



ಕರ್ನಾಟಕ ಸರ್ಕಾರ

Highlights of District Industrial Development Plan 2006-11

BELLARY DISTRICT

**Department of Industries & Commerce
Bangalore**

Highlights of District Industrial Development Plan - 2006-07 to 2010-11

Bellary District

Table of Contents

Sl. No.	Chapter particulars	Page No.
1	Introduction	1
2	District At a Glance	3
3	Identified Investment Opportunities	7
	Annexure	15

CHAPTER:1 INTRODUCTION

Karnataka is one of the top five industrialised states in the country. It has a history of pioneering industrial development initiatives. The state GDP growth rate during 2005-06 was 8.7 percent, with the industrial sector accounting for 18 percent. The new industrial policy 2006-2011 announced by the Government of Karnataka in the end of August 2006 envisages a growth rate of over nine percent in gross state domestic product. This is sought to be achieved with an industrial sector growth of over 12 percent.

1.2 With this end in view, the Commissioner of Industries and Commerce, Government of Karnataka had commissioned the preparation of a **District Industries Development Plan (DIDP)** for all the 27 districts in the State of Karnataka. The DIDP is to capture the resource endowments of the district, both natural and human and outline the potential for development of industries in the district, taking into account the Infrastructure already available, the existing industrial base of the district, etc. The DIDP was to have a five year perspective- 2006- 11. Since the Plan is a forward looking one, the action required to be initiated to realise the potentials identified were also to be identified. The DIDP was to be prepared Taluka wise and was also to contain useful information for the users, including the various schemes being implemented in the district/ taluka, important contact addresses, etc. The DIDP, in short, was to provide useful and relevant information for all readers, who may refer to the document, with the purpose of scouting for information for setting up industrial units/ ventures in the Taluka.

1.3 The task of preparing such DIDPs were entrusted to various agencies, and NABCONS (a wholly owned subsidiary of the NABARD) had been entrusted with the task of preparing the plans in respect of three districts, viz., Bellary, Chamarajanagar and Shimoga.

Methodology

1.4 A three Step process was adopted for compiling the report. The first Step involved the collection of the resource endowments of the district (taluka wise, as the report was to be presented talukawise)- both natural resources and human resource, the available

infrastructure- communication, power, water supply, existing industries, etc., and other details regarding facilities available in the districts/ talukas, etc. The information collected thus is presented in the Report.

1.5 Since the potential for industrial investment depends on the availability of raw material, demand for goods and services, availability of supporting infrastructure, skilled manpower, entrepreneurial ability, etc., the data collected in the first Step were analysed to narrow down on sectors which were predominant in the district/ talukas and detailed discussions were held directly with officials of the concerned government departments/ agencies to secure additional information on the extent to which developments have taken place in those sectors, the trends, etc. Based on these detailed discussions, a SWOT analysis of individual talukas were prepared. The potential for setting up of industries in specific sectors were also identified. At this stage, the Reports were ready in a tentative/ provisional form. The recommendations were to be scrutinised and vetted by the stake holders.

1.6 Therefore, as the third Step, a Workshop of the stakeholders was arranged, with the participation of Government officials from various departments, mainly the DIC, agriculture, horticulture, industries' associations, NGOs, etc. This Workshop was convened with the help of the CEO, ZP. The outcome of the study were presented at these Workshops and discussions were held in a participatory manner. Based on the feedback received in these Workshops, separate reports for all the taluks were prepared. Consolidation of taluka reports was made and the district report is prepared and presented here.

Chapter-2

District at a Glance

2.1 Geographical & Related Features

Bellary district is situated in the northern dry agro-climatic (arid) zone of Karnataka State and has a total geographical area of 8420 sq. Km. constituting 4.99% of the area of the State. The district consists of seven talukas viz., Bellary, Hospet, Sandur, Siruguppa, Kudligi, H.Hadagali, and H B Halli. Bellary and Hospet have town municipalities and the rest of the blocks have 'pattana panchayat' administration. The district is a part of the Hyderabad-Karnataka region coming under the purview of Hyderabad Karnataka Development Board(HKDB) for development activities.

2.2 Agricultural sector

Agriculture contributes about 50% of the income of the district. The main food crops are jowar, paddy, maize, bajra and pulses, while the important commercial crops are groundnut, sunflower, sugarcane, chillies and cotton. Net sown area of 4.60 lakh ha. constitutes about 56 percent of the geographical area, which is comparable with the state average of 55%. Cropping intensity was 107 %, which is less than the state average of 115%. Of the total Gross Cropped Area (GCA) of 5.89 lakh ha during 2005-06, cereals were grown in about 49% followed by Oilseeds 35%, pulses 9%, Cotton 4% and vegetables, sugarcane, etc., 3%. Bellary contributed substantially to the state's total production of cotton, groundnut, jowar and paddy. Though agriculture productivity in the district has shown a declining trend in the last few years, the performance is better than the state average in terms of production and yield with reference to paddy, pulses, jowar, groundnut and cotton. Major horticultural crops grown in the district are chillies, pomegranate, mango, fig, ber and coconut. Sericultural activity, though made a beginning, has not made much headway in the district.

2.3 Industrial Sector

Since cotton is grown extensively; there are about 48 cotton-based industries in the district. Similarly, groundnut and sunflower cultivation on large-scale has paved the way for development of oil based industries with establishment of 45 oil extraction units. The district is endowed with rich minerals, both metallic and non-metallic. Exploitable iron ore deposits

are estimated at 1032.4 million tonnes and that of manganese ore at 18.81 million tonnes. Annual production of iron and manganese ore varied from 2.75 to 4.5 million tonnes and 0.13 to 0.32 tonnes respectively. Despite the availability of minerals in large quantities, this district is considered to be an industrially backward district. In Bellary district, as on 31.3.2006, there are 12655 small and tiny industries with an investment of Rs.29169.06 lakh, providing employment to 60368 persons. Most of the industries are concentrated in Bellary, Hospet and Siruguppa because of better infrastructural facilities and better linkages. There are 49 Large and Medium Industrial Units with total investment of Rs.445297 lakh providing employment to 7199 persons and 4 Mega Industries established in the district. During 2005-06, DIC has given permission to establish 550 SSI units with total investment of Rs.2442.00 lakh. Bellary city is also famous for jeans ready-made garments. There are 45 to 50 Washing and dyeing Units and around 500 Stitching Units in Bellary. There is a further scope for establishment of jeans ready-made garment units in Bellary because of availability of cheap and skilled labour. The other Industries proposed in Bellary district are fabrication Unit, General Engineering Works, Plastic Industries, Building material, Printing, Poultry Processing, Mineral water, Coke etc.

2.4 Infrastructure availability

The district has good potential to develop a number of ancillary industries, due to the presence of mega projects like JVSL, BSAL, NKSL, Jindal Praxair Ltd, etc. It is having good road connectivity with the presence of two National Highways i.e. NH 13 AND NH 63 passing through the district. It is rich in mineral resources with deposits of manganese and iron of high quality. The district offers good potential for tourism. Hampi a world famous heritage centre is located in the district. Presence of quality professional/ training institutes such as CEDOK, SIRD, BIFT etc., in the district is a positive feature.

There is a good scope for promoting women oriented activities, development of demand based products and scope for expanding some of the traditional clusters coupled with the help of technology and skill upgradation. The threat that Bellary faces is strong competition from branded products and need for local market development.

As per the Report of High Power Committee on Redressal of Regional Imbalances constituted by the State Government under the Chairmanship of Dr. D.M. Nanjundappa, all the seven taluk have been categorized as backward, of which Kudligi, Sandur are the most backward and Siruguppa, HBHalli and H. Hadagali as more backward areas based on the aggregate development index, per capita income index, human development index and composite index. Use of old and obsolete technology, absence of skilled labour, inadequate marketing support, erratic & low quality power supply, insufficient storage space for agricultural produce and lack of entrepreneurial qualities are some of the problems faced by entrepreneurs in the district.

2.5 Infrastructure likely to be developed

Some of the major items of infrastructure are Industrial estates at Kudligi, Kottur, HBHalli and Hadagali in 69.52 acres. “Vijayanagar Thermal Power Station”, for generation of 500 MW in phase I and identification of the district as a growth centre for promotion of garment industries. The State Government proposes to set up an apparel park on an area of 50 acres with an estimated cost of Rs 11.32 crore. The facilities to be provided in the park include 38 plots with common facilities centres, banking facilities, effluent treatment plant etc.

2.6 Credit Delivery System

The institutional arrangements for credit flow in Bellary district consist of 18 Commercial banks, Pragathi Gramin Bank (PGB), the Bellary District Cooperative Bank (BDCB), Primary Agricultural Co-operative Societies, seven Primary Cooperative Agriculture & Rural Development Banks (PCARDBs), Karnataka Financial Corporation (KFC). The retail net work of above institutions consists of 329 branches (including 136 PACS) of which 99 are rural branches and 44 each are urban and semi-urban branches. The Credit Deposit ratios during the last three years are in the range of 87 - 97, which is considered as very good.

2.7 Supplementary Channel of Credit Delivery

The Self Help Groups have come to stay and are the only source of financial help for the poor rural women. There are 2,32,757 BPL families in the district. So far 10937 SHGs have been formed and 9796 SHGs have been credit linked as on 31.03.2006. There is a potential for formation of more than 10,000 new SHGs in the district.

2.8 Women Oriented NFS Activities

There is good scope in Bellary district for promoting women oriented activities, in view of the organisation of women into large number of self help groups. These units will have low capital base and take-up traditional and non traditional activities either individually or in groups. Some of the sectors are Agro Processing and Food Processing, Forest based Products, Textiles and Garments Service Sector Artisan Activities including activities such as Banana Fibre, Kambli making, Mirror Embroidery, Sisal fibre, soft toys can be taken up by women.

There are certain institutions such as Bellary Institute of Fashion Technology (BIFT), Syndicate Institute of Rural Entrepreneurship Development (SIRD) and Centre for Entrepreneurship Development of Karnataka (CEDOK), which are working in the direction of providing skill upgradation, entrepreneurship development, product specific programmes in the district.

Chapter-3

Identified investment opportunities

3.1 Based on the detailed discussion we had with bankers, Govt. Departments, Industry associations, and NGOs to ascertain the potential as well as the problems, a list of industrial activities having potential in the talukas were identified and details of feasible numbers, investment required and scope for employment were quantified. While doing so, the activities have been classified under 3 major heads as under :

- High Share Sub-sectors : Those which at present account for a high share of industrial activity in terms of employment.
- High Growth Sub-sectors : Those which have registered a high growth rate of employment due to demand in the domestic and / or export market.
- Emergent Sub-sectors : Those which at present support relatively little employment but which, in the opinion of informed persons, have a potential for growth in the near future because of unsaturated demand.

Potentials Identified in terms of Employment Opportunities for Bellary taluk

Sl No	High Share Sub-sector	High Growth Sub-sector	Emergent Sub-sector
1	Supplementary industrial units JVSL & KPC , Garments and related industries	Building material, mining, transport, retreading, vulcanising, service station, automobiles & spare parts, vehicle body building, grease making, milk products, foot ware making, grill works, card board making, preparation of food and spice items, house constructions, plumbers, black smith, gold smith, plastic moulding units	Service sector units, preparation of toys and bags, Candles, Agarbatti, Phenyl, detergents, aerated and mineral waters, shamiana and utensils supply, luggage autos

3.2 SWOT Analysis

Since the potential for industrial activities referred to in para 3.1 above were assessed on the basis of discussion with individual Departments/Agencies, it was decided that these are to be vetted through a consultative process by conducting a participatory workshop in the district. The workshop was conducted with the participation of various Senior District/Taluku

level officials representing various Departments viz. Industries, Agriculture, Horticulture, Electricity/Power, Animal Husbandry, Fisheries, Financial Institutions/Banks, representatives of Industries Associations/individual entrepreneurs, etc. The workshop was conducted in consultation and association with the Chief Executive Officer, Zilla Panchayat.

The participants working in groups, had considered the resource endowments of each Taluka, their (Taluka's) strengths and weaknesses and the opportunities provided and threats posed by the external environment. The groups had examined/discussed the industrial potentials identified and had moderated/vetted/made suggestions thereof. For each taluk, strengths and opportunities were taken into consideration based on the information on resource endowments of each of the taluka provided to the groups. The final potential for activities consolidated for the district as a whole are given below. The year-wise projections of industrial potential for the year 2006-07 to 2010-11 are given in the Annexure.

3.3 Summary of Activity-wise industrial units, estimated financial outlay and employment potential in Bellary district for the period from 2006-07 to 2010-11

Sr.No.	Sector / Sub-sector / Activity	TOTAL		
		Units	Fin.Outlay (Rs lakh)	Emp. Generated
I	Agro-based and food products			
	Poha Mill	57	697.80	513
	Biscuits Manufacturing units	5	149.27	75
	Tomato products (ketchup, sauce)	125	77.22	250
	Tamarind Paste	91	169.99	364
	Aerated water and soft drinks	63	127.05	504
	Bread and Bakery products	122	458.30	732
	Confectionery	99	174.53	495
	Flour mill & Chilly pounding	142	236.50	568
	Sweets & Savories	142	96.55	426
	Dairy Milk Products	132	339.75	660
	Ice candy & Ice Cream	46	141.72	276
	Leaf Arecanut cups/ plates	16	16.75	160
	Masala powder and condiments	127	233.90	762
	Papad	152	223.08	3040
	Bee keeping	116	243.76	580
	Pickles	161	360.07	3220
	Puffed Rice	52	139.20	416
	Roasted & Salted Ground nuts	163	138.13	326
	Vermicelli	114	100.80	456
	Potato Chips	147	237.11	588
	Sub total	2072	4361.48	14411
II	Agro processing industries			
	Oil Extraction & Refineries (Sunflower, rice bran oil et)	20	2421.40	700
	Rice Mills	52	3215.61	780
	Jaggery Unit	39	100.55	195
	Dal Mills	28	673.25	280
	Saw Mills	33	555.90	363
	Milk Chilling units	26	630.01	520
	Neem Oil Extraction	28	17.76	140
	Decorticating units	142	901.45	710
	Sub total	368	8515.93	3688
III	HANDLOOM / READY-MADE GARMENTS SECTOR			
	Ready-made garments	78	489.18	1600
	Integrated units for jeans	67	9797.30	785
	Power looms	59	414.65	295
	Individual Job work units for Garments - Dyeing, printing, embroidery, labeling etc. units	93	85.57	372

District Industrial Development Plan 2006-11- Bellary district

Sr.No.	Sector / Sub-sector / Activity	TOTAL		
		Units	Fin.Outlay (Rs lakh)	Emp. Generated
	Surgical bandage	28	41.10	280
	Woolen/ Kambli Weaving	44	38.80	220
	Hosiery	36	89.10	432
	Handloom Weavers Finance	38	22.88	38
	Jeans garments	39	665.78	585
	Cotton ginning & pressing	8	667.00	240
	Sub total	490	12311.36	4847
IV	Chemical, leather & plastic products			
	Agarbatti	190	126.50	4180
	Camphor tablets	65	93.93	780
	Phenol	120	130.10	960
	Cleaning powder	152	134.83	1216
	Distilled water for automobiles	101	66.13	303
	Grease manufacturing	67	283.08	670
	Injection moulded plastic articles	59	165.11	885
	Candle making	97	87.55	776
	Plastic Buttons	42	79.46	210
	Leather articles/ footwear	68	610.15	816
	Paints & primers mfg.	42	636.05	378
	Polythene films and carry bags	24	291.60	144
	Reprocessing of plastics	73	460.54	730
	PVC Fittings	59	490.20	472
	Plastic Granules	21	371.85	210
	Tyre retreading	62	891.40	620
	Sub total	1242	4918.48	13350
V	Electrical/Electronics & Computer Based Inds.			
	Battery charging/ servicing	107	197.31	749
	Battery Eliminators/ Power packs	80	199.52	400
	Inverters upto 50 kva	64	139.69	192
	Voltage Stabilizers	64	141.42	384
	Emergency lamps	64	81.80	192
	DTP Centres	84	158.04	336
	Elec.Repairs/ motor rewinding	129	198.25	645
	Sub total	592	1116.03	2898
VI	Mineral based and building material products			
	Hollow concrete blocks	40	413.60	600
	Iron Ore Crushing	28	2001.45	840
	Jelly crushing	45	786.60	675
	Granite Industries	24	544.85	360
	Soil Cement Blocks	69	61.95	414

District Industrial Development Plan 2006-11- Bellary district

Sr.No.	Sector / Sub-sector / Activity	TOTAL		
		Units	Fin.Outlay (Rs lakh)	Emp. Generated
	Table moulded bricks	37	409.70	740
	Cement / Fly ash Bricks	40	356.60	600
	Mosaic tiles	25	553.46	250
	Sub total	308	5128.21	4479
VII	Livestock based products			
	Cattle / Poultry feed	100	1200.45	1200
	Dressed Broiler chicken unit	92	135.36	276
	Sub total	192	1335.81	1476
VIII	Mechanical based products			
	Diesel Engine servicing	113	104.89	452
	Lathe works	34	52.02	136
	Machine shops	44	133.40	440
	Forging unit mill	12	484.94	180
	Red Oxide	44	1090.85	880
	Galvanising Unit	44	2872.70	1540
	Steel/re-rolling mills	11	956.80	825
	Steel fabrication & furniture	121	1858.51	1452
	Alloys Steel manufacture	20	719.68	200
	Foundry units	22	836.40	770
	Barbed wire	61	385.25	244
	Agricultural implements	84	776.55	420
	General Engineering	74	230.42	370
	Sub total	684	10502.41	7909
IX	Tourism related projects			
	Two-Star Hotel	11	592.28	550
	Motels	80	134.00	400
	Fast food centres	76	696.13	1368
	Travel Agencies	39	99.21	117
	Mini buses	82	463.29	328
	Taxi service	85	451.18	340
	Sub total	373	2436.09	3103
X	Infrastructure projects			
	Commercial complexes	23	501.35	207
	Sub total	23	501.35	207
XI	Rural Artisans			
	Stone carving	88	33.10	176
	Carpentry	162	256.27	810
	Goldsmithy	63	60.67	126
	Pottery/ Terra-cotta articles	93	83.05	465

District Industrial Development Plan 2006-11- Bellary district

Sr.No.	Sector / Sub-sector / Activity	TOTAL		
		Units	Fin.Outlay (Rs lakh)	Emp. Generated
	Other artisans (tailoring, laundry, barbers etc.)	222	141.70	1110
	Blacksmithy	102	92.55	510
	Banana fibre products	61	38.12	305
	Mirror embroidery	112	60.28	560
	Sisal fibre	56	111.70	280
	Soft toys	1106	598.70	5530
	Sub total	2065	1476.14	9872
XII	SRTO			
	Auto Rickshaw	307	330.05	307
	Mini trucks	385	5886.25	1155
	Goods carrier/ trucks	269	4065.25	807
	Passenger Bus	151	1871.88	1359
	Sub total	1112	12153.43	3628
XIII	PROFESSIONALS & SELF EMPLOYED	173	2142.14	3460
	Sub total	173	2142.14	3460
XIV	Others Industries			
	Corrugated Boxes	53	1957.79	424
	Ice Blocks & Ice Industry	47	300.89	235
	Vermicompost	133	1366.05	665
	Coir products (rope, mats, etc.)	35	127.40	245
	Quartz processing	9	378.80	45
	Wooden furniture, doors and windows	84	146.90	336
	Book Binding & Note Books	63	249.36	315
	Paper envelopes	40	156.48	200
	Mineral water	51	610.98	765
	Paper napkins	15	273.90	150
	Souvenir Manufacturing units	10	122.42	20
	School bags	20	31.50	220
	Bee keeping	103	93.05	206
	Cane & Bamboo	70	47.74	700
	Sub total	733	5863.26	4526
XV	Other Service Sectors			
	Vulcanising/ air compressor units	106	57.82	212
	Weigh Bridge	69	860.09	138
	Computer aided wheel balancing units	57	85.17	114
	Denting units	35	20.72	70
	Pollution Control Certification Centres	88	77.60	88
	Service station for automobiles	62	747.53	310
	Fuel injection servicing	45	69.25	0
	Auto servicing	103	157.31	1030
	Cyber Caffes	71	358.35	142

District Industrial Development Plan 2006-11- Bellary district

Sr.No.	Sector / Sub-sector / Activity	TOTAL		
		Units	Fin.Outlay (Rs lakh)	Emp. Generated
	Beauty parlors	89	94.00	267
	Fax STD Centres	86	132.89	172
	Radiological equipment centres	21	624.44	105
	Pathological Centres	106	114.60	636
	CT Scan unit	11	661.56	33
	Nursing Homes	58	1063.52	522
	Genset Repair & Hire	49	151.54	147
	Tractor servicing/ repair	121	216.42	484
	Computer Servicing units	61	36.48	122
	Computer Trg. Inst.	60	758.22	180
	Digital photo studio	55	1706.92	275
	Screen printing	100	24.25	200
	Offset printing unit	39	593.91	351
	Photo copying	84	128.04	168
	Servicing & repairing of consumer ele.pro.	78	86.52	312
	Repairing & Servicing of Pumps	176	128.32	704
	Oil Gana	50	92.10	100
	Sub total	1880	9047.57	6882
XVI	SHG Micro Enterprises	1271	440.00	6355
	Sub total	1271	440	6355
	Grand Total	13578	82249.69	91091

It was estimated that during the five year project period, a total of 13578 units have potential for being established, with an investment of Rs.822.49 crore and will generate 91,091 employment opportunities. The year-wise summary of projections for the plan period is as under :

(Rs. lakh)

Year-wise Projection of Potentials in Bellary district					
Year	No. of Units	Bank loan Projection	Employment (Nos.)	Working Capital Requirements	Total Financial requirements
2005 - 06	2,043	9611.98	14,217	5126.39	12815.98
2006 - 07	2,562	10603.35	17,176	5655.12	14137.81
2007 - 08	2,797	12438.12	18,630	6633.66	16584.16
2008 - 09	2,946	14172.65	19,708	7558.74	18896.87
2009 - 10	3,230	14861.15	21,360	7925.94	19814.87
Total	13,578	61687.25	91,091	32899.85	82249.69

In order to realise the potential, the following promotional intervention will be necessary:

- Preparation of project profiles of all potential activities and making them available to bankers, development agencies and potential entrepreneurs.
- Enhancing the capability of field staff of banks and developmental institutions in project formulation, project appraisal and entrepreneur appraisal.
- Developing a mechanism to disseminate in rural areas, information on potentials and possibilities and details of scheme and facilities available.
- Supporting institutions for conduct of REDP in identified activities so that significant number of first generation entrepreneurs emerge.
- Create a forum for purposive interaction between development agencies, credit agencies, entrepreneurs and potential entrepreneurs for enhancing the pace of development.
- For proper implementation of the plan, action points for each of the partner agencies / stake holders have been identified and the same are presented seperately.