-time occupation. As these occupations cannot sustain them for the whole year, most of them are found engaged as Agricultural labourers for the major part of the year.

Industrialisation of the district was seriously thought of during the Third Plan Period (April, 1961—March, 1966).

The district is bountiful in different raw materials, mainly forest and agricultural products. Most of these raw materials available for feeding small industries are being exported outside and the local people do not get any benefit out of it. Lack of proper transport facilities, absence of proper market for the products and also lack of proper response from the local people are the main handicaps in the industrial progress of the district. Dearth of technical personnel in the district is another problem. Steps are being taken to train the local artisans and entrepreneurs in different trades in industrial and technical institutions.

An industrial potential survey was undertaken in different Community Development Blocks of the district which recommended the prospect for establishment of various industries. Besides, the Industries Department undertakes survey from time to time to identify the industrial potentiality of the district. The latest survey of the district was conducted by the Small Industries Extension Training Institute, Hyderabad, in 1975. It suggested the development of various industries at different growth centres like Phulabani, Boudh, Baligurha, G. Udayagiri, Tikabali, Raikia, Manamunda, etc. Accordingly, prospective plans for the development of industries in the district have been prepared by the Industries Department.

It is evident from the latest survey report (1975) that there is enough scope for small-scale units which can be run on local resources meeting the local demand in the district. In brief, there is scope for modern rice mill and rice hullers, oil expellers, turmeric powder, Khandasari,

fruit and vegetable preservation, tamarind deseeding, bone crushing, making toys, footwear and leather goods, graphite crucibles, lime burning, plantation and distillation of essential oil from palmarosa, saw mills, wood seasoning plants, umbrella handles, sisal fibre rope, mini paper mill, oil extraction from Sal seeds, tanning extracts, aluminium utensils, powerloom, washing soap, processing of ginger, R. C. C. pipes , tin containers, safety matches, stone crushing, etc. During the past few years some of these industries have already been established in the district. Twelve small-scale units were established in the year 1975-76. In 1976-77 and 1977-78, 13 and 26 units were set up respectively.

There is no large scale industry in the district. The few labourers engaged in the small scale industries are unorganised and ignorant of their rights and responsibilities. Moreover, the percentage of casual labourers is more than that of the permanent ones. The following 4 factories in the district are registered under the Factories Act, 1948.

INDUSTRIAL  
LABOUR

Name of the factory	Number of employees
Phulabani Industrial Carpentry Co-operative Society, Ltd., Phulabani	25
Sri Hanuman Rice Mills, Purunakatak ..	4
The Regional Co-operative Marketing Society Rice Mill, Boudh	37
The Government Tannery, Boudh ..	62

The above mentioned registered factories provide welfare facilities to the employees as per the provisions of the Factories Act, 1948. There is no registered trade union of the industrial workers. The labourers depend entirely on the Government machinery for getting relief. On an average 4 industrial disputes per year were admitted and disposed of since 1974. But the number of complaints is increasing every year. During 1973 only 15 complaints were received, but in 1977 the number rose to 100.

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