

## **INDUSTRIES**

### **Old-time Industries**

The weavers of the district has been producing cloth since ancient times, and the textile industry had its own guild rules and regulations, which were recognised by the law of the land. Sometimes head of the guild was an important personage of the court. The other, less important industries of the district included ceramics, metal casting and forging, and footwear.

In the medieval period, with the emergence of the middlemen as financiers, the industrial guilds disappeared. Much of the returns from a bargain was pocketed by the middlemen leaving the artisan in a state of poverty. However the nobility at times helped the artisans who could sell their goods at reasonable prices. Akbar had abolished many cesses and taxes, thus relieving the condition of the artisans. In this period the handloom industry prospered in the district and a large number of Muslims Joined the trade. The artisans lived in comparative peace till the annexation of the district by the East India Company, in 1803. The Company discouraged Indian industries, so that textiles and other goods manufactured in England could be sold in India. The weavers stopped producing fine drapery and only garha (coarse cloth) was manufactured as noticed in the first decade of the twentieth century. Dhusa, mixed fabric of cotton and wool was woven in very limited quantities at Gorakhpur. At this period, a unique industry of embroidering leather was carried on by two or three families at Gorakhpur. Deer skin was tanned in rich reddish brown with sal bark rendering the outer surface soft like velvet. The leather was then embroidered with colored silk and finished with a gilt edge. Round pillow cases, embellished with rich words in Persian were then carved out in suitable sizes. Price of a piece ranged between 8 annas (50 paise) to a rupee. Chair and table covers and prayer carpets were also made out sometimes. The design was conventional but elegant. Metal vessels were also made at Gorakhpur.

The British encouraged the cultivation of indigo, which yielded a blue dye. By 1888 its plantation had no doubt, spread all over the district but the peasants preferred to grow sugar-cane and opium. A factory was established at Babhnauli, to extract the dye whose production had to be stopped when a synthetic process was evolved to manufacture artificial ultramarine. Indigo cultivation was given up and the industry came to an end by the thirties of the present century.

Production of sugar has been an old industry of the district. The farmer used to boil strained sugar-cane juice in open till the consistency became thick enough to form crystals, drain out the molasses, pulverise the brown

stuff,subject it to decolourisation and convert the anhydrous mass into refined sugar, adopting a method that was primitive by modern standards. The indigenous system went out of circulation in areas where the sugar mills employing a better technique to produce sugar, started coming up. By 1932, there were five sugar factories, at Sardarnagar, Pipraich, Ghughli, Siswa Bazar and Anandnagar. A Jute mill was established at Sahjanwa in 1935 and a distillery was opened at Sardarnagar in 1951.

After 1947, a number of small-scale industries cropped up at Gorakhpur, which had a large railway workshop. The following statement depicts the state of industries in the district in 1956:

Total number of industrial units	16,000
Total investment in the industrial units	Rs 2,45,30,000
Total number of persons employed in the industries	41,000
Total value of production and job-work	Rs 8,47,70,000
Total value of raw materials used in industrial production	Rs 4,78,75,000

The industrial progress of the district has been rather slow. The census of 1961 indicated that the district had 3,568 workshop and factories which fall below the State average of 4,460 per district. Of these 2,125 were located in the rural areas and 1,443 in the urban centres. However the district gained a significant place on the industrial map of the State with the opening of a fertilizer factory at Gorakhpur in 1969. Another large-scale industry, the Saraya Steel Complex, Ltd., has been established at Sardarnagar in 1947 with an installed capacity of 10,000 tons of plain carbon steel ingots per year. The factory employs 170 persons.

### **Power**

The first power house in the district was established in 1928, followed by another a few years after, both managed by the Jhansi electricity company. However only 4.8 per cent of the establishments used power in 1961. The U.P. State electricity board took over the management of powerhouses from the Jhansi electricity company, in 1948. In 1969-70, the total consumption of power in the district was 26,68,52,387 units. The percentage consumption of energy in the various sectors of the economy in that year is given below:

Sector	Percentage consumption of power
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Industries	94.0
Agriculture	2.7
Domestic	2.2
Commerce	0.6
Others	0.5
	100.0

The towns of Gorakhpur, Nautanwa, Chaura Chaura and Barhalganj are electrified.

**Rural Electrification**- Among the 4,086 villages of the district 304 had received power by the end of 1969. the number of electrified villages rose to 594 in 1970. there is a scheme to lay 400 km. of transmission lines of 11,000 volts in areas situated in Dhani and Partawal development blocks. on its implementation another 980 villages will have electricity.

### **Heavy Industry**

The Fertilizer Corporation of India, Ltd. was established at Gorakhpur near Nakha jungle railway station in April, 1963. However it commenced the production of urea on January 1, 1969, the factory is owned and managed by the Fertilizer Corporation of India, Bombay.

The total investment in the factory was Rs 37,88,25,000 in 1973. The factory is being expanded with an additional capital of Rs 7,22,00,000. It is estimated that the revised project will require a total investment of an amount of Rs 18 crores. The annual production of urea will increase by 1,11,00 tons, in addition to the processing of 36,000 tons other fertilizers. Urea Worth an amount of Rs 11,34,18,000 was produced in 1973-1974, consuming naphtha and coal worth Rs 2,69,58,000. The total number of persons employed in the factory in this year was 2,250.

Saraya Steel Complex, Ltd. Sardarnagar:- This factory has been established in 1974, with a total investment of Rs 53,10,000, and a capacity of 10,000 tons of plain carbon steel ingots per year. About 170 persons are employed in 1974. Steel is being manufactured from the iron-scrap available from the North Eastern Railway workshop Gorakhpur. The factory is equipped with an electric arc steel melting furnace.

### **Large scale Industries**

Sugar,gunnies, jute strings, oil-coke,and produced in large-scale units,which are located at Sardarnagar, Anandnagar, Siswa Bazar, Ghughli and Sahjanwa. There were 7 large-scale units in 1956, when the total investment was Rs 1,24,78,000, value of production amounted to Rs 4,93,46,288 and persons employed numbered 5,886 in 1973, the same number of units of produced goods worth Rs 11,61,20,786 with a total investment of Rs 3,84,75,365, employing 8,090 persons.

### **Sugar**

Crystal sugar worth Rs 9,77,87,354, was produced in 1973 by five units, with an investment of Rs 2,76,07,284 and a strength of 6,815 workers in the industry.

The Saraya Sugar Mills Private Ltd. was established at Sardarnagar in 1919. It employed 2,661 persons in 1974. The Punjab Sugar Mills Company Ltd. which was established at Ghughli in 1920 had 1,115 persons on in its wage-roll in 1974. The Mahabir Sugar Mills Ltd. was established at Siswa Bazar in 1931 and it provided employment to 1,031 persons in 1974. The Ganesh Mills,Anandnagar and the Diamond Sugar Mills Ltd. Pipraich were established in 1932. The number of persons employed in these Factories in 1974 was 964 and 1,044 respectively.

Sugar producing industry being a seasonal industry the mills generally operate between the months of November and March. Each unit has its own diesel sets for generating electricity and it is also fed by the U.P.grid. Sugar-cane, coal and chemicals are the raw materials used in the industry. In 1971-72, area under sugar-cane cultivation in the district was 22,659 hectares which yielded 9,14,172m. tons of sugar-cane.

The following statement gives particulars in regard to investment production and value of raw materials used in each of the sugar mills in 1973-74.

<b>Factory Production of (value</b>	<b>Total investment (in Rs)</b>	<b>Value of raw materials used (in Rs)</b>	<b>sugar (in Rs)</b>
The Sugar Mills,Private,Ltd., Sardarnagar	56,61,410	1,99,22,598	2,77,53,011

The Punjab Sugar Mills,Company Ltd.,Ghughli	81,16,000	1,31,80,952	1,79,10,233
The Mahabir Sugar Mills, (Private),Ltd.,Siswabazar Gorakhpur	11,00,000	10,22,132	1,76,36,411
The Ganesh Sugar Mills Ltd., Anandnagar	1,11,29,874	88,74,895	1,60,50,277
The Diamond Sugar Mills,Ltd., Pipraich Gorakhpur	10,00,000	63,00,000	1,24,37,422

### **Alcohol**

Rectified spirit is produced in the Saraya Distillery,Sardarnagar,which was established in 1951. The factory's total investment amounted to Rs 50,000 in 1973-74 when alcohol Worth Rs 25,00,000 was produced consuming molasses and coal worth Rs 8,63,000 Coal of imported from Bihar and molasses are obtained from the local sugar mills.About 250 persons were working in the unit in 1973-74.

### **Jute Goods**

Gunnies and strings of jute are manufactured in the Mahabir Jute Mills Ltd., Sahjanwa,which was established in 1935. An amount of Rs 58,68,.81 was invested in the undertaking in 1972-73 when goods worth Rs 1,58,33,432 were produced utilizing raw jute of the value of Rs 76,57,003. About 1,025 persons were employed in the factory in 1973.

### **Small-scale Industries**

Oils, wheat flour, dal, rice, biscuit, tobacco, engineering goods, chemicals, furniture, soap, bricks, bidis, tanned leather, metalware, sports goods, etc,are produced in a large number of small-scale units,which are mainly located in the tins. The following statement gives comparative figures of progress of small-scale industries in the district in 1956 and 1974:

	1956	1974
Total number of units	-	474 472
Total number of persons employed	-	3,219 2,491

Total investment (in Rs)	66,69,600	2,35,51,000
Total production (in Rs)	83,46,990	87,35,000

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The investment and production of goods in the small-scale industries sector has gone up since 1956 but the number of persons employed in the industries has decreased, it is apparent that the industries in 1973 were more capital-intensive and labour-intensive.

The small-scale industries may be locally classified as agro-based units agricultural implements producing units chemicals manufacturing units, electroplating units, steel goods units automobile units, and mechanical engineering units. Besides there are a number of other industries.

### **Agro-based Industries**

Oil from oil-seeds, flour from wheat and dal from arhar are produced in 38 units which are located at Gorakhpur, Bansgaon, Maharajganj, Pharenda, Nautanwa and Sahjanwa. The units are either operated by electricity or diesel-oil.

### **Agricultural Implements**

Agricultural implements, ploughs-crushers buckets and pans (for making jaggery) are produced in 59 units majority of which are situated in Gorakhpur city, The units are operated by electricity and use iron as raw materials.

### **Insecticides**

Insecticides are manufactured in 21 units, which are located at Gorakhpur. oil and chemicals are used as raw materials.

### **Electroplating**

As many as 19 units are engaged in electroplating in Gorakhpur city. Nickel and chemical compounds are used as raw materials.

### **Steel Goods**

Furniture, boxes, almirahs and Frames of steel are fabricated in 50 units which are located in Gorakhpur city.

## **Mechanical Engineering**

Spare parts for machinery are produced in 65 units which are located at Gorakhpur. Nuts and bolts are manufactured for the large-scale industries of the district and for the North Eastern Railway Workshop at Gorakhpur.

**Automobile Repairs**-- Automobiles are repaired in 13 units at Gorakhpur.

**Other Industries**-- Cabinets (form wood), rice(form paddy), Venetian blinds, footwear, bricks, lime, soap, chewing tobacco, bread and biscuits, ice, and sports goods for children are produced in 217 units, which are located at Gorakhpur, Mahrajanj, Pharenda and Bansaon.

The following statement give the total investment, value of production and number of persons employed in the small-scale industries of the district in 1974:

<b>Industries employed</b>	<b>Total investment (in Rs)</b>	<b>Total production (in Rs)</b>	<b>Number of persons</b>
Agro-based industries	54,00,000	18,10,000	220
Agricultural implements	21,50,000	8,26,000	212
Insecticides	30,00,000	6,60,000	219
Electroplating	3,80,000	70,000	19
Mechanical engineering	62,59,000	16,50,000	508
Automobile repairs	9,89,000	11,00,000	91
Other industries	46,91,000	87,35,000	2,491

## **Village And Cottage Industries**

The village and cottage industries include mostly the handicrafts handed down from generation to generation. Cotton textiles, pottery, edible and non-edible oils, metal ware, carpentry pieces, footwear, baskets, blankets etc, are the goods falling under this group of industries, which are manned and owned by particular section of the village community. Textiles provide employment to the largest number of workers (as compared to other handicrafts). However the trade is not exclusively, in the hands of Muslim weavers as generally understood. A large number of Hindus are also engaged in spinning and weaving operations. But kumhars monopolise pottery, chamars leather trather trade, gadarias blanket making, and kaseras metal works. All these trades were confined to 314 villages of the district in 1961.

A survey of the village and cottage industries in 1956 revealed the following facts:

Total number of units	15,638
Total number of persons employed	31,806
Total investment	Rs 16,48,250
Total value of raw materials used	Rs 1,23,84,614
Total value of goods produced	Rs 2,37,63,968
Total value of goods sold in the markets	Rs 2,27,74,638

A brief account of each industry follows:

**Handloom Industry** - Dhotis, bed covers, tablecloths towels etc, are produced in 6,600 units using fly-shuttle looms. The trade is mainly located at Gorakhpur, Piprauli, Barhalganj and Rigauli Bazar. Efforts are being made to introduce power-looms and about half of the number of units in this industry have been organized as co-operative societies.

Cotton-yarn is the main raw material used in the trade. Its scarcity in recent years caused some sort of a setback to the industry. The government have taken steps to overcome the shortage.

The state advisory committee on institutional finance set up a working group to go into the various problems of the weavers in the state in 1971-72. On the recommendations of this group, cotton-yarn is being made available by the U.P. handloom development corporation at controlled prices. Each weaver has a ration card for this purpose.

About Rs 1,260 to Rs 1,500 are invested in each loom and cloth worth Rs 1,800 to 2,300 can be produced each month. A weaver can earn Rs 8 to 12 per day. The earnings of weavers producing dhotis, gauze and bandages are higher than those preparing of those preparing garha and bad sheets. There is one calendar unit at Gorakhpur, where handloom cloth is treated. The machines are operated by steam which is generated in a boiler heated by coal or wood. Job-work worth an amount of Rs 50,000 was performed in 1973. Handloom cloth is mainly dyed and printed at Gorakhpur, Barhalganj, Gola Bazar.

Cotton-yarn is also spun in villages by women of the district who are provided with training facilities. They get cotton and the Khadi Gram Udyog commission buys the yarn the spinners. But the cotton-yarn produced by the rural spinners is generally not of standard counts and the quantity of yarn produced annually is also low.

**Woolen Blankets** -- Artisans, adept in the craft of weaving blankets from wool, produce blankets at Gorakhpur and Pandepar in tahsil Bansgaon. Wool, which is procured from the sheep of the district is used as raw material, Sometimes wool of finer quality is imported from the hill districts of the state. Blankets Which are coarse, are sold to the Villagers of the district. Training in the craft of Weaving blankets was imparted to a large number of persons at Jafra Bazar in the First and second Five-year plan periods. The training centre was closed in 1962.

Wool is carded in three units at Gorakhpur Which are equipped with machinery operated by electricity.

**Oil** -- There are 3,500 oil-crushers in the district manned by an equal number of families. These crushers are operated by bullocks. About 12,000 quintals of oil and 24,000 quintals oil-cake were produced in 1973. Mustard and linseed are main oil-seeds used as raw materials.

**Footwear** -- There are 350 units in the district which produce footwear from leather. Footwear worth an amount of about Rs 34,000 were produced in 1973.

Tanned leather is bought from tanners at Kauriram, Adhiyaribagh cad Nautanwa. Skins are tanned using the vegetable tanning process. the process does not give satisfactory results and the leather produced, is of inferior quality.

**Other Industries** -- Gur (jaggery), combs (of animal horns), carpentry and smithy goods, utensils, tin goods, pottery, stonework, bidis, Ayurvedic and Unani medicines, baskets, mats, strings, bangles (of Lakh), fireworks, kites, are produced in a large number of units in the district. Each unit comprises one to two persons and on the average Rs 2 to Rs 4 is earned each day an artisan.

**Ayurvedic and Unani Medicines** -- The industries are located in the villages but Ayurvedic and Unani medicines are prepared by medical practitioners who generally reside in urban centres. Raw material for these industries are available locally.

**Industrial Estate** --An industrial estate was established at Nathmalpur on the Gorakhpur - Nautanwa road in 1965. It covers an area of 8.48 ha.

In 1973-74 as many as 17 industrial units were operating in the estate, which produced aluminum utensils, pipes and varnishes, electrical wire, and cattle feed worth about Rs 7,80,000. About 130 persons were employed in these industries in that year.

**Jail Industries**--Durries, niwar, strings and mats of moonj are produced by prisoners in the district jail, Gorakhpur. Goods worth an amount of about Rs 6,000 were produced in 1973.

### **Aid to Industries**

Gorakhpur is one of the industrially developed districts of Uttar Pradesh. The number of industrial sheds and chimneys is going up as technical knowledge, financial assistance and local facilities for power, water and location are being made available.

The State Bank of India has estimated that a total amount of Rs 6,65,75,000 is required for investment in the small-scale and village and cottage industries of the district. Financial assistance is made available by the industries department of the State Government, commercial banks and Uttar Pradesh Financial Corporation. However the bulk of the financial assistance is being channeled through the U.P. Financial Corporation.

The U.P. Financial Corporation, Kanpur, extends assistance to industrial concerns on its own behalf and on behalf of the State Government. Its own plan of disbursement is known as the corporation loan scheme, while the loans are advanced on behalf of State Government under liberalized loan and ordinary loan schemes. Under the former scheme, loans are advanced at reduced rates of interest and for longer periods extending up to 15 years.

The corporation has been authorized to carry on and transact various types of business but at present it has confined its activities to the granting of loans to industrial concerns and issue of deferred payment guarantees to industrial units for the purchase of indigenous machinery from manufacturers and suppliers, and acting as an agent of the State Government for various schemes. The corporation can grant loans under the corporation loan scheme to the extent of Rs 30,00,000 in the case of private and public limited companies or registered co-operative societies and Rs 15,00,000 in the case of proprietorship concerns. The rate of interest is 11.5 per cent annum with a rebate of 2 per cent for prompt payment. The loans under the ordinary loan and liberalized loan schemes are considered for

amounts ranging from Rs 5,000 to Rs 50,000. The application for loans are channeled through the district industries officer, Gorakhpur. The interest charged is 8 per cent per annum with a rebate of 2 per cent for prompt payment. The loans are recoverable in eight equal installments. The number of installments are increased in the case of liberalized loan scheme. The following statement gives an idea of the loan assistance provided by the corporation:

<b>Scheme</b>	<b>Loans(in Rs) Disbursement (as on 31.03.74)</b>	
	<b>No. of units</b>	<b>Amount</b>
Corporation loan scheme	11	56,52,000
Liberalized loan scheme	16	7,15,000
Ordinary loan scheme	6	63,000
<b>Total</b>	<b>33</b>	<b>64,30,000</b>

### **Industrial Potential**

The district is served by the North Eastern Railway, which covers a length of 187.2 Km in the district. The railway links the district with Lucknow, Kanpur, Varanasi and Allahabad - the four important industrial and commercial cities of Uttar Pradesh. In the east the railway runs via a number of important cities of Bihar. After passing through Chhapra, Hajipur, Muzaffarpur and Katihar, which are located in Bihar, the same railway proceeds to Siliguri in Bengal and then to Guwahati in Assam. There are 24 railway stations in the district. The main commodities exported from the district are food-grains, oil-seeds, gunnies, fertilizers, sugar, Jaggery, liquor, handloom cloth, stones and timber. Commodities imported are food-grains, salt, general merchandise, coal, cement, vegetables, sugar-cane, chemicals and metal goods.

A network of roads connects the district with all important places within and out side the district. The total length of the metalled roads in the district was about 700 Km in 1971. In a developing economy, means of communications play an important role because they enable quick movement of finished goods to the markets and the raw materials to the production units.

Electricity is provided to the district from the U.P. Grid, which feeds electricity to the district from Rihand.

The consumption of electricity is quite high in the district. The per capita consumption was 86 units in 1969-70, while the U.P., average was 36.8 units and all-India 63.60 units in 1967-68. According to a survey in 1969-70, it was estimated that the industries in the district consumed 94 percent of the total power consumed in the district, However the supply of electricity at present is erratic and it is one serious set-back for the industrial expansion of the district.

Infra-structure of the district shows that the central region is developed while the southern region is undeveloped. Northern region lies midway between the central and southern regions.

A number of industries can be opened in the district., A large-scale foundry can be established at Kuraghat for the production of agricultural implements and implements for the N.E. Railway. As the name of the place suggests iron and metal-scrap are available in plenty from the workshops and yards of the N. E. Railway. It may be mentioned that one large-scale unit--The Allied industries, Kuraghat existed till the end of 1955. It was closed down in 1956. There is considerable demand for implements which are imported from distant places like Kanpur and Allahabad. Another large-scale unit, a paper board mill can be started at Pipraich, as the bagasse, a refuse product of the sugar-mills is generally wasted or used as fuel. A large-scale unit was operated at Pipraich between the years 1953 and 1956. It had a total production capacity of 900 tons per year, using bagasse as the raw material. A dispute ensued between the management and the workers in 1956, and led to the closure of the factory. The unit can be revived.

The industries department has estimated, that the following small scale industries can be established in the district:

1. Polythene bags and granules
2. Pesticides and mixed fertilizers
3. Paints and varnish
4. Steel billets and rolling mills
5. Bolts and nuts, screws, wire and nails
6. Agricultural implements

Tanning of hides is still in vogue at Chauri, but the methods are as old as the industry. Chauri Chaura is a big wholesale market of hides and skins. In the beginning of the present century, the adjoining villagers were busy in the tanning work, but as they failed to adopt modern methods of tanning, the

hides were naturally diverted to Kanpur, Muzzafarpur, Calcutta and Delhi, where modern tanneries exist. In 1920 as many as 20 families were engaged in tanning in village Natwa. By the year 1956, however, only five families in the village were working as tanners. The need is the adoption of modern methods of tanning, which will ensure production of such tanned leather that can be profitably sold in the markets.

The U.P. Government helps in the industrial development of the districts through the U.P. small industries corporation. The State Government has also set up Puravanchal Vikas Nigam for the economic development of eastern Uttar Pradesh. Land, finance, machinery, and raw materials are made available to willing entrepreneurs.

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