



सत्यमेव जयते
Government of India
Ministry of MSME

Brief Industrial Profile of *Kinnaur* District



सूक्ष्म, लघु एवं मध्यम उद्यम
MICRO, SMALL & MEDIUM ENTERPRISES

Carried out by

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Brief Industrial Profile of *Kinnaur* District

1. **General Characteristics of the District :** Kinnaur district is located in eastern part of Himachal Pradesh. The district is entirely hilly except few small, deep valleys in between. The district lies between 31° 06' & 32° 06' North latitudes and 77° 45' & 79° 00' East longitudes and falls in the Survey of India degree-sheet nos. 53I, 53E and 52L. The district has a total geographical area of 6401 sq km which covers about 11.5 % area of the State. The district is bounded by Lahaul & Spiti district in the north, Kullu district in the northwest, Shimla district in the southwest, Uttranchal State in the south and international border with China (Tibet) in the east. The district is divided into five tehsils namely Nichar, Kalpa, Sangla, Pooh and Moorang and one sub-tehsil namely Hangrang. The district headquarters, Recong Peo town falls in Kalpa tehsil. For development purpose, the district has been subdivided into 3 Community Development Blocks viz., Nichar, Kalpa and Pooh. There are 660 villages in the district out of which 234 villages are inhabited and 426 are uninhabited. According to the 2011 census Kinnaur district has a population of 84,298, roughly equal to the nation of Andorra. This gives it a ranking of 620th in India (out of a total of 640). The district has a population density of 13 inhabitants per square kilometre (34 /sq mi). Its population growth rate over the decade 2001-2011 was 7.61 % . Kinnaur has a sex ratio of 818 females for every 1000 males, and a literacy rate of 80.77 %.

1.1 Location & Geographical Area

Kinnaur district presents an intricate mosaic of mountain ranges, hills and deep valleys. It is primarily a hilly district with altitudes ranging from 1500 to more than 6500 mtrs. from mean sea level. There is a general increase in elevation from west to east and from south to north. The major part of the district is drained by Satluj River except small part in the southeastern area, which is drained by Ganga River. Geomorphologically the district has been sub divided into the fluvial terrain, fluvio-glacial terrain, Alpines / meadows and Rocky terrain. Taking into consideration the morphological and physio-chemical characteristics of the soils and general similarity in them the various types of soils observed in the district can be grouped into three major types. Type-I soil is coarse loamy, mixed in nature. This type of soil is developed from granites, highly metamorphosed gneisses, schist and occurs on moderately sloping to steep lands. These soils are well drained with moderately rapid permeability. Natural vegetation exists in these soils and various crops are cultivated according to the suitability. Type-II soil is fine loamy, mixed, frigid in nature.

1.2 Topography

Located on the Indo Tibetan border, surrounded by Tibet to the east, Garhwal Himalayan to the south. About 200 km from Shimla strikingly beautiful district of [Kinnaur](#) where the river Satluj carved deep gorges through the high mountains. The Satluj river which rises on the southern slopes of Kailash mountain near Mansarovar in Tibet flows through the [Kinnaur](#) valley. Very few rainfall and the desolate countryside can be compared to that of the Leh and Ladakh region. Almost every village has a gompa or a temple. The people of [Kinnaur](#) are very honest and simple. The old Hindustan - Tibet road which passes through the Kinnaur valley. Passing through the ancient villages of Wngtu, Sarhan, Pangi, Puh and Sungra located along the bank of river Satluj the road finally enters Tibet at Shipki La Pass.

1.2 Availability of Minerals.

PRODUCTION OF MINERAL 2010-11

S.NO.	NAME OF MINERAL	PRODUCTION in tones 2010-2011
MAJOR MINERAL		
1.		
MINOR		
1.	Bajri	522
2.	Sand	152992
3.	Aggregate	246700
4.	Rough stone project stone	232724
5.		
6.		
7.		

SOURCE:- DEPT. OF MINES & GEOLOGY.,

1.4 FOREST : 463161.08 Hactares

1.5 Administrative set up.

i) Name of the District	Kinnaur
ii) District Headquarter	Reckong Peo
iii) Tehsils	5-(Nichar, Kalpa, Sangla, Moorang & Pooh)
iv) Sub-Tehsils	1 (Hongrang)
v) Development Blocks	3-(Kalpa at Reckong Peo, Pooh, Nichar at Bhawanagar)
vi) Number of Panchayats	65
vii) Number of Villages	234 Inhabited Villages 426 Uninhabited

2. District at a glance

S.No	Particular	Year	Unit	Statistics
1	Geographical features			
(A)	Geographical Data			
	i) Latitude			31°05' to 32°05' (North)
	ii) Longitude			77°45' to 79°00' (East)
	iii) Geographical Area		Hectares	640100
(B)	Administrative Units			
	i) Sub divisions			3
	ii) Tehsils			5
	iii) Sub-Tehsil			1
	iv) Patwar Circle			30
	v) Panchayat Simitis			3
	vi) Nagar nigam			-
	vii) Nagar Palika			-
	viii) Gram Panchayats			65
	xi) Revenue villages			660
	x) Assembly Area			1
2.	Population			
(A)	Sex-wise			
	i) Male	2011		46364
	ii) Female	2011		37934
(B)	Rural Population	2011		84298

3.	Agriculture			
A.	Land utilization			
	i) Total Area	2010-11	Hectare	624217
	ii) Forest cover	2010-11	“	38582
	iii) Non Agriculture Land	2010-11	“	250323
	iv) Cultivable Barren land	2010-11	“	3276
4.	Forest			
	(i) Forest	2010-11	Ha.	463161.08
5.	Livestock & Poultry			
A.	Cattle			
	i) Cows	2007	Nos.	23133
	ii) Buffaloes	2007	Nos.	148
B.	Other livestock			
	i) Goats	2007	Nos.	34635
	ii) Pigs	2007	Nos.	23
	iii) Dogs & Bitches	2007	Nos.	3042
	iv) Railways			
	i) Length of rail line	2010-11	Kms	NIL
	V) Roads			
	(a) National Highway	2010-11	Kms	130
	(b) State Highway	2010-11	Kms	-
	(c) Main District Highway	2010-11	Kms	-
	(d) Other District & Rural Roads	2010-11	Kms	419.922
	(e) Rural road/ Agriculture Marketing Board Roads	2010-11	Kms	-
	(f) Kachacha Road	2010-11	Kms	295.264
	(VI) Communication			
	(a) Telephone connection	2010-11		6623
	(b) Post offices	2010-11	Nos.	72
	(c) Telephone center	2010-11	Nos.	25
	(d) Density of Telephone	2010-11	Nos./1000 person	79
	(e) Density of Telephone	2010-11	No. per KM.	1
	(f) PCO Rural	2010-11	No.	83
	(g) PCO STD	2010-11	No.	83
	(h) Mobile Note : Shimla Telecom Distt. : Total Connection approx. 3.87 Lac which includes Distt. Shimla, Distt. Kinnaur & Spiti Valley)	2010-11	No.	*20000 Aprox.

	(VII) Public Health			
	(a) Allopathic Hospital	2010-11	No.	2
	(b) Beds in Allopathic Hospitals		No.	110
	(c) Ayurvedic Hospital		No.	1
	(d) Beds in Ayurvedic Hospitals		No.	20
	(e) Unani hospitals		No.	-
	(f) Community Health Centers		No.	4
	(g) Primary Health Centers		No.	21
	(h) Dispensaries		No.	-
	(i) Sub Health Centers		No.	33
	(j) Private hospitals		No.	-
	(VIII) Banking commercial			
	(a) Commercial Bank		Nos.	24
	(b) Rural Bank Products		Nos.	1
	(c) Co-Operative bank Products		Nos.	12
	(d) PLDB Branches		Nos.	2
	(IX) Education			
	(a) Primary school		Nos.	189
	(b) Middle schools		Nos.	34
	(c) Secondary & Senior Secondary schools		Nos.	48
	(d) Colleges		Nos.	1
	(e) Technical University		Nos.	-

2.1 Existing Status of Industrial Areas in the District Kinnaur

S. No.	Name of Ind. Area	Land acquired (In hectare)	Land developed (In hectare)	Prevailing Rate Per Sqm (In Rs.)	No of Plots	No of allotted Plots	No of Vacant Plots	No. of Units in Production
1	Reckong Peo	01-44-38	01-09-46	908/-	42	37	1	23
2								
	Total	01-44-38	01-09-46	908/-	42	37	1	23

Source:- DIC, Kinnaur,

3. INDUSTRIAL SCENERIO OF DISTRICT KINNAUR

3.1 Industry at a Glance

Sr No	Head	Unit	Particulars
1.	REGISTERED INDUSTRIAL UNIT	NO.	333
2.	TOTAL INDUSTRIAL UNIT	NO.	333
3.	REGISTERED MEDIUM & LARGE UNIT	NO.	-
4.	ESTIMATED AVG. NO. OF DAILY WORKER EMPLOYED IN SMALL SCALE INDUSTRIES	NO.	2
5.	EMPLOYMENT IN LARGE AND MEDIUM INDUSTRIES	NO.	-
6.	NO. OF INDUSTRIAL AREA	NO.	-
7.	TURNOVER OF SMALL SCALE IND.	IN LACS	521.38
8.	TURNOVER OF MEDIUM & LARGE SCALE INDUSTRIES	IN LACS	-

3.2 YEAR WISE TREND OF UNITS REGISTERED

	YEAR	NUMBER OF REGISTERED UNITS	EMPLOYMENT	INVESTMENT (Lakh Rs.)
Up to	1984-85	34	90	17.68
	1985-86	38	92	20.90
	1986-87	44	97	24.20
	1987-88	38	75	20.52
	1988-89	38	73	19.57
	1989-90	29	87	15.95
	1990-91	21	42	11.34

	1991-92	27	39	4.99
	1992-93	14	29	2.34
	1993-94	16	29	10.99
	1994-95	15	28	6.30
	1995-96	7	14	2.32
	1996-97	10	30	7.60
	1997-98	6	11	6.05
	1998-99	9	24	18.24
	1999-2000	8	24	7.57
	2000-01	6	21	12.77
	2001-2002	6	16	14.00
	2002-03	5	25	3.85
	2003-04	9	38	13.61
	2004-05	7	39	21.69
	2005-06	5	16	11.64
	2006-07	5	20	13.85
	2007-08	7	29	18.96
	2008-09	9	34	31.39
	2009-10	9	33	30.62
	2010-11	9	24	24.39
	Total	431* *Including closed units	1079	393.33

Source: DIC Kinnaur

3.3 DETAILS OF EXISTING MICRO & SMALL ENTERPRISES AND ARTISAN UNITS IN THE DISTRICT

NIC CODE NO.	TYPE OF INDUSTRY	NUMBER OF UNITS	INVESTMENT (Lakh Rs.)	EMPLOYMENT
20	Agro based	73	62.04	147
22	Soda water	-	-	-
23	Cotton textile	-	-	-
24.	Woolen, silk & artificial Thread based clothes.	169	135.69	264
25.	Jute & jute based	-	-	-
26.	Ready-made garments & embroidery	1	0.29	3
27.	Wood/wooden based furniture	46	76.82	79
28.	Paper & Paper products	1	3.60	3

29.	Leather based	-	-	-
31.	Chemical/Chemical based	-	-	-
30.	Rubber, Plastic & petro based	-		-
32.	Mineral based	1	7.68	6
33.	Metal based (Steel Fab.)	20	48.39	64
35.	Engineering units	-	-	-
36.	Electrical machinery and transport equipment	-	-	-
97.	Repairing & servicing	12	79.66	42
01.	Others	10	23.70	20
	Total	333		

Source: DIC Kinnaur

3.4 Large Scale Industries / Public Sector undertakings : NIL

3.5 Major Exportable Item : NIL

3.6 Growth Trend : There is negligible growth in the number of registered units as the Kinnaur district is wholly tribal.

3.7 Vendorisation / Ancillarisation of the Industry : Nil

3.8. Medium Scale Enterprises NIL

3.9 Service Enterprises : As has already been discussed, the district is entirely tribal district having very less population. Hence very few service enterprises have been developed.

3.9.1 Potentials areas for service industry : There is a good scope of setting up of service enterprises detailed below in District Kinnaur:

- a) Mobile Repairing
- b) Computer Repairing
- c) Auto Repairing
- d) Electrical Home Appliances Repairing
- e) Beauty Parlour
- f) Boutique
- g) Photo printing Lab.
- h) Photostat
- i) Tourist Guide Cyber

3.10 Potential for new MSMEs : On the basis of resources available in the district scope of small scale industries have been identified, care has been taken to identify those Industries also for which there is a congenial climate condition in the district.

- a) **Resource Based Industries** :Cattle Feed, Pickles & Chutney, Wooden Furniture, Ayurvedic medicine, Fruit Processing (Jam, Jellies, Squash etc.), Potatoes chips etc.
- b) **Chemical and allied products** : Laundry soap, Dying of wool, cotton cloth, Phenyls and cleansing/detergent powder
- c) **Mechanical and allied products** : Auto repair shop, sheet metal products, steel furniture, steel fabrication, Gate Grills and general repair etc
- d) **Hosiery and Textiles** : Hosiery products, carpets, Net for protecting apple trees, Canvas Bags, Handloom weaving, wool carding, Jute bags, Kinnaur Caps.
- e) **Wooden Products** : Wooden furniture, wooden joinery items & carpentry.
- f) **Paper Products** : Printing Press, Exercise Books, Book binding and corrugated apple boxes.
- g) **Leather and Rexin Products** : Shoes Leather and Leather tanning etc.

4. Existing Clusters of Micro & Small Enterprise

4.1 DETAIL OF MAJOR CLUSTERS

4.1.1 Manufacturing Sector :

Handloom Weaving Cluster, Reckong Peo	:	50 units
Steel Fabrication Cluster, Reckong Peo	:	20 units
Furniture Cluster, Reckong Peo	:	15 units
Auto Workshop Cluster, Reckong Peo	:	20 units

4.1.2 Service Sector

4.2 Details for Identified cluster

4.2.1 Name of the cluster : Handloom

1	Principal Products Manufactured in the Cluster	Handloom (Shawl, Pattu, Dahtu)
2	Name of the SPV	-
3	No. of functional units in the clusters	50 Nos.
4	Turnover of the Clusters	25 Lakhs
5	Value of Exports from the Clusters	-
6	Employment in Cluster	200 Nos.
7	Average investment in plant &	20 Lakhs

	Machinery	
8	Major Issues / requirement	-
9	Presence of capable institutions	-
10	Thrust Areas	-
11	Problems & constraints	-

Present status of the cluster :- No intervention has been done in cluster.

5. General issues raised by industry association during the course of meeting

- 1. Transportation :** Though, keeping in view the hilly terrain of the area transportation facilities are sufficiently developed, yet it is observed that transportation remains problem for the industries in the area. It is because of the fact that there is no wholesale market in the area and the retail market is scattered. Hence industrialists are required to transport these goods in small consignments to scattered localities. The consignments are not in truck load but in bundles.
- 2. Common Facility Workshops :** There is no common facility workshop in the distt. Even for minor break down or wears and tears, units are forced to get common facilities from neighbouring state of Punjab or at Delhi. This results in wastage of time, resources and money. There is, therefore, need to make a survey of the common facilities requirements of industries in the Distt. Keeping in view the requirements each industrial area should be provided with common facility workshop.
- 3. Non-availability of skilled workers :** Some of the industrialists complain about the non-availability of skilled and semi-skilled workers. As a result, they are forced to get such labour from outside the State. It is also revealed that most of the workers from the State work in industrial sector when they are idle from agriculture. During crop sowing or harvesting time they like to work in their own fields. Such phenomenon of seasonal labour creates serious situation for an industrial unit. Further, sophisticated industries need skilled persons which are not easily available. Hence, there is a great need to introduce new trades in ITI, Polytechnics and Engineering Colleges as per the requirements of the Industries.
- 4. Marketing Problem :** The major problem which the industries located in the area faces, pertains to marketing of their products. There is no wholesale market in the State/area where producers can buy their raw materials and sell their finished products. Hence, they have to market the products directly to retailers who are scattered all over the State which increases their cost and reduce their profits. The retailers bring the goods sold by them from the wholesale markets of neighbouring State in the truck loads including items produced by the local industrialists. As a result, small industries are faced with competition from the products of industrially developed areas. Hence there is need to develop a wholesale market in the State/Distt. Department of Industries can play vital role

in it by providing sheds to wholesalers of neighbouring states at some central places. The procurement of raw material is also a major problem. Hence, there is need to make a comprehensive survey to know about the raw material requirements of the unit and provisions should be made that these are supplied by raw materials depots opened at least one at each tehsil headquarters.

6. STEPS TO SET UP MSMEs

Following are the brief description of different agencies for rendering assistance to the entrepreneurs.

Sl.No	Type of assistance	Name and address of agencies
1.	Provisional Registration Certificate (EM-1) & Permanent Registration Certificate (EM-II)	G.M., DIC, Kinnaur at Reckong Peo
2.	Identification of Project Profiles, techno-economic and managerial consultancy services, market survey and economic survey reports.	i) MSME-Development Institute, Solan ii) HIMCON,C/o Bridge View Hotel, The Mall, Shimla
3.	Land and Industrial shed	i) G.M., DIC, Kinnaur at Reckong Peo ii) HPSIDC, Near Himland Hotel, Shimla
4.	Financial Assistance	i) All Commercial Banks in the District ii) Private Banks iii) Cooperative and Gramin Banks iv) ADO, KVIB, Kinnaur v) Distt. Manager, SC/ST Development Corp., Kinnaur
5.	For raw materials under Govt. Supply	i) HPSSI & DC, Shimla ii) Director of Industries, Udyog Bhaqwan, Bamloe, Shimla
6.	Plant and machinery under hire / purchase basis.	NSIC, Chandigarh
7.	Power/ Electricity	HP State Electricity Board
8.	Technical Know –how.	i) MSME-Development Institute, Solan ii) HIMCON,C/o Bridge View Hotel, The Mall, Shimla
9.	Quality & Standard	i) Director, Bureau of Indian Standard, Parwanoo. ii) NRTC, Parwanoo
10.	Marketing /Export Assistance	i) Director of Industries, Udyog Bhawan, Bamloe, Shimla ii) MSME Development Institute, Chambaghat, Solan
11.	Other Promotional Agencies	-