

CHAPTER VI

BANKING, TRADE AND COMMERCE

HISTORY OF
INDIGENOUS
BANKING IN
THE DISTRICT

The first institutional Banking organisation in the district came into existence in 1955, with the opening of the District Central Co-operative Bank, Ltd., at Sundargarh. Prior to it, the old pattern of credit system maintained by the village money-lenders, who were mostly Gaontias, and traders, had obtained unchallenged rank for generations. The money-lenders who were primarily wealthy agriculturists played an important role in the rural economy.

They were the only agency engaged in providing agricultural finance, but usually at high rate of interest which differed from place to place. In addition to this, the loanees were forced to offer free labour to the money-lenders at the time of agricultural operations. In the Bonai ex-State, people were free from debt except for occasional small loans amongst themselves, and the money-lender was conspicuous by his absence.

At present, no reliable data are available about the number of money-lenders. There are many private money-lenders carrying on business without a licence. The number of registered money-lenders in 1970 was 62, of which 23 were in Sundargarh subdivision, 25 in Panposh subdivision, and 14 in Bonai subdivision. The rate of interest usually charged by the money-lenders at present varies from 25 per cent to 50 per cent and in some cases with compound interest as per the contract. In spite of the high rate of interest, people take loan from such private money-lenders as it is available to them easily at the time of their requirement.

The district is inhabited mostly by Adivasis and backward classes. Their economic condition is not sound. Indebtedness is a common feature with them. They do not mind paying higher rate of interest to the money-lenders when no other sources of credit exist. Local traders who also lend them money take the fullest advantage of the barter system and the ignorance of the people. A class of money-lenders called Kistiwalas who come from South India have been operating in this district. They usually lend small sums of money and realise the principal along with interest in weekly instalments. In case of failure on the part of the borrower to repay the instalments, force and other coercive measures are often applied. Money-lenders are also

operating in the industrial areas of Rajgangpur, Rourkela, and Birmitrapur who lend money to the labourers and realise it with interest on their pay days. The credit requirements of the people engaged in the household industries are being met by the village money-lenders. The exorbitant rate of interest charged by the money-lenders leave them with no surplus. Instances are also there where the money-lenders take away all the finished products, sell them at a marginal price by which the skilled artisans are reduced to the rank of wage-earners. The credit needs of these people should be met by the credit institutions so that the traditional skill of these artisans can be preserved and the artisans will be able to improve their occupations.

It is said that credit supports the farmer as the hangman's rope supports the hanged. So an analysis of the state of indebtedness is imperative to assess the economic condition of the people. An economic survey conducted by the Government of Orissa in 1954-55, revealed the indebtedness of the cultivating families only. Nevertheless, since these families form the overwhelming majority, the condition with regard to their debt will be a broad picture of the state of rural indebtedness.

INDEBTEDNESS
AND ROLE OF
FINANCIERS

The Survey* revealed that the most important purpose for which a debt was incurred was family consumption which amounted to more than a half (58.34 per cent) of the total debt. This was closely followed by debts incurred for social ceremonies which accounted for 17.45 per cent. For the repayment of old debts and to meet the expenses of litigation 3.92 per cent of the total debt were expended. These were responsible for 79.71 per cent of the total debt of the farmers, which were distinctly burdensome. Of the total debt 20.29 per cent were incurred for various productive purposes, of which 6.35 per cent accounted for expenditure on cultivation ; 12.15 per cent for purchase of land and bullocks ; and 1.79 per cent for building houses.

As regards the source of credit, the chief source was the money-lender. The data revealed that 97.16 per cent of the total amount of debt were obtained from money-lenders. Some of them were professional and some others, agriculturists. At times and on certain occasions, some farmers were able to secure loans either from Government or from co-operative societies, but these were exceedingly small and constituted only 2.84 per cent.

As the data revealed, 81.71 per cent of the total loan carried 25 per cent as the rate of interest. Some money-lenders also charged 5 per cent and above. It is indeed a matter of concern that 84.22 per cent

*Economic Survey of Orissa, Vol. I

of the total loan of the agriculturists bore an interest of 25 per cent and more. Loans at 6.25 per cent and 12.50 per cent would perhaps appear reasonable, but only 6.82 per cent of the total rural credit were obtained at such rates of interest. These rates were charged usually in case of loans from Government agencies and Co-operative Banks.

However, the Government of Orissa have passed the Money-lenders Act to protect the poor people from the clutches of the village *mahajans*. The registered money-lenders are required to register themselves and obtain licences for carrying on money lending business. They are also required to maintain regular account books. The committee appointed to hold an enquiry into the working of the Orissa Money-lender's Act, 1939 observed that there were certain gaps in the provisions of the Act, as a result of which the Scheduled Tribes and the Scheduled Castes inhabiting the Scheduled Areas were unable to derive any significant benefit out of it. So, in order to control and regulate the business of money-lending in the Scheduled Areas, the Orissa (Scheduled Areas) Money-lender's Regulation, 1967, was promulgated under Paragraph 5 (2) of the fifth schedule to the Constitution of India. The Orissa (Scheduled Areas) Money-lenders Rules 1970, framed under the said Regulation was brought into force on the 30th May, 1970.

According to the Regulation, no person shall carry on business of money-lending at any place in the Scheduled Areas without obtaining a licence from the concerned Tahsildar, who is the licensing authority. The Additional District Magistrate is the appellate authority within his Jurisdiction. All the Assistant District Welfare Officers posted in subdivisional headquarters and all the Circle Inspectors of Police have been appointed as the Inspectors with their respective jurisdictions for the purpose of this Regulation.

A money-lender may charge simple interest of 9 per cent per annum in case of secured loan and up to 12 per cent per annum in case of unsecured loan. He is to maintain Cash Book, and Ledger and deliver statements of accounts to the licensing authority. A money-lender is punishable with imprisonment or fine or both in case of default. The offences punishable under this Regulation are non-cognizable.

Besides, Government have amended the Orissa Co-operative Societies Act so that people can avail loans easily. Paddy loan is advanced under 'Crop Loan System' to the agriculturists at the time of their need. The Commercial Banks have come up to render necessary credit assistance to the agriculturists, traders, manufacturers and others at low rate of interest.

The institutional financial sector comprises 19 offices of different commercial Banks, 4 offices of District Central Co-operative Bank, 3 Primary Land Development Banks, 84 Service Co-operative Societies, 184 Post Office Savings Banks and 2 offices of the Life Insurance Corporation of India. The Orissa State financial Corporation which operates in the district does not have any office here. There is no non-scheduled commercial Bank.

COMMERCIAL
BANKS AND
POST OFFICE
SAVINGS
BANK

The average population served by an office of the commercial Bank in the district works out to about 54,200 as against 151,000 in the State and 52,000 in India as on the 30th September 1970. Although it is the best banked district in the State banking facilities are mostly concentrated only in one centre i.e., Rourkela City. The average population served by an office of a commercial Bank in this city is 12,300. As many as 8 Banks with 14 offices are centred in this City. If we exclude the offices concentrated in Rourkela City, only 5 offices serve 8.58 lakhs of people in the remaining areas of the district giving an average of about 1.72 lakh people per office. Thus excepting at Rourkela, Banking is not much developed in the district. In some areas of the district, the nearest office of a commercial Bank is about 50 to 60 kilometres away. People in these areas have to depend largely on money-lenders and other non-institutional sources to meet their credit requirements. All the subdivisional headquarters have been covered by commercial Banks. Among the tahsil headquarters, Hemgir is still unbanked. Of the 18 Community Development Block headquarters, only four places are being served by commercial Banks. The total number of Post Offices with Savings Bank facilities in the district is 84. The average population served by a Post Office Savings Bank works out to about 5,600. The gross institutional savings mobilisation in 1969-70 in the district was Rs. 340.14 lakhs.

The deposit growth of the commercial Banks (except State Bank of India) operating in the district during the years 1967, 1968, 1969 and 1970 is summed up in the table below :

Type of Deposits	Number of Accounts				Amount of deposits up to 31st December (Rs. in thousands)			
	1967	1968	1969	1970	1967	1968	1969	1970
Current ..	2,518	2,450	2,611	2,729	13,523	9,744	15,630	16,219
Savings ..	18,605	22,411	27,236	32,801	12,694	14,785	16,417	20,468
Fixed ..	2,806	3,355	3,740	4,573	10,789	14,542	21,165	28,385
Total ..	23,929	28,216	33,587	40,103	37,006	39,071	53,212	65,072

Between 1967 and 1970, total deposits of the commercial Banks increased by 75.8 per cent and the number of their accounts increased by 67.6 per cent. Fixed deposits increased more rapidly (163.1 per cent) compared to Current and Savings Bank deposits which increased by 19.9 per cent and 61.2 per cent respectively. The average annual rate of deposit growth during 1968, 1969 and 1970 worked out to about 25 per cent. At the end of 1970, current deposits constituted 25 per cent, Savings Bank deposits 31.4 per cent, and fixed deposits 43.6 per cent of the total deposits. Average deposits per office was about Rs. 36.15 lakhs at the end of 1970.

The deposit mobilisation of the State Bank of India in the district is summed up below :

Type of Deposits	Number of Accounts				Account of deposits up to 31st December (Rs. in thousands)			
	1967	1968	1969	1970	1967	1968	1969	1970
Current ..	524	552	591	712	6,942	4,082	6,304	5,987
Savings ..	3,704	3,884	6,127	7,791	3,066	3,259	3,576	5,175
Fixed ..	423	419	53A	799	3,434	4,417	4,339	5,615
Total ..	4,651	4,855	7,250	9,302	13,442	11,758	14,219	16,777

Between 1967 and 1970, deposits of the State Bank of India increased by 24.8 per cent and the number of accounts by 200 per cent. The total deposits of this Bank at the end of 1970 constituted 25.8 per cent of the total deposits of all commercial Banks in the district. The average balance per Savings Bank account at the end of 1970 amounted to Rs. 664 whereas it was Rs. 8,409 for a current account and Rs. 7,027 for a fixed deposit account.

Post Offices are the most important outlets for the savings of the people, specially in the interior areas. The number of Post Office Savings Banks is increasing steadily from year to year. Between 1967-68 and 1970-71, the number of deposit accounts increased from 34,776 to 46,842 and the amount of deposits from Rs. 109.53 lakhs to Rs. 150.47 lakhs. The average annual rate of deposit growth was about 12.5 per cent as against 25 per cent for the commercial Banks and 2 per cent for the District Central Co-operative Bank. The savings in Postal Time Deposits and the Cumulative Time Deposits in 1970-71 was Rs. 135.44 lakhs and Rs. 41.26 lakhs respectively. The savings in National Saving Certificates in 1971-72 and 1972-73 were 3.24 lakhs and 3.42 lakhs respectively.

Between 1967 and 1970, total credit granted by all the commercial Banks in the district was increased from Rs. 45.99 lakhs to Rs. 408.96 lakhs. The Banks finance all types of industries, trade, commerce, agriculture, and unemployed technologists to establish themselves.

A list of commercial Banks with their location, and year of opening in the district is given in Appendix I of the Chapter.

The Sundargarh District Central Co-operative Bank, Ltd. with headquarters at Sundargarh was the first institutional banking organisation in the district. It was established on the 1st June 1955. Prior to the existence of this Bank the co-operative societies of this district were affiliated to the Sambalpur District Central Co-operative Bank, Ltd., Sambalpur. The area of operation of the Bank extends to the whole of the district and it is catering to the agricultural credit needs of the people. The Bank has four offices with headquarters at Sundargarh, Rajgangpur, Bonaigarh, and Rourkela. The total membership up to the end of June 1971 was 116 persons. The average population served by an office of the Co-operative Bank worked out to about 2'58 lakhs as against 3'31 lakhs in Orissa in 1967. The average population served in the district by an office of commercial and co-operative Bank taken together worked out to about 44,800 as against, 1,35,000 in Orissa and 48,000 in India in 1967.

CO-OPERATIVE
CREDIT
SOCIETIES
AND BANKS
Sundargarh
District
Central Co-
operative
Bank Ltd.

The Bank has paid up capital of Rs. 12'76 lakhs and reserve fund of Rs. 1.57 lakhs. The total working capital at the end of June 1971 was Rs. 45'26 lakhs. During the year 1970-71 (1st July 1970 to 30th June 1971) the Bank advanced Rs. 4'69 lakhs as short-term loans (Rs. 4,05,000 for seasonal agricultural operation, Rs. 28,000 for processing of agricultural produce, and Rs. 36,000 for miscellaneous purposes) and Rs. 2.98 lakhs as medium term loans (Rs. 1,05,000 for purchase of cattle, Rs. 65,000 for purchase of machineries, Rs. 85,000 for sinking and repairing of wells, and Rs. 43,000 for improvement of land). During this period it had made a net profit of Rs. 35,000. The rate of interest charged by the Bank varies in between 7'5 per cent to 9 per cent per annum on different loans.

Between June 1967 and June 1970, total deposits of the Bank increased by 5'2 per cent. At the end of June 1970, current deposit accounted for 12'5 per cent, savings deposit for 80'2 per cent, and fixed deposit for 7'3 per cent of its total deposits. The average annual rate of deposit growth worked out to about 2 per cent.

There are 3 Land Development Banks operating at Sundargarh, Bonaigarh, and Rourkela. The average population served by an office of the Bank in the district worked out to 3'43 lakhs.

Land De-
velopment
Banks

The Banks had a total membership of 2,389 at the end of June 1971. These Banks had a total working capital of Rs. 46,62,623, of which paid up capital was Rs. 3,77,077 and borrowings Rs. 42,85,431. Their statutory reserve funds of Rs. 115 were negligible.

These Banks sanctioned Rs. 20,85,676 as long-term loans to 576 members up to the end of June 1971 and made a net profit of Rs. 50,226. (The Bank at Sundargarh Rs. 48,660 and the Bank at Rourkela Rs. 1,566. The Bank at Bonai had sustained a loss of Rs. 198 during this year). The bulk of the loans is available for purchasing tractors, pump sets, for digging wells and land improvements. The Banks have financed the purchase of 2 tractors and 92 pump-sets in the district.

Service Co-
operative
Societies

There are 84 Service Co-operative Societies with a total membership of 47,879. These societies function at village level as the agencies for distribution of agricultural inputs and agricultural credit to the farmers. The societies had a total working capital of Rs. 71,58,942 up to June 1971, and comprised Rs. 19,69,244 as paid-up capital, Rs. 9,39,932 as reserve fund, Rs. 7,18,625 as deposits, and Rs. 35,31,141 as borrowings. The societies during the above period advanced Rs. 8,99,622 as short-term loans and Rs. 1,26,885 as medium-term loans. The Service Societies distributed fertilisers worth Rs. 87,287 and food-grains worth Rs. 76,607 during 1970-71. Out of the total 84 Service Co-operative Societies, 57 Societies had made a net profit of Rs. 3,93,734 and 27 Societies sustained a total loss of Rs. 1,43,170.

Employees'
Credit Co-
operative
Societies

There were 10 Employees' Credit Co-operative Societies with a total membership of 2,536 up to the end of June 1971. The Societies had a total working capital of Rs. 5,15,546 consisting of Rs. 2,22,881 as paid-up capital, Rs. 2,49,734 as deposits, and Rs. 44,931 as statutory reserve fund. The societies had made a profit of Rs. 29,011 during the year 1970-71.

Role of
Government

Taccavi loans are granted by the Orissa Government both under the Agriculturist Loans Act, and the Land Improvements Act. The number of farmers assisted and the amounts disbursed varied sharply from year to year. In 1967-68, 952 farmers were granted loans of Rs. 1,55,000. In the next year 656 farmers were assisted with Rs. 1,46,000, and in 1969-70, 305 farmers got Rs. 23,000 as Taccavi loan. These loans are mainly granted in years of scarcity and in abnormal years.

GENERAL
AND LIFE
INSURANCE

Life Insu-
rance
Corporation
of India

The Life Insurance Corporation of India has a branch office at Rourkela, established in 1956 ; and a sub-office at Birmitrapur. A drive has been made to spread the insurance business to remote corners by posting Development Officers in various rural areas. Salary Savings Scheme and Group Insurance Scheme have been introduced and there is the possibility of introducing the Superannuation Scheme. The organisation advances loan to the people for the construction of residential buildings within the limits of Rourkela Notified Area Council and for other productive purposes against mortgage of property.

The following figures show the transaction done by this organisation during the years 1970-71, 1971-72 and 1972-73.

	1970-71	1971-72	1972-73
1. No. of policies in force.	1,73,425	1,88,751	2,05,250
2. Sum assured (in Rs.)	74,81,87,613	87,61,32,759	102,54,08,687
3. Total Receipts (Income)	2,78,75,800	3,60,38,664	3,89,68,619
4. Total payment (Outgo)	1,35,04,554	1,52,72,914	1,04,49,975

From 1964 to 1972, this office was doing business in General Insurance. The volume of business per year was approximately rupees ten lakhs. Since 1972, the Life Insurance Corporation of India has stopped doing business in General Insurance. Other organisations, such as, the Hindustan General Insurance Ltd., the New India Insurance Ltd. the Ruby General Insurance Ltd., the National General Insurance Ltd., and the Oriental Fire and General Insurance are operating in this field in the district.

Under the State Aid to Industries Act, the State Government have assisted 37 units up to the end of December 1970 with an aggregate loan of Rs. 1.88 lakhs. These units include tile factory, carpentry units, saw mills, printing presses, bakery, leather works, radio assembling, brick manufacturing, rope making, etc. The State Financial Corporation has financed 15 industrial units to the tune of Rs. 10.33 lakhs. The industrial units include miscellaneous industries producing engineering goods, soft drinks, rubber goods, fabricated materials, and cold storage. During the years 1971-72 and 1972-73 the State Government have assisted 31 units with a total amount of Rs. 1,33,800. A detailed account with the amount granted as loan to each industry and number of units has been given in Appendix II of the Chapter.

STATE ASSIST-
ANCE TO
INDUSTRIAL
DEVELOP-
MENT

The routes passing through the Ib and the Brahmani river valleys in the district served as ancient trade routes. The people of this area were carrying on trade with Madhya Pradesh, Bihar and other neighbouring areas in various forest products like peacock feather, ivory, lac, and myrobalan, etc.

TRADE AND
COMMERCE

During the beginning of the present century, in the ex-State of Gangpur, the principal articles exported were cotton, sesamum, lac, honey, arrow-root, catechu, sabai-grass, and wax; and the principal articles imported were salt, sugar, piece-goods, spices, and kerosene oil. During this period in the ex-State of Bonai, the main articles exported were lac, myrobalans, sabai grass, and other forest products. Large quantities of wild tusser silk cocoons were also exported.

Towards 1930 the export of timber, hides, oilseeds, and jungle produce took place and the imports consisted of piece goods, salt, kerosene, petrol, and fancy articles brought in by Katchi and Marwari traders. Within the ex-States trade was chiefly carried on by women of the labouring class at small weekly markets. The system of barter was in vogue and the commodities consisted of rice, millets, vegetables, and tobacco. Beyond this, there was no special trade in the ex-State of Bonai. During this period, in the ex-State of Gangpur lime was exported by the Bisra Lime Stone Company through Birmitrapur-Rourkela branch railway line. The railway station at Bisra, Kalunga, Rourkela, and Panposh drained rice and timber of Nagra ex-State. Lac and timber of Talsara, Rajgangpur and Raiboga police stations and of the southern portion of Ranchi district (which is in Bihar) were exported; and salt, cloth, oil, and other fancy goods were imported through Rajgangpur railway station. Timber and rice of Sundargarh, Bhasma, and Lefripara police stations were exported through Jharsuguda railway station which is in Sambalpur district. Bamboo, rice timber, and sleepers of Hemgir police station were exported through Hemgir-Road railway station.

A fair at Vedavyasa in Panposh subdivision which is held every year on the Sivaratri festival attracts shopkeepers from distant places. The cattle fairs at Sundargarh, Sargipali, and Rajgangpur were wellknown. Rajgangpur, Birmitrapur and Bisra were trade centres from which cloth, kerosene and petrol were distributed to Bonai and many other places.

The steel township of Rourkela has now emerged as the nerve centre of trade and commerce in the district. Most of the wholesalers and retail traders are concentrated in the Rourkela City. In 1971, the number of licensed wholesalers and retail traders were 14 and 1,223 respectively in the district. The number of unlicensed retailers and petty shop-keepers, who are many in the district, is not known. Rajgangpur, Sundargarh, Bonai, and Birmitrapur are other important trade centres which also serve as marketing centres for the surrounding areas. Trade relations of Rourkela City are mostly with Jamshedpur, Ranchi, Calcutta, Raipur, and Bombay. The district has trade links with Madhya Pradesh and Bihar being a border district of these two States.

Weekly markets are important channels of local trade. Agricultural and forest products are mostly marketed in these markets. There is no regulated market in the district. Barter still prevails to a large extent among the local Adivasis.

The principal items of import of the district are ferro-manganese, ferro-silicon, coal, chemicals, medicines, engineering goods, food stuff, fertilisers, textile goods, petrol, edible oils, stationery, etc. The main items of export are minerals like iron ore, dolomite, limestone, manganese and forest products like bamboo, timber, kendu leaves, mohua flower, sialifibre, lac, etc. Besides, engineering goods, fabrication works, machinery, steel products, fertilisers, brooms, cement and refractories are being exported.

Imports and exports of the district are handled by the railways and road transport. The total goods traffic through railways during 1970-71 in the district was 2,38,48,629 tonnes.

The goods traffic in different railway stations of the district from 1965-66 to 1970-71 is shown in Appendix III of the Chapter.

The rural marketing centres are mostly weekly or bi-weekly markets (hats) which serve as centres of local trade. Foodgrains constituting mostly of rice and pulses, vegetables, cloths, forest products, toilets and other cheap fancy articles are being transacted in these rural markets. These hats are managed by the Grama Panchayats and leased out to the highest bidders.

Rural
Marketing
Centres

A list of rural marketing centres with their market days is given in Appendix IV of the Chapter.

There are two wholesale co-operative stores at Rourkela, of which one is for the employees of the Hindustan Steel Limited. These co-operative stores, during 1971-72, had a total working capital of Rs. 5, 26,338 with 333 individuals and 30 consumers' stores as members. During this period they have made transactions of Rs. 35,15,352 with a net profit of Rs. 59,039.

CO-OPERATION
IN
WHOLESALE
AND RETAIL
TRADE

Whole-sale
Consumer's
Co-operative
Stores

There are 47 Primary Consumers' Co-operative Stores in the district with a total membership of 11,890 persons, and 60 co-operative stores. During 1971-72, they have made business worth Rs. 46,805.

Primary
Consumers'
Stores

There are two multipurpose co-operative stores with headquarters at Utmal, and Bisra. The store at Bisra has a working capital of Rs. 223 with 11 persons as members. The store at Utmal is more active with a working capital of Rs. 23,200, and 2,016 individuals as members. During 1971-72, it has done transaction in foodgrains worth Rs. 2,50,570 with a net profit of Rs. 5,788.

Multipurpose
Co-operative
Stores

Joint-Far-
ming Co-ope-
rative
Societies

There are three Joint-Farming Co-operative Societies, located at Kukuda, Budelkani, and Timadihi. They are cultivating 24 hectares of land with a total working capital of Rs. 35,535. Of the three societies, the society at Kukuda has produced and sold, during 1971-72, food grains of the value of Rs. 9,651.

Regional
Co-operative
Marketing
Societies

The Regional Co-operative Marketing Societies are organised for handling various types of agricultural produce grown within its jurisdiction. Two societies, located at Sundargarh and Rourkela, are functioning in the district. The number of villages in their area of operation is 1617 with 183 membership. The total working capital is Rs. 4,74,044 of which Rs. 4,15,497 is their paid-up share capital. During 1971-72, these societies purchased agricultural produce worth Rs. 66,228, fertilisers worth Rs. 1,86,427, and consumer goods of the value of Rs. 4,141. During this period they sold paddy, wheat, oil-seeds, and consumer goods of the value of Rs. 62,182, Rs. 2,795, Rs. 2,392, and Rs. 4,518, respectively. The societies are engaged in the distribution of chemical fertilisers to the service co-operative societies, who in their turn, supply them to the producers of their areas. During 1971-72, they have distributed fertilisers worth Rs. 96,486.

Forest
Marketing
Co-operative
Societies

There are three Forest Marketing Co-operative Societies located at Jamdihi, Bargaon, and Bisra. The total number of villages in their area of operation is 30. The working capital is Rs. 29,219 constituting Rs. 4,607 as paid-up share capital. The value of sales, during 1971-72, was Rs. 28,010.

Milk-Supply
Co-operative
Society

There is one Milk-Supply Co-operative Society at Koira. It is functioning with a working capital of Rs. 20,220 and 28 membership. During 1971-72, it earned a profit of Rs. 70'00.

STATE
TRADING
Fair Price
Shops

In August 1972 there were 411 fair price shops in the district serving a population of 9,30,800. Through these shops, 1,31,350 quintals of rice and 24,531 quintals of wheat were sold during November, 1971 to August, 1972.

Trade in
Kendu
Leaves

Kendu leaves provide raw materials for Bidi industries both inside and outside the State, and thus bring in large revenue to the State exchequer. Kendu leaf bushes grow spontaneously in the forests and on 'at lands' mainly in the districts of western Orissa and in some pockets of other districts. In order to regulate the trade the State Government declared Kendu leaves as essential commodity and promulgated Kendu Leaves (Control and Distribution) Order, 1949, which was replaced by another control order viz., the Orissa Kendu Leaves Control Order, 1960. Under both the control orders Government were leasing out Kendu leaves growing areas to the private persons on annual royalty basis. These systems were not found to be fool-proof against smuggling of Kendu leaves and leakage of Government

revenue. Besides, it was considered necessary to maintain the quality and to ensure fair price to the pluckers and growers of Kendu leaves. Keeping in view the above aspects, and in pursuance of the recommendations of "The Orissa Taxation Enquiry Committee", the State Government enacted and enforced the Orissa Kendu Leaves (Control of Trade) Act, 1961 and framed the Orissa Kendu Leaves (Control of Trade) Rules, 1962. Under the provisions of the above Act and Rules the State Government took up monopoly trade in Kendu leaf from 1962. The monopoly system of trading and the income of the State from Kendu leaf was raised from 1 crore in 1962-63 to 2.83 crores in 1971-72.

With a view to ensuring increased revenue to the State exchequer by eliminating middlemen in this trade as well as to bring in some profit to the Orissa Forest Corporation Ltd., which is a State Government undertaking, the State Government nationalised the trade in Kendu leaf since January, 1973 and evolved a system of joint working of the trade. According to the joint scheme the Forest Department is in-charge of the production of Kendu leaves, and the storage, collection and bagging of processed leaves; and the Orissa Forest Corporation Ltd., is entrusted with the marketing of the processed bags inside and outside the country as the selling agent of the Government.

This system of operation of Kendu leaf trade is working within the general frame-work of the Orissa Kendu Leaves (Control of Trade) Act, 1961 and Rules made thereunder. In addition, a Manual entitled "The Orissa Kendu Leaf Manual, 1973" has been framed which specifies the duties and responsibilities of various field staffs and contains the guide-lines for the functional part of the trade entrusted to the Forest Department. The accounting part of the trade, so far as the Departmental portion is concerned, is being governed by the accounting procedure formed under the Orissa Kendu Leaves (Control of Trade) Act, 1961.

In pursuance of the provisions under Section 4 of the Orissa Kendu Leaves (Control of Trade) Act, 1961, the State Government, in consultation with the Advisory Committee, have fixed the following purchase rates of Kendu leaves from the growers and pluckers for the year 1974.

1. 30 (thirty) green leaves per paise.
2. A minimum of Rs. 60/- (rupees sixty) per bag of one quintal of processed leaves subject to the condition that the growers supply the dry leaves and get the leaves processed at the places fixed by the Forest Department.

Purchase
Rates from
Growers

Rate of
collection
from
pluckers

30 (thirty) green leaves per paise.

To ensure proper and timely payment of the price to the growers and wages to the pluckers, Village Committees have been formed to supervise payments.

In order to ensure smooth working of the trade, particularly to ensure the estimated revenue to the State exchequer, an agreement is being executed between the Forest Department and the Orissa Forest Corporation Ltd., every year on the terms and conditions as decided by the Government. The salient features of the agreement executed for the year 1974-75 are given below :—

The agreement was made on the 1st May, 1974 between the Government of Orissa and the Orissa Forest Corporation, Ltd. according to which the State Government have appointed the Orissa Forest Corporation Ltd., as the Selling Agent under Section 10 of the Orissa Kendu Leaves (Control of Trade) Act, 1961 for the disposal of the Kendu leaves purchased by the Government.

The agreement shall remain in force from 1st April, 1974 to 31st March, 1975 and may be renewed as may be agreed upon by both the parties.

With effect from April, 1974, Government in the Forest Department will collect the Kendu leaves by purchase or otherwise through their officers and employees in the Forest Department and process the same. The Orissa Forest Corporation Ltd., will market these Kendu leaves on behalf of the Government as their Selling Agent. The Government will ensure collection and production of processed Kendu leaves and will give delivery of the bags of processed leaves to the Corporation for the purpose of marketing.

The Orissa Forest Corporation Ltd., will make advance payment of its dues to the Government obtaining it from the State Bank of India as per Cash Credit Facility granted to the Orissa Forest Corporation Ltd., by the said Bank. The Government have agreed to allow the Orissa Forest Corporation Ltd., to hypothecate the Kendu leaf crop, raw and processed, at the disposal of the Government to the State Bank of India in order to enable the Orissa Forest Corporation Ltd., to obtain the loan from the State Bank of India.

The Orissa Forest Corporation Ltd., shall pay the Government Rs. 230 per quintal of processed Kendu leaf or for 133 kg of loose leaves (Phali bags) delivered to them, and the aforesaid amount of Rs. 230 shall include Rs. 130 per quintal for meeting the cost of

collection and processing. The Corporation will pay towards royalty Rs. 3.60 crores (State figure) to the Forest Department by selling 3.60 lakh quintals (State figure) of Kendu leaves supplied by the Government, at the rate of Rs. 100 per quintal of processed leaves or 133 kg. of loose leaves (Phali bags), after deducting its administrative charges limited to a maximum of Rs. 25 lakhs plus the Bank interest. For any excess production and sale, the same charge at the rate of Rs. 100 per quintal towards royalty shall be payable. The payment towards royalty will be made in three equal instalments.

In case average sale value of all the Kendu leaves supplied by the Government below Rs. 255 per quintal, for reasons beyond the control of Orissa Forest Corporation Ltd., necessary deduction on account of royalty, as per the decision of Kendu Leaves Co-ordination Committee, will be made. In case the average sale value exceeds Rs. 255 per quintal, the amount towards royalty payable by the Orissa Forest Corporation Ltd., will be increased by such amount, as may be decided by the Kendu Leaves Co-ordination Committee.

Government will be kept informed about the sale programme by the Orissa Forest Corporation Ltd., in the interest of securing Government revenue.

Over and above the aforesaid arrangements, Co-ordination Committees at the district level have been formed with the District Collector as Chairman to review the progress of operation periodically and to find out solutions of the bottle-necks, if any.

The State level Co-ordination Committee meets periodically to review the progress of the trade as a whole, solves the difficulties, if any, and *inter-alia* determines the sale-policy of the Kendu leaves produced.

At present the Orissa Forest Corporation is adopting the following methods of sale inside the country for the disposal of Kendu leaves delivered to them by the Forest Department.

1. Forward sale by tender.
2. Sale against ready stock by tender/auction.
3. Sale through retail sale centres.
4. Sale through commission agents.

The Orissa Forest Corporation Ltd., is also exporting Kendu leaves to Sri Lanka and is endeavouring to search markets in other countries.

As envisaged under Section 11 of the Orissa Kendu Leave (Control of Trade) Act, 1961, not less than 50 per cent of the net profit derived from the Kendu leaves trade continues to be distributed as grant-in-aid to the Grama Panchayats and Panchayat Samitis.

MERCHANT
ASSOCIATION

There is one Merchant Association at Rourkela called 'Rourkela Chamber of Commerce'. The object of the Association is to promote matters of business. It collects and provides information relating to trade, commerce and industry to the members of the business community. The management of the business of the Chamber is vested in a Managing Committee, the members of which are elected for a period of five years. Up to the 11th March 1972, there were 193 members on the roll. The Association is taking keen interest in the economic development of the district.

WEIGHTS
AND
MEASURES

Prior to the enforcement of the metric system of weights and measures Katha and Tambi were used in the ex-State of Gangpur. These were standardised by the ex-State authority and bore the seal of the ex-State. The Tambi was double of the Katha. Paila was used by the tenants of Nagra ex-Estate. By actual weighment, the weight of one standard Katha measure of paddy, rice, and fine rice was as follows :

Paddy	..	60 tolas
Rice	..	85 tolas
Fine rice	..	85 tolas

In the ex-State of Bonai, the following three types of measures were in use.

1. The Korua Paila, so called because all payments in kind of Kor were made with this measure.

2. The Bhuti Paila was the measure by which Bhutis or field labourers were paid.

3. The Seer Paila, a capacity of 80 tolas for measuring rice, was used at all markets.

In the absence of any of these measures the difficulty was got over by measuring with hand—fuls, one handful being a Pos. Ten Pos were equal to one Korua Paila equivalent to 2 seers of rice and $1\frac{1}{2}$ seers of paddy. Six Pos were one Bhuti Paila equivalent to $1\frac{3}{16}$ seers of rice and $14/16$ seer of paddy. Five Pos were equal to one Seer Paila equivalent to one seer of rice and $3/4$ seer of paddy. Twenty Pailas made one Khandi, and 10 Khandis were equal to one Purug.

These measures varied not only in nomenclature but also in capacities from area to area, and the buyers were generally cheated. Besides, the traders were in difficulties while transactions were done with other districts. So, with a view to overcome these difficulties, the metric system of weights and measures has been introduced as an All India Standard from the 1st April 1960.

The metric system of weights and measures has been made compulsory in the district from the 1st April, 1962. Initially difficulties were experienced by both the consumers and traders, but after regular practice and propaganda through distribution of conversion tables, charts, and pamphlets the system is now easily understood by the people.

The following table shows the old measures and their equivalent in metric units.

Old measures		Metric equivalent	
Tambi	.. For measuring paddy	120 tolas	1.400 grams.
	For measuring rice ..	170 tolas	1.983 grams.
Katha	.. For measuring paddy	60 tolas	0.670 grams.
	For measuring rice ..	85 tolas	0.991 grams.
Korua Paila	.. Ditto ..	160 tolas	1.863 grams.
Bhuti Paila	.. Ditto ..	120 tolas	1.400 grams.
Seer Paila	.. Ditto ..	80 tolas	0.933 grams.
Khandi	.. Ditto ..	20 seers	18.662 grams.

APPENDIX I

The list of Banks in the district up to 1970-71

Name of the Bank		Year of establishment	Location of the Bank.
State Bank of India	..	1957	Sundargarh
State Bank of India	..	1958	Rourkela
State Bank of India	..	1970	Bonai
Central Bank of India	..	1966	Rourkela
United Bank of India	..	1958	Rourkela
United Commercial Bank	..	1961	Rourkela
United Commercial Bank	..	1964	Rajgangpur
Bank of Baroda	..	1964	Rourkela
Bank of India	..	1963	Rourkela
Bank of India	..	1967	Rourkela
Punjab National Bank	..	1967	Rourkela
Union Bank of India	..	1966	Rourkela

APPENDIX II

State aid loan sanctioned during the years 1971-72 and 1972-73
to different industries

Name of Industry	Number of units	Amount advanced
Sheet Metal Factory	1	Rs. 5,000'00
Brick Manufacturing Unit	17	Rs. 69,100'00
Ready-made garments	2	Rs. 6,800'00
Confectionary	1	Rs. 5,000'00
Automobile Workshop	1	Rs. 5,000'00
Photograph Unit	1	Rs. 4,500'00
Gurakhu Factory	1	Rs. 4,400'00
Rolling-Shutter	1	Rs. 5,000'00
Book binding	1	Rs. 5,000'00
Tile Factory	4	Rs. 20,000'00
Flour Mill	1	Rs. 4,000'00

APPENDIX III

The following table shows the goods traffic in different railway stations of the district from 1965-66 to 1970-71

(Weight in Quintals)

Railway Station	Years					
	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71
Bisra ..	56,879	55,469	42,144	43,829	34,790	42,380
Rourkela ..	45,739,696	54,814,378	54,415,189	59,221,738	62,557,559	63,991,033
Panposh ..	3,804	7,274	8,020	3,161
Kalunga ..	112,630	136,807	161,726	131,756	76,670	68,040
Kansbahal ..	138,889	118,304	102,896	98,375	27,860	17,770
Rajgangpur ..	6,597,099	7,523,438	7,106,826	7,832,644	5,248,410	4,869,370
Sonakhan	992	1,106	3,942	2,420	2,160
Dharuadihi ..	7,877	1,151	529	1,099	6,690	4,390
Birmitrapur ..	754,992	1,095,195	642,705	1,423,687	16,466,880	158,374,610
Dumerta ..	2,114,729	2,421,703	2,666,199	3,055,278	1,408,980	922,180
Lathikata ..	267,773	264,120	119,785	281,193	333,484	414,095
Chandiposh ..	15,243	84,333	69,734	25,176	9,919	9,399
Bimalgarh ..	1,108	53,807	261,146	590,778	1,742,443	589,789
Barsuan ..	9,395,779	6,022,528	7,900,623	10,577,697	10,470,469	9,791,035

APPENDIX IV

A detailed list of rural markets and market days in the district

Tahsils and Police Stations	Location of the markets	Market days
Sundargarh Tahsil		
Sundargarh Police Station	.. Chakramal	.. Tuesday
	Tangarpali	.. Tuesday
Talsara Police Station	.. Sagjori	.. Friday
	Telia	.. Monday
	Balisankra	.. Saturday
	Rampur	.. Tuesday
	Rauldega	.. Thursday
	Titheitangar	.. Saturday
	Hutupani	.. Saturday
	Tangargaon	.. Tuesday & Friday
	Kiralaga	.. Sunday
	Tumulia	.. Sunday
	Tileikani	.. Friday
	Kinjirkela	.. Friday
	Sabdega	.. Wednesday
Bhasma Police Station	.. Birbira	.. Saturday
	Majhapada	.. Tuesday
	Dharuadihi	.. Friday
	Gadiagore	.. Sunday
Hemgir Tahsil		
Hemgir Police Station	.. Jamkani	.. Wednesday
	Laikera	.. Tuesday
	Garjanbahal	.. Friday
	Gopalpur	.. Sunday
	Bilaimunda	.. Monday
	Taparia	.. Saturday
	Ratakhandi	.. Saturday
	Kanika	.. Monday
	Julumbahal	.. Wednesday

Tahsils and Police Stations	Location of the markets	Market days
Lefripara Police Station	.. Alapaka	.. Sunday
	Gundiadihi	.. Monday
	Bailama	.. Wednesday
	Rajbahal	.. Friday
	Behramal	.. Tuesday
	Fuldhudi	.. Wednesday
	Lefripara	.. Saturday
	Sargipali	.. Thursday
	Aunlabahal	.. Wednesday
Rajgangpur Tahsil		
Rajgangpur Police Station	.. Gairbahal	.. Thursday
	Kahapani	.. Sunday
	Falsakani	.. Saturday
	Khatkurbahal	.. Saturday
	Kutra	.. Wednesday
	Litibeda	.. Wednesday
	Lanjibetna	.. Monday
	Kukuda	.. Friday
	Kesramal	.. Wednesday
	Lamloi	.. Sunday & Tuesday
	Jharbera	.. Tuesday & Saturday
	Kutunia	.. Tuesday
	Dheluan	.. Saturday
	Bijakhaman	.. Thursday & Sunday
	Talkudar	.. Thursday & Sunday
Buchukupada	.. Thursday & Sunday	
Malidihi	.. Thursday and Sunday	
Ranipia	.. Thursday & Sunday	

Tahsils and Police Stations	Location of the markets	Market days
Bargaon Police Station	.. Nuagaon	.. Tuesday
	Ekma	.. Wednesday
	Siamal	.. Saturday
	Panchara	.. Friday
	Sahajbahal	.. Tuesday
	Jarangloi	.. Thursday
	Dandijamira	.. Saturday
	Gangajal	.. Monday
	Tudalaga	.. Friday
	Bargaon	.. Sunday & Thursday
	Itma	.. Wednesday
Panposh Tahsil	.. Sahilata	.. Saturday & Tuesday
	Kokerama	.. Tuesday
	Baidyanathpur	.. Thursday & Saturday
	Korkotnasa	.. Saturday
	Gutitatangar	.. Thursday & Saturday
	Nuagaon	.. Monday & Thursday
	Sanjojoda	.. Wednesday
	Katepur	.. Tuesday & Friday
	Surda	.. Sunday
	Hatibari	.. Thursday
	Ankurpali	.. Tuesday
	Baraigoda	.. Friday
	Ghodabandh	.. Thursday
	Patrapali	.. Thursday
	Jareikela	.. Wednesday
	Kupsinga	.. Monday

Tahsils and Police Stations	Location of the markets	Market days
	Khuntgaon ..	Saturday & Wednesday
	Bangurkela ..	Wednesday
	Dhodhari ..	Wednesday
	Bhalulata ..	Thursday
	Bisra ..	Sunday
	Puruna Bisra ..	Sunday
	Dumermunda ..	Sunday
	Borahbas ..	Tuesday
Raghunathpali Police Station ..	Jalda ..	Monday & Friday
	Ataghat ..	Thursday
	Budikudar ..	Thursday & Monday
	Suidihi ..	Thursday
	Turiberna ..	Thursday & Saturday
	Ramjodi ..	Monday
	Jagada ..	Saturday
	Jhirpani ..	Monday
	Jabaghat ..	Friday
	Bandamunda ..	Thursday
	Kukuda ..	Tuesday
Kalunga Police Station ..	Malikapali ..	Monday & Thursday
	Kalunga ..	Monday & Thursday
	Birkera ..	Tuesday
	Sanbirkera ..	Tuesday
	Musapali ..	Thursday
	Bad Dalki ..	Thursday
	Tainsar ..	Wednesday

Tahsils and Police Stations	Location of the markets	Market days
Birimtrapur Police Station ..	Padmapur ..	Tuesday
	Kurumunda ..	Wednesday
Raiboga Police Station ..	Kacharu ..	Thursday
	Raiboga ..	Sunday & Thursday
	Jhunmur ..	Tuesday
	Andali ..	Wednesday & Saturday
	Dungabandh ..	Wednesday
	Budikuda ..	Sunday & Thursday
	Kantabeda ..	Tuesday, Thursday and Sunday.
	Jhandapahar ..	Wednesday
Bonai Tahsil		
Bonaigarh Police Station ..	Lahunipara ..	Wednesday & Sunday
	Tibupada ..	Wednesday & Sunday
	Badsahajbahal ..	Thursday & Sunday
	Raikela ..	Sunday & Friday
	Barsuan ..	Friday & Sunday
	Bhutuda ..	Sunday
	Tensa ..	Daily Market
	Kurda ..	Tuesday
	Bonaigarh ..	Monday & Thursday
	Kurdapali ..	Saturday
	Gadapali ..	Saturday
	Kenavata ..	Wednesday
	Sendhpur ..	Friday
	Indarpur ..	Friday
	Jangla ..	Sunday

Tahsils and Police Stations	Location of the markets	Market days
Gurundia Police Station	.. Sol	.. Friday
	Jara	.. Tuesday
	Pankdihi	.. Saturday
	Jamudarh	.. Sunday
	Rayatsatkuta	.. Tuesday
	Gurundia	.. Friday
	Kansara	.. Wednesday
	Kundheidiha	.. Saturday
	Lachhada	Sunday
	Banki Police Station	.. Banki
Dharbeda		.. Thursday
Chandiposh		.. Tuesday
Kusumdihi		.. Monday
Tamada		.. Monday
Jhirpani		.. Monday
Birtola		.. Friday
Kamarposh Balang Police Station	.. Badabalijore	.. Friday
	Fakirmunda	.. Saturday
	Dalimdihi	.. Saturday
	Bimalgarh	.. Saturday
	Kamarposh Balang	Tuesday
	Chordhara	.. Monday
Koira Police Station	.. Kalmang	.. Tuesday
	Malda	.. Sunday
	Kenaveta	.. Tuesday
	Deogharia	.. Tuesday
	Gidei	.. Tuesday

Tahsils and Police Stations	Location of the markets	Market days
	Koira	.. Saturday
	Dengula	.. Sunday
	Patmunda	.. Thursday
Tikayatpali Police Station	.. Sarsara	.. Tuesday
	Phuljhar	.. Friday.
Mahulpada Police Station	.. Jadibahal	.. Friday
	Uskela	.. Friday
	Sasa	.. Friday
	Kiri	.. Friday
	Keta	.. Friday
	Hatisal	.. Friday
	Patamunda	.. Friday
	Senabasa	.. Friday
	Nagaria	.. Friday
	Upargenia	.. Friday
	Mahulpada	.. Monday