

CHAPTER V

INDUSTRIES

TRADITIONAL INDUSTRIES

Sirsa has remained an industrially backward district. There were, however, some traditional industries which were hereditary in character and were carried on by the rural or local artisans from the ancient times. Such industries mainly catered to the local needs of the people and included artisans like carpenters, blacksmiths, shoemakers, weavers, *kumhars*, *telis*, etc. The manufactures carried on by the artisans were the simple trades by which the produce of the village was prepared to suit the simple wants of the agricultural population, and their customers were in each case a very small number of peasants whose purchases and means of paying for articles supplied dwindled so soon as their harvests failed. There was no outside market for articles manufactured in the district and thus the artisans were dependent on the harvests almost as directly as the peasants themselves.¹ Mention may also be made of woollen *chadars* which the Jat and Bishnoi women usually embroidered with wool.

Saltpetre (*shora*) was manufactured in considerable quantities. It was made from the saline earth by a class of men called *shorgar*. They dug a long narrow drain on some high ground and covered it with tree branches and grass. On this they sprinkled powdered earth from the old village mounds, and poured over it water which soaked through the earth into the drain carrying with it the saltpetre in solution. The dark brown liquid was drained off into a basin lined with lime and after it had been left there to evaporate for six days or so, the residue was boiled in an iron cauldron. Thereafter, it was allowed to cool. It crystallised into dirty brown crystals which were delivered by the manufactures to their employer, the contractor, at about one rupee per *maund*. The contractor purified and recrystallised the saltpetre at Sirsa or some other central point and then exported it. It did not seem to have been manufactured to any extent in this district until 1860. In 1882-83, it was manufactured in villages of the Ghaggar valley where the large mounds were found. The contractor used to pay annually to the village proprietors for permission to extract saltpetre from their land. Such payments varied from Rs. 22 to Rs. 260 averaging about Rs. 100 per village.²

1. J. Wilson, *Final Report on the Revision of Settlement of the Sirsa District in the Punjab, 1879—83*, p. 184.

2. *Ibid*, p. 13.

The district remained industrially backward mainly due to unfavourable geographical conditions, lack of communications and scarcity of basic raw materials. However, by 1916, three cotton ginning factories had been established at Mandi Dabwali besides a railway locomotive workshop at Sirsa.¹ The setting up of cotton ginning factories further encouraged the production of cotton in the area and also served as an impetus for industrial development.

In 1947, the number of small-scale industrial units in the district was only 9 with an investment of Rs. 64 thousand and providing employment to 16 persons. There was, however, no large scale industrial unit. During the period from 1947 to 1966, the number of small-scale industrial units set up was 107 with an investment of Rs. 1.6 crore and providing employment to 1,378 persons. During the period from 1966 to 1976, the number of such units set up was 290 with an investment of Rs. 3.13 crore and providing employment to 2,327 persons. In March 1981, there were 1,160 small-scale units with a capital investment of Rs. 6.80 crore providing employment to 6,232 persons. Besides, there was a considerable number of units which were not registered.

Large and medium scale units came into existence in the district only during sixties. In 1966, there were two such units. However, in 1980-81, their number rose to five out of which two units were in the co-operative sector. These units produced goods worth Rs. 7.50 crore approximately and provided employment to 1,572 persons.

A detailed account of all the categories of industries, i.e. large and medium-scale, small-scale and the village and cottage industries is given hereafter :

LARGE AND MEDIUM SCALE UNITS

Large and medium-scale units are engaged in the production of cotton yarn, oil and solvent oil extraction, cotton ginning and pressing, media craft paper and milk chilling. A brief description of each large and medium scale industrial unit is given below :

Gopi Chand Textile Mills, Sirsa.—The mill went into production in 1967 with a capacity of 12,096 spindles which rose to 18,592 spindles in 1976. Its installed capacity was further increased to 21,200 spindles in 1978. In 1980-81, its production was worth Rs. 540 lakh and it gave employment to 1,292 persons.

B.G. Finance and Industries Ltd., Sirsa.—The unit started production in 1966. The unit has 12 oil expellers for crushing of cotton seeds, 52 *kohlus*

1. *Hisar District Statistical Tables, 1935, Table. 28.*

for crushing of mustard seeds, and a solvent extraction plant. The cotton seed, groundnut and rice bran extractions are exported to foreign markets. Its exports during 1980-81 were to the tune of Rs. 1.60 crore. In 1980-81, its production was worth Rs. 3.50 crore and it gave employment to 85 persons.

Hafed Cotton Ginning and Pressing Factory, Ding.—It is a co-operative sector enterprise, owned and run by the Haryana Co-operative Marketing Federation Ltd., Chandigarh. The unit started functioning in February 1981 with an investment of Rs. 252.37 lakh providing employment to 80 workers.

Milk Chilling Centre, Sirsa.—This unit was established in 1980-81 by the Haryana Dairy Development Co-operative Federation Ltd., Chandigarh. It is proposed to convert it into a Milk Plant shortly.

Jagdamba Paper Industries, Sirsa.—The unit was established in 1981 for the production of media craft paper with a capacity of 1950 metric tonnes. The unit was installed with a fixed capital investment of Rs. 85.5 lakh and provides employment to 200 persons.

Small-Scale Industries

In 1966, there were 116 small-scale industrial units in the district. The number rose to 1,160 in March 1981, with a total investment of Rs. 6.8 crore providing employment to 6,232 persons.

These units have been classified and details of their number, investment and employment is given as follows :—

Serial No.	Category	No. of Units	Total Investment (Rs. in lakh)	Total Production	Employment
1	Agricultural Implements	75	140	Rs. 1,700 lakh	890
2	Rice sheller	30	374	1.12 lakh Tonnes	1,050
3	Cotton Ginning	17	150	2.80 lakh Bales	650
4	Pottery	3	1.5	Rs. 2.80 lakh	250
5	Bone Meal	2	1.5	Rs. 3.25 "	80
6	Saltpetre	4	1.9	Rs. 22.00 "	190
7	Handloom	54	1.5	Rs. 5.00 "	258
8	Desi Juti	168	1.95	Rs. 2.00 "	450
9	Carpenters	57	1.15	Rs. 8.00 "	290
10	Blacksmith	260	1.15	Rs. 15.00 "	680
11	Village Pottery	69	1.15	Rs. 2.00 "	280
12	Other cottage industrial units	255	1.09	Rs. 4.00 "	610
13	Other servicing units	166	1.00	Rs. 2.00 "	554

A brief description of some of the important categories is given below :

Cotton Ginning and Pressing.—Cotton is one of the main crops of the district. This has led to the establishment of a number of small-scale industrial units for its processing and 17 such units are situated at Sirsa, Dabwali, Ellanabad, Rania, Kalanwali and Ding while about 60 servicing and jobbing units are scattered over in big villages. The total turn over of all these units was about 2.85 lakh bales during 1980-81.

Rice Shelling/Milling Industries.—Paddy is also another important crop of this district. Sirsa district holds the third position in production of paddy in the state only after Karnal and Kurukshetra. In 1980-81, about 30 rice shellers were working in the district at Sirsa, Rania and Ellanabad to process paddy into rice with total turn over of 1.12 lakh tonnes.

Agricultural Implements.—The Ramgarhias of this area have given a lead in Haryana by setting up 75 units in this district for manufacturing agricultural implements such as wheat-threshers, tractor trollies, harrows, seed and cotton seeds drills, levellers, etc. These items are manufactured at Sirsa, Dabwali, Rania, Ellanabad, Kalanwali, etc., and are being sold in the entire state and also in adjoining parts of Rajasthan, Uttar Pradesh and Punjab. The total turnover during the year 1980-81 was to the tune of Rs. 17 crore.

Bone Meal and Crushing.—Two important units, namely, Dabwali Bone Mills and Bawa Crushers and Fertilizers are engaged in the production of bone meal and crushing at Dabwali. In 1980-81, their annual production was worth Rs. 3.25 lakh.

Saltpetre Refining Industry.—Saltpetre manufacturing is an important traditional industry of the district. In 1980-81, 4 units were engaged in the refining of saltpetre. Sirsa is second to Kurukshetra district in the production of refined saltpetre in the state. In 1980-81, the production of these units was worth Rs. 1.90 lakh.

Village and Cottage Industries

The number of village and cottage industrial units in the district during 1980-81 was 863. The units included artisans engaged in handloom/pitlooms weaving, *desi juti* making, carpentry and blacksmithy, earthen potteries, basket-making, *ban* making, etc. The break-up of the main village and cottage industries was as under :

Type of Village and Cottage Industries	Number of Units
Handloom/pitloom weaving	54
<i>Desi juti</i> making	168
Carpentry/Wood work	57
Blacksmithy units	260
Village pottery units	69
Other cottage industries	255

GOVERNMENT ASSISTANCE TO INDUSTRIES

The industrial development in the district is looked after by the General Manager, District Industries Centre, Sirsa. The District Industries Centre provides all necessary guidance and assistance to the entrepreneurs, i.e., identification of appropriate industries, procurement of machinery, essential raw materials and matters connected with finance, power connections, exploring marketing for the finished goods, etc. In short, the District Industries Centre is playing a pivotal role in the development of industries in the district.

Some of the important facilities provided to the entrepreneurs for establishing industrial units in the district are discussed below :

Industrial Plots.—In order to organise the industrial activity and to provide cheap land and regular supply of power and water to the entrepreneurs the government developed industrial plots of various sizes at Sirsa, Dabwali and Kalanwali.

Credit Facilities.—The state government advances loans to small-scale industries under the State Aid to Industries Act. Besides, loans are also available from the Haryana Financial Corporation and the commercial banks.

After Independence, the provisions of the State Aid to Industries Act, 1935, were liberalised. Loans are advanced to small-scale industries for the construction of factory buildings, purchase of machinery and equipment, etc. to the extent of Rs. 1 lakh against tangible security in the form of land, building and machinery (fixed to the ground), either of the applicant or of his surety. These loans are also made available for the expansion and modernisation of existing industrial units.

The loans advanced in the district during 1976-77 to 1980-81 are given below :

Year	Loans Disbursed	
	Amount (Rs. in lakh)	Beneficiaries (number)
1976-77	1.28	23
1977-78	1.41	30
1978-79	0.63	24
1979-80	1.90	68
1980-81	0.98	54

Haryana Financial Corporation grants loans up to Rs. 30 lakh in case of a limited company/registered co-operative society and up to Rs. 15 lakh in other cases. These loans are granted for the creation of fixed assets to new concerns or for expansion or for rationalising existing industrial units. Loans granted by the Corporation are generally repayable within a period of 10 years with a gestation period of one year. In order to create self-employment, the Corporation helps the technical entrepreneurs, i.e. those who have diploma or degree in any discipline of engineering. It advances loans up to Rs. 2 lakh on reduced margin, i.e. 15 per cent on the value of security provided that the industrial unit concerned is solely owned by such an individual.

Loans on liberal terms are also granted to ex-servicemen up to maximum of Rs. 10 lakh provided that they have served in the defence forces for a minimum period of 5 years. Such loans are granted at a reduced margin of 15 per cent on the value of security and again subject to the usual condition that the concern is exclusively owned by such an individual.

The loans sanctioned and disbursed in the district by the Corporation are given below :

Year	Loan Sanctioned		Loan Disbursed	
	Number of Units	Amount (Rs. in lakh)	Number of Units	Amount (Rs. in lakh)
1970-71	10	48.14	1	1.67
1975-76	15	93.95	4	10.75
1978-79	9	30.38	9	23.23
1979-80	21	30.00	10	28.68
1980-81	13	54.05	22	28.57

The commercial banks have introduced schemes for providing credit facilities to industrial units at concessional rates of interest and on easy terms and conditions. Credit is generally given to the industrial units for capital investment, i.e. construction of factory shed, purchase of machinery and equipment, etc. Commercial banks play a significant role in the industrial growth by way of providing substantial financial assistance to the entrepreneurs. A sum of Rs. 14.90 crore as a loan was advanced to 108 units in 1980-81 by commercial banks.

Supply of machinery on hire-purchase basis.—The National Small Industries Corporation, an agency founded and controlled by the Government of India supplies machinery to small-scale units on hire-purchase basis on easy terms on the recommendations of the state government. After an initial payment of five to ten per cent of the total cost of machinery and equipment by the loanee, the remaining loan is paid by him on easy annual instalments.

The Haryana State Small Industries and Export Corporation, a state undertaking, also supplies machinery on hire-purchase basis. It provides financial assistance up to Rs. 50,000 in each individual case on a nominal rate of interest. The intending entrepreneur gives only a margin of 10 per cent of cost of machinery with one solvent surety. The loan is repayable in 13 half yearly instalments ; the first instalment being repayable after one year from the date of delivery of the machinery.

Supply of raw material.—The supply of raw material like iron and steel, steam coke, hard coke, copper, zinc, wax, etc., is regularly made to quota-holders and deserving industrialists by the Department of Industries. The quota is fixed after proper assessment. The requirements of imported raw material and equipment are assessed by the state government and necessary recommendation made to the Government of India for import licenses/release orders on the basis of the year-to-year policy framed by the Government of India.

Marketing Assistance.—The Haryana State Small Industries and Export Corporation assists the small-scale industries in marketing their products. The Corporation also assists the small-scale industries in marketing their goods abroad.

The small-scale industries are assisted to market their goods through the participation of small industries in the government stores purchase programme and purchase preference over the large and medium units of Haryana Government purchases.

Relief from taxation.—The new units established in the district are exempted from the payment of electricity duty for a period of 5 years. Further concession in tariff is provided to certain chemical and other allied industries using power as principal raw material.

The new units are also exempted from property tax for a period of five years.

Inter-state sales tax payable by the new units is treated as an interest-free loan for a period of 5 years from the date of their going into production. The amount of inter-state sales tax involved in any particular year is recoverable after a period of 5 years and is payable in a further period of 5 years in 10 equal six-monthly instalments. This concession is, however, subject to the limitation that the total amount to be treated as interest-free loan in this manner in any particular year, does not exceed 8 per cent of the capital investment.

All industrial units set up within the municipal limits are exempted from octroi on capital equipment and building material from the date of their provisional registration with the District Industries Centre, Sirsa till the date on which they are issued regular registration certificates within a period of three years. These units are also exempted from octroi on raw material for a period of five years from the date of their regular registration.

The industrial units set up outside the municipal limits and subsequently included within the municipal area are eligible for exemption from octroi on equipment and building material for the unexpired period of three years from the date of their provisional registration.

RURAL INDUSTRIES SCHEME

In 1977, the state government launched a Rural Industries Scheme to reduce unemployment among rural educated youths and to bring about gradual decrease in urban-rural disparities through the development of small scale and cottage industries in the rural areas. Under this scheme any bonafide resident of Haryana can set up a unit in the rural area. Incentives are granted on the basis of investment on plant and machinery up to Rs. 1 lakh. Loans from financial institutions, viz., banks and Haryana Financial Corporation are provided to the tune of 80 per cent of the cost of the project and the state government provides 10 per cent loan as seed money at the rate of 4 per cent up to the limit of Rs. 20 thousand on soft terms and conditions. Besides, loans and cash subsidy, the state government provides other incentives, i.e. interest subsidy, sales tax exemption for a period of first two years, exemption from octroi on raw materials and finished products and exemption on electricity duty. In addition, priority is given to the rural industrial units in the allotment of construction materials at controlled rates. These units are provided electric connection on priority basis. Some of the products of the rural industrial units such as polythene bags, steel and wooden furniture, cement pipes, bandages, hand-made papers, file covers, etc. are purchased by the state government.

The following figures show the progress made with regard to the establishment of rural industrial units in the district from 1977-78 to 1980-81 :

Year	Number of Units Set Up	Employment Provided
1977-78	12	123
1978-79	38	134
1979-80	168	383
1980-81	142	272

The following figures show the extent of financial assistance and other incentives provided under the Rural Industries Scheme :

Year	Financial Assistance Provided by Banks/ Haryana Financial Corporation	Cash Subsidy	Seed Money	Interest Subsidy
	(Rs. in lakh)	(Rs.)	(Rs.)	(Rs.)
1977-78	4.86	—	24,295	—
1978-79	6.18	—	73,835	1,898
1979-80	17.85	1,43,835	1,56,624	50,017
1980-81	14.90	62,060	1,06,127	39,784

RURAL ARTISANS PROGRAMME

With a view to help and encourage rural artisans and others, the government has launched 'Rural Artisans Programme'. Under this programme, interested persons are provided training during which a stipend up to a maximum of Rs. 100 per month is granted to an individual. Subsidy for various purposes is provided to rural artisans, farmers having less than 5 acres of land, landless labourers and members of Scheduled Castes/Tribes. Workshed subsidy is provided up to a maximum of Rs. 3,000 to an individual and up to Rs. 5,000 to a co-operative. Similar amount of additional subsidy is also provided for plant and equipment. Tools and kit subsidy is paid to the artisans up to maximum of Rs. 250. Subsidy for the latter two items is payable only after the completion of the aforesaid training.

TECHNICAL EDUCATION AND INDUSTRIAL TRAINING

There are four institutes for industrial training and technical education which provide training facilities in various trades and crafts, viz., Government Polytechnic, Sirsa ; Industrial Training Institute, Sirsa ; Industrial Training Institute, Nathusari Chopta and Government Industrial School for Girls, Sirsa. After the completion of training, trainees are encouraged to start their own work.¹

1. For details, see Chapter XV on 'Education and Culture'.

SOURCE OF POWER

Sirsa district remained without electric power up to 1937. The Sirsa Electric Supply Company, a private licensee, provided diesel electric power to Sirsa town in 1938 for domestic and commercial purposes. Some small industries were also run by diesel engines. With the availability of hydel power from Bhakra-Nangal Project in 1956-57, the diesel power was substituted with hydro-electric power. The Sirsa Electric Supply Company was taken over by the Haryana State Electricity Board on February 9, 1972.

The number of grid sub-stations in the district is 11. The total number of industrial consumers was 1,968 and their monthly consumption was 19.70 lakh units as on March 31, 1981.

There are 11 grid sub-stations in the district and their location and capacity is given below :

Sr. No.	Capacity of Sub-station	Location of Sub-station]
1	132/11 KV 1×16 MVA	Sirsa
	132/33 KV 1×16 MVA	
	132/33 KV 1×8 MVA	
	33/11 KV 1×4 MVA	
2	33/11 KV 2×4 MVA	Farwain
3	33/11 KV 1×2 MVA	Nathusari
4	33/11 KV 1×4 MVA	Madho Singhana
5	33/11 KV 1×4 MVA	Ellanabad
6	33/11 KV 1×4 MVA	Rania
	33/11 KV 1×2 MVA	Rania
7	33/11 KV 2×4 MVA	Jagmalwali
8	33/11 KV 2×4 MVA	Panjuana
9	33/11 KV 1×2 MVA	Kalanwali
10	33/11 KV 2×4 MVA	Dabwali
11	33/11 KV 1×1 MVA	Rori

Average daily consumption of power in the district in 1980-81 by various categories of consumers was as under :

Category	Average Daily Consumption (Lakh units)
1. Industrial Consumers	0.65
2. Agricultural Consumers	1.01
3. Commercial Consumers	0.10
4. Domestic Consumers	0.27
5. Other Consumers	0.04

INDUSTRIAL LABOUR

The industrial labour in the district is mostly drawn from villages surrounding the industrial towns. Some of them, however, belong to Uttar Pradesh and neighbouring states. Some employers have constructed accommodation within the premises of the factory for seasonal labour. The minimum wages are revised after every two years in scheduled employments to improve the standard of living conditions of the workers.

Since most of the factories in the district are seasonal, it is free from industrial unrest as strikes and lockouts are rare. During 1981, only one strike occurred from March 23, 1981 to May 17, 1981 in Gopi Chand Textile Mills, Sirsa. Workers numbering 1,287 were affected due to this strike and 65,637 mandays were lost.¹

The trade union movement is also gaining momentum in the district. There were eight trade unions registered in the district in 1981.²

INDUSTRIAL CO-OPERATIVES

The development of industrial co-operatives is essential for growth of industries especially in the cottage and small-scale sector. Stress is, therefore, laid on the development of industries through co-operatives. The industrial co-operatives ensure that decentralisation of industry is accompanied by proper improvement of techniques of production, procurement of raw material and marketing of finished goods.

1. No strike has taken place in the district after May, 1981.

2. The list of trade unions may be seen in Chapter XVII on 'Other Social Services'.

The development of industrial co-operatives in the district is looked after by the Assistant Registrar, Co-operative Societies, Sirsa who is assisted by one Industrial Inspector and four Industrial Sub-Inspectors. Industrial co-operatives have made considerable progress in the district in the last few years. The following figures vividly indicate the progress achieved by industrial co-operatives in the district :—

Particulars	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
1. No. of Societies	160	146	140	125	115	113
2. Membership	2,060	2,048	1,981	1,841	1,776	1,759
3. Business Turnover (in 000 Rs.)	2,865	2,344	2,055	2,451	3,249	3,460
4. Working Capital (in 000 Rs.)	3,053	3,141	3,350	3,283	3,311	3,576
5. Share Capital (in 000 Rs.)	1,447	1,373	1,392	1,327	1,411	1,438
6. Reserve Fund (in 000 Rs.)	3	3	3	3	3	3