



CHAPTER - II

REGISTERED SSI SECTOR

- 2.1 Out of 23,05,725 registered units surveyed, it is estimated that 8,68,021 units were closed. Thus, the number of closed units works out to be 37.65 %. The number of working units is 14,37,704 constituting 62.35 % of the units. The State-wise distribution of working and closed units is given at *APPENDIX – II*. In terms of the number of working units, five States, viz; Uttar Pradesh (12 %), Tamil Nadu (11.7 %), Gujarat (11.3 %), Kerala (10.5 %) and Karnataka (9.1 %) had a cumulative share of 54.6 %. With regard to Closed Units, five States, viz., Tamil Nadu (16.2 %), Uttar Pradesh (13.4 %), Kerala (8.4 %), Madhya Pradesh (7.4 %), and Maharashtra (7.1 %) had a combined share of 52.5 %. Based upon the analysis of the detailed information collected from the Working Units, the results in terms of important parameters in respect of the Registered SSI Sector are presented below:-

Size of the Registered SSI Sector

- 2.2 The size of the Registered SSI Sector (Working Units) is estimated to be 14,37,704. The proportion of SSIs is 65.7 %. About 4.5 % of the SSI units were ancillary units. The proportion of the units in the Registered SSI Sector operating in rural areas was 45.8 %.

Nature of Activity

- 2.3 62.13 % of the units in the Sector were engaged in manufacturing/ assembling/ processing, whereas 7.54 % of the units in repair and maintenance operations. The remaining 30.33 % of the units were in the Services Sector.

Type of Organisation

- 2.4 The majority of the Units (90.09%) were being run as proprietary units whereas about 6.36 % of the units were being run in the form of partnership firms and 2.12 % of the units as private companies. The rest were owned by either Cooperatives or Trusts.

Type of Management

- 2.5 An SSI or a SSSBE managed by one or more women entrepreneurs in proprietary concerns, or in which she/they individually or jointly have a share capital of not less than 51 % as partners/ share holders/ Directors of Private Limited Company/ Members of Co-operative Society is called a 'Woman Enterprise'. It was found that 11.08 % of the Units in the Registered SSI Sector were Women Enterprises, whereas the number of units actually being managed by women was only 9.36 %. From the social point of view, 8.03 % of the units were managed by Scheduled Caste (SC) Entrepreneurs, 2.5 % by Scheduled Tribe (ST) Entrepreneurs and 40.92 % by Entrepreneurs belonging to Other Backward Classes (OBCs). Thus, 51.45 % of the working units in the registered SSI Sector were being managed by entrepreneurs belonging to socially backward classes.

Employment

- 2.6 The per unit employment in the Registered SSI Sector was 4.6. About 22 % of the Units were being solely run by the entrepreneurs themselves and the number of units employing a maximum of 7 persons was 89 %. The employment per rupees one lakh of investment in Fixed Assets was 0.65.

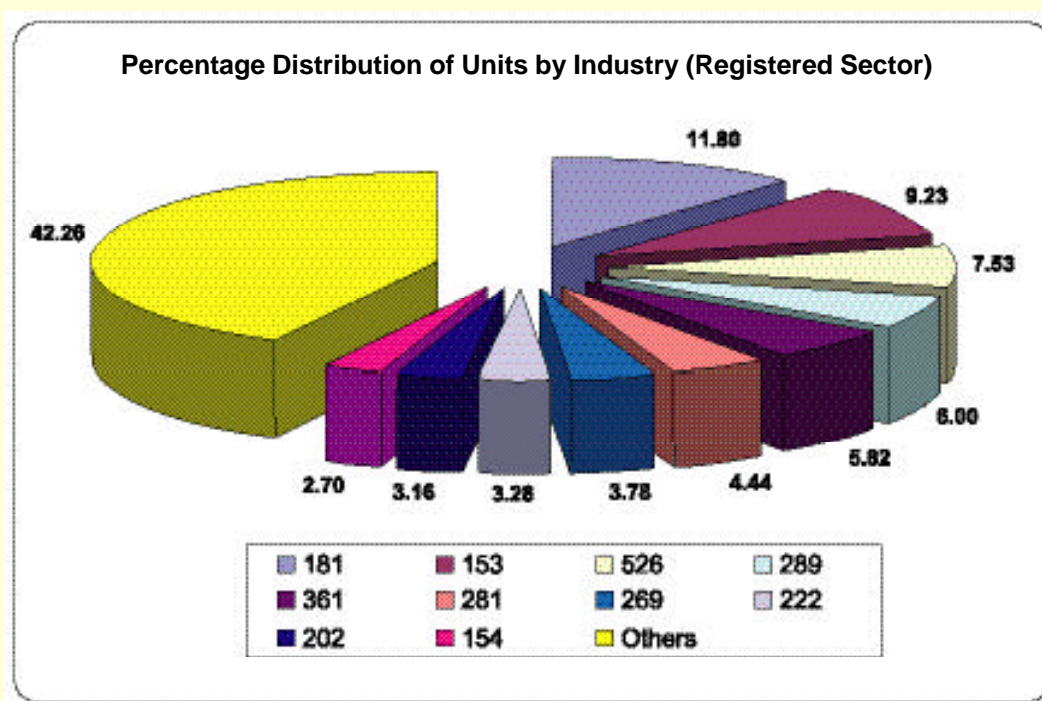
Major Industries in the Registered SSI Sector

- 2.7 To identify the economic activities, the 5-digit National Industrial Classification – 1998 (NIC-1998) brought out by the Central Statistical Organisation was adopted with suitable modifications. The top hundred economic activities in the Registered SSI Sector have been identified at 5-digit level of NIC 1998 in terms of number of units, gross output and employment and incorporated at *APPENDIX – IX to XI*. Among these, the top 10 employment generating industries per rupees one lakh of fixed investment are given at *APPENDIX - VI to VIII*. Rice Milling Industry topped the list of industries in terms of Gross Output. Among the top 50 industries having heavy fixed investment, its contribution to generation of employment per rupees one lakh of fixed investment was maximum at 0.37.
- 2.8 The first ten major industries were identified at 3 digit level of NIC 1998 from four different angles. The details of the examination are given in the Tables and Diagrams:-



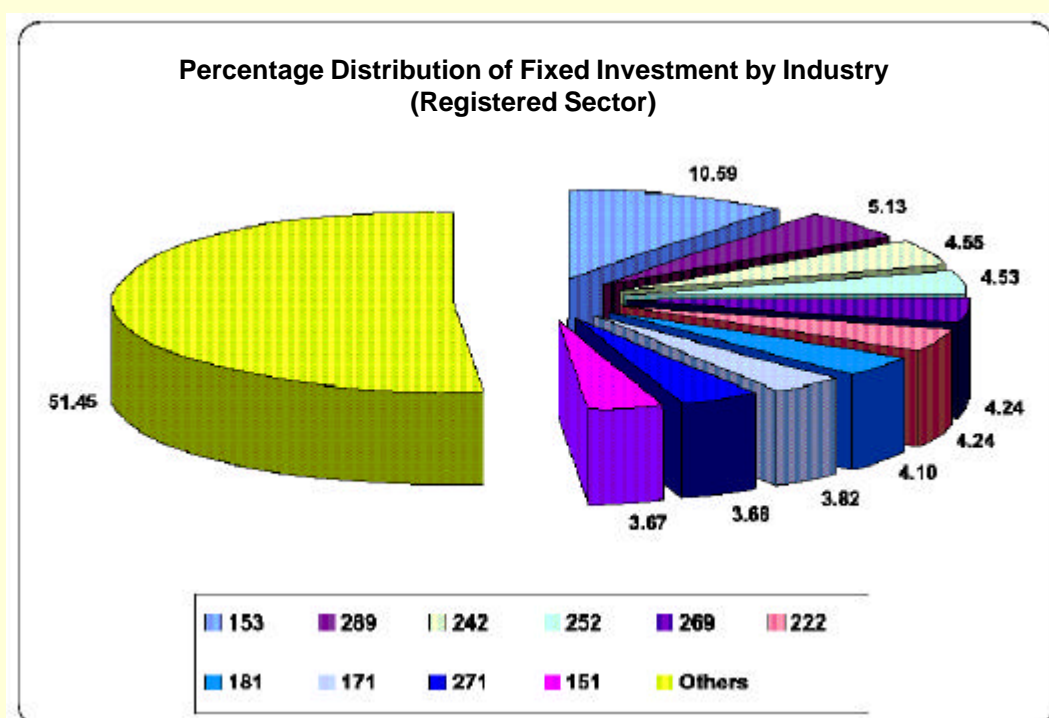
1. Percentage Distribution of Units by Industry (Registered Sector)

NIC Code	Description	Percentage of Units
181	Manufacture of wearing apparel, except fur apparel [includes tailoring]	11.80
153	Manufacture of grain mill products, starches and starch products, and prepared animal feeds	9.23
526	Repair of personal and household goods	7.53
289	Manufacture of other fabricated metal products; metal working service activities	6.00
361	Manufacture of furniture	5.82
281	Manufacture of structural metal products, tanks, reservoirs and steam generators	4.44
269	Manufacture of non-metallic mineral products n.e.c.	3.78
222	Printing and service activities related to printing	3.28
202	Manufacture of products of wood, cork, straw and plaiting materials	3.16
154	Manufacture of other food products	2.70
	Others	42.26
	Total	100.00



2. Percentage Distribution of Fixed Investment by Industry (Registered Sector)

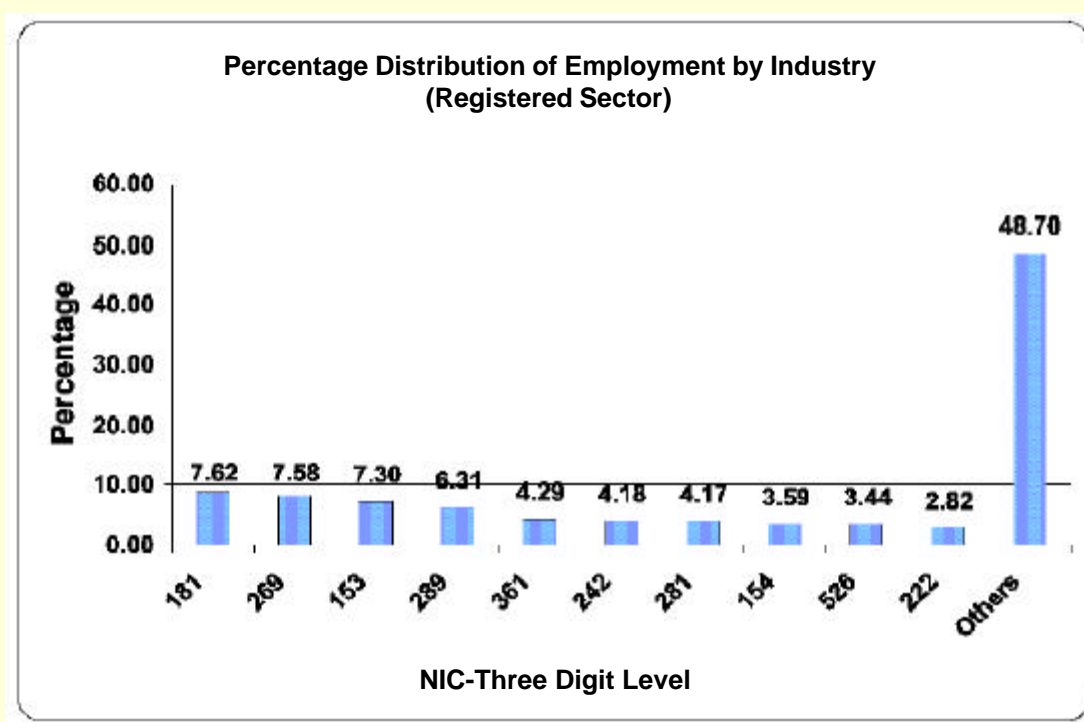
NIC Code	Description	Percentage Fixed Investment
153	Manufacture of grain mill products, starches and starch products, and prepared animal feeds	10.59
289	Manufacture of other fabricated metal products; metal working service activities	5.13
242	Manufacture of other chemical products	4.55
252	Manufacture of plastic products	4.53
269	Manufacture of non-metallic mineral products n.e.c.	4.24
222	Printing and service activities related to printing	4.24
181	Manufacture of wearing apparel, except fur apparel [includes tailoring]	4.10
171	Spinning, weaving and finishing of textiles	3.82
271	Manufacture of Basic Iron & Steel	3.68
151	Production, processing and preservation of meat, fish, fruits, vegetables, oils and fats	3.67
	Others	51.45
	Total	100.00





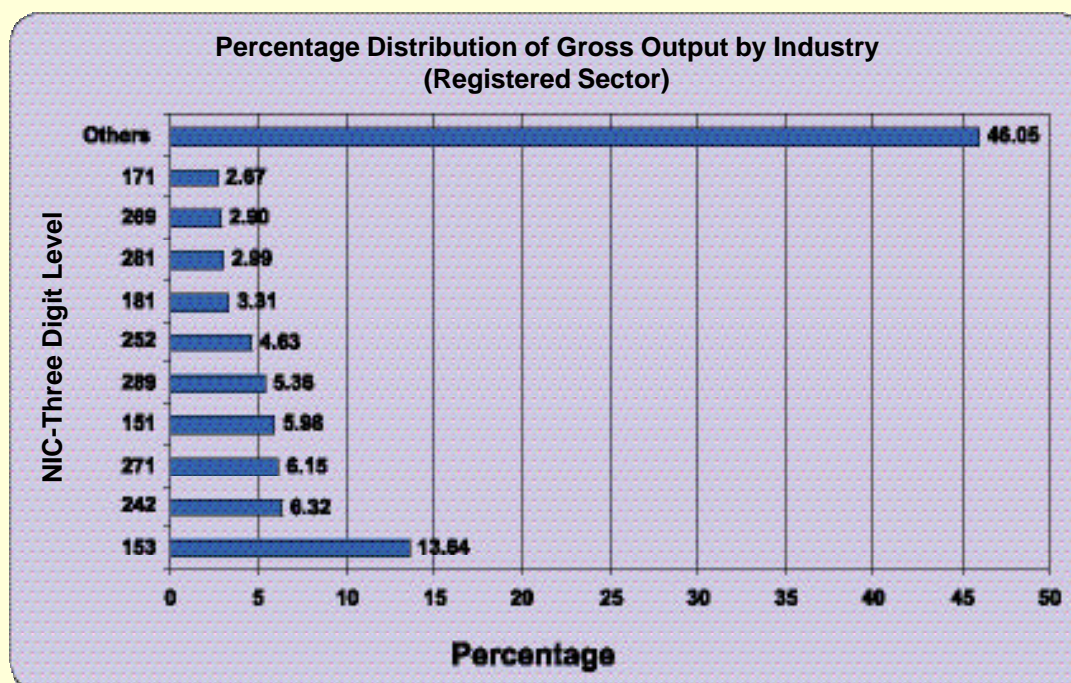
3. Percentage Distribution of Employment by Industry (Registered Sector)

NIC Code	Description	Percentage of Employment
181	Manufacture of wearing apparel, except fur apparel [includes tailoring]	7.62
269	Manufacture of non-metallic mineral products n.e.c.	7.58
153	Manufacture of grain mill products, starches and starch products, and prepared animal feeds	7.30
289	Manufacture of other fabricated metal products; metal working service activities	6.31
361	Manufacture of furniture	4.29
242	Manufacture of other chemical products	4.18
281	Manufacture of structural metal products, tanks, reservoirs and steam generators	4.17
154	Manufacture of other food products	3.59
526	Repair of personal and household goods	3.44
222	Printing and service activities related to printing	2.82
	Others	48.70
	Total	100.00



4. Percentage Distribution of Gross Output by Industry (Registered Sector)

NIC Code	Description	Percentage of Gross Output
153	Manufacture of grain mill products, starches and starch products, and prepared animal feeds	13.64
242	Manufacture of other chemical products	6.32
271	Manufacture of Basic Iron & Steel	6.15
151	Production, processing and preservation of meat, fish, fruit vegetables, oils and fats.	5.98
289	Manufacture of other fabricated metal products; metal working service activities	5.36
252	Manufacture of plastic products	4.63
181	Manufacture of wearing apparel, except fur apparel [includes tailoring]	3.31
281	Manufacture of structural metal products, tanks, reservoirs and steam generators	2.99
269	Manufacture of non-metallic mineral products n.e.c.	2.90
171	Spinning, weaving and finishing of textiles	2.67
	Others	46.05
	Total	100.00





Outstanding Loan

- 2.9 About 17.92 % Units in the Sector had an outstanding loan as on 31-3-2002 and 14.91 % had outstanding loan with institutional sources such as Banks and Financial Institutions.

Main Source of Power

- 2.10 The main source of power in the Registered SSI Sector was electricity at 63.36 % of the units using electricity whereas 27.57 % of the units did not require any power for their respective operations.

Comparison with Second Census

- 2.11 The Second Census covered only the Registered SSI Sector. As compared to the situation prevailing at the time of the Second Census, the Third Census brought out some structural changes in the Registered SSI Sector. While the proportion of working units remained the same by and large, the domination of SSIs among the working units has been reduced considerably from 96 % to 66 %. This is mainly due to increase in the number of units engaged in Services, as the number of units in manufacturing sector decreased only marginally from 65.42 % to 62.13 %. The per unit employment has also come down from 6.29 persons to 4.6. This could be due to technological upgradation and advancement being resorted to by the units in the Sector in the face of the changed economic competitive conditions. As a result, the per unit fixed investment has gone up from Rs.1.60 lakhs to Rs. 7.11 lakhs. The Comparison between the Second Census and in Third with respect to Registered SSI Sector on 12 identified indicators is presented at *APPENDIX – III*.