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लघु उद्योग एवं पूर्वोत्तर क्षेत्र विकास
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SMALL SCALE INDUSTRIES AND
DEVELOPMENT OF NORTH-EASTERN REGION
GOVERNMENT OF INDIA, NEW DELHI - 110011

FOREWORD

The Small Scale Industrial (SSI) Sector contributes significantly to the prime social objective of providing employment opportunities to millions of people across the country. The SSI sector has been contributing significantly to industrial production, exports and national Gross Domestic Product. The sector has been assigned the target of annual growth of 12% and creation of 4.4 million additional jobs during the Tenth Five Year Plan.

Statistical database relating to SSI sector plays an important role in policy formulation and in designing various schemes relating to credit, marketing, technology, entrepreneurial development, and infrastructure development. Updation of data is extremely important in the context of liberalization, globalization and removal of quantitative restrictions in the new WTO scenario to study impact of these developments on the performance and growth of the SSI sector in India.

So far the latest available comprehensive data on small scale sector was based on the Second All India Census of Small Scale Industries conducted in the year 1987-88. The Hon'ble Prime Minister, Shri Atal Bihari Vajpayee announced the conduct of a fresh Census while announcing the Comprehensive Policy Package for the SSI Sector on 30th August 2000 on the basis of recommendations of the Study Group headed by Dr. S.P. Gupta, Member, Planning Commission and of the Group of Ministers under the Chairmanship of Shri L.K. Advani, Hon'ble Deputy Prime Minister and the Home Minister. I am grateful to the Hon'ble Prime Minister, Hon'ble Deputy Prime Minister and Dr. S.P. Gupta, Member, Planning Commission for the initiatives taken by them. Their initiatives have paved the way for conducting the Third Census of Small Scale Industries in the Country.

The Third Census apart from covering the registered SSI units has also attempted to investigate the structure of the unregistered SSI sector. The concern for identifying sickness and incipient sickness in view of the limitations in the RBI data was systematically addressed in this Census by devising specific indicators.


I am happy to note that the Office of the Development Commissioner, Small Scale Industries, is bringing out the "Quick Results of the Third Census of Small Scale Industries 2001-2002". The Report contains the preliminary findings based on the information obtained from about 15 lakhs Registered SSI units and about one lakh Unregistered SSI units. It also throws light on the structural changes in the SSI sector on sickness and its causes. This will be followed by a detailed report on completion of processing of data on all aspects of the SSI sector.

This Census has been a joint venture of the Central Government and the State and UT Governments, with the involvement of experts from various Government Departments, Planning Commission and the Reserve Bank of India. The Industry Associations and the small-scale entrepreneurs have also extended cooperation in furnishing detailed information during the field operations.

I must place on record my appreciation to all the organizations and individuals at Central/State/UT level for their positive involvement in the conduct of the Census. I also compliment, Shri S.K. Tuteja, Secretary (SSI), Shri Suresh Chandra, Additional Secretary and Development Commissioner (SSI), Dr. C.S. Prasad, Additional Development Commissioner and Economic Adviser, Shri Amir Subhani, Joint Development Commissioner, Shri M.V.S. Ranganadham, Director and their dedicated team of officers and officials for steering the project at National level.

I am sure that this Report will prove immensely useful for all the Government and Non-Government agencies involved in the promotion and development of the small scale sector.

New Delhi
14th August, 2003



(Dr. C.P. Thakur)



तपन सिकदर
TAPAN SIKDAR



राज्य मंत्री
लघु उद्योग एवं पूर्वोत्तर क्षेत्र विकास
भारत सरकार, नई दिल्ली-110011
MINISTER OF STATE
SMALL SCALE INDUSTRIES &
DEVELOPMENT OF NORTH-EASTERN REGION
GOVERNMENT OF INDIA, NEW DELHI - 110011

MESSAGE

Small Scale Sector is an important constituent of the Indian Economy in view of its employment generating potential. Promotion of this sector needs sound database. The Third All India Census of Small Scale Industries was conducted to meet this objective. The Census covered registered SSI sector completely and the unregistered SSI sector on a sample basis.

I am glad that the Office of the Development Commissioner, Small Scale Industries, DC (SSI) is making the Report on Quick Results of the Census available to all those who are interested in uplifting the SSI sector. I am sure that the Report will make the users update their knowledge on the sector. I would like to congratulate all the organizations and individuals involved in the conduct of the Census, especially Shri S.K. Tuteja, Secretary and Shri Suresh Chandra, Additional Secretary & DC (SSI) for their exemplary efforts in handling the project.

New Delhi
14th August, 2003

(Tapan Sikdar)



एस.के. टुटेजा

सचिव

S.K. TUTEJA

Secretary



भारत सरकार

लघु उद्योग मंत्रालय

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GOVERNMENT OF INDIA

MINISTRY OF SMALL SCALE INDUSTRIES

UDYOG BHAWAN, NEW DELHI - 110011

MESSAGE

The Hon'ble Prime Minister had announced a special Policy Package for small scale sector on 30th August, 2000, in the context of new challenges arising out of impact of WTO and globalisation on the Indian SSIs. In view of the strategic importance of this sector for economic growth and employment, his policy announcements included a commitment for the continued support to this sector, and in order to ensure effective policy framework and its implementation in future, he also instructed for a fresh Census of the SSI Sector in the country, which was also to cover inter-alia the incidence of sickness and its causes.

2. This Census, which was the Third All India Census of Small Scale Industries, was launched by the Development Commissioner (Small Scale Industries) with reference to the year 2001-2002 and its field work was completed in April, 2003. This required collection of data of about 23 lakh registered units and 1.77 lakh unregistered units identified on sample basis in the country. We are extremely grateful for the overwhelming support received from States/UTs, Small Industries, the SSI Associations and the SSI entrepreneurs all over the country for completion of this work in the stipulated period.

3. The Data so collected has since been processed using Intelligent Character Recognition Technology and to begin with a Report on the "*Quick Results of the Census*" is being released by the Development Commissioner (Small Scale Industries), to let all those engaged in the SSI support to know its early findings.

4. I would like to take this opportunity to place on record our great appreciation of the team work done in this connection under the very able leadership of Shri Suresh Chandra, the Development Commissioner (Small Scale Industries). In particular, I would like to praise the extraordinary efforts put in by Dr. C.S Prasad, Additional Development Commissioner, Shri Amir Subhani, Joint Development Commissioner (Small Scale Industries) and Shri M.V.S Ranganadham, Director in the Office of the DC(SSi).

5. I am sure this publication will be of immense use to all those engaged in the sustainable growth of the Indian economy.

New Delhi

14th August, 2003

(S.K. Tuteja)



सुरेश चन्द्र

अपर सचिव

एवम्

विकास आयुक्त (लघु उद्योग)

SURESH CHANDRA

Additional Secretary

&

Development Commissioner
(SSI)



भारत सरकार

लघु उद्योग मंत्रालय

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‘ए’ विंग, सातवीं मंजिल, निर्माण भवन,

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GOVERNMENT OF INDIA

MINISTRY OF SMALL SCALE INDUSTRIES

OFFICE OF THE

DEVELOPMENT COMMISSIONER (SSI)

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NEW DELHI - 110011

PREFACE

The Small Scale Industrial (SSI) Sector is a vital constituent of the total industrial sector. It is a dynamic and vibrant sector of the Indian economy. The Sector acts as a nursery for the development of entrepreneurial talent and has been contributing significantly to the National Gross Domestic Product besides meeting the social objectives including that of providing employment opportunities to millions of people across the country. Statistics pertaining to the Sector play an important role for policy formulation on credit, marketing, technology, entrepreneurial development, and infrastructure development.

2. The Office of the DC (SSI) has conducted two Censuses of Registered SSI units so far. The last Census was conducted in 1990-91 for the units registered upto March 1988. Thus, the available data on the Sector had become very old and needed updation through a Third All India Census of Small Scale Industries. The idea got the approval of the Study Group headed by Dr. S.P. Gupta, Member of the Planning Commission. The Parliamentary Standing Committee on Industry also recommended that the Ministry of Small Scale Industries should work out fool-proof mechanism to ascertain the actual number of units in the small scale sector. The matter was then considered and approved by the Group of Ministers under the Chairmanship of Shri L.K. Advani, the Hon’ble Home Minister. Finally on August 30, 2000, the Hon’ble Prime Minister announced the decision to conduct the Third Census while inaugurating the National Conference on Small Scale Industries at Vigyan Bhawan, New Delhi. The relevant excerpts from the speech of the Hon’ble Prime Minister are given below :-

“The last Census of Small Scale Industries was conducted 12 years ago. For effective policy-making and implementation, we need to update our data. Therefore, we have decided to go in for a

fresh Census that will cover, inter-alia, the incidence of sickness and its causes. I request industry associations to cooperate with the census authorities so that a true picture emerges.”

3. Consequent to the decision of the Central Government to conduct a fresh Census, a Steering Committee under the Chairmanship of Secretary (Small Scale Industries) was constituted by the Government to decide upon all aspects of conducting the Third Census. The Steering Committee constituted two Sub-Committees. The Technical Sub-Committee was headed by Dr. N.S. Sastry, the then Director General & Chief Executive Officer of the National Sample Survey Organisation. The Administrative Sub-Committee was headed by Shri S.K. Tuteja, the then Additional Secretary & Development Commissioner (Small Scale Industries) who is presently the Secretary (Small Scale Industries). The Sub-Committees meticulously examined all the relevant aspects and gave excellent recommendations on the modalities and methodology for conducting the Census.

4. The most important aspect in the Third Census was the manner in which the Sample Survey had been designed to study the hitherto unknown field, i.e., the Unregistered SSI Sector, simultaneously with the complete enumeration of registered SSI units in such a way that the two sets of data become additive and give an overall picture of the SSI Sector. The scheme of Third Census also included measuring sickness and its causes. The latest definition on Sickness given by Kohli Committee appointed by the Reserve Bank of India, was put into operation in the Third Census. Besides, effective criterion for measuring incipient sickness was also evolved in terms of continuous decline in gross output for three years. Another important aspect was the recommendation to use advanced technology for designing and processing of data formats. In this age of information revolution, we can not afford to wait for a long time to get the results. If we do so, there is a danger that the information will become outdated. In the dynamic environment in which we are placed today, we need to use advanced technology to make the results available for policy makers expeditiously. In view of these considerations, the use of Intelligent Character Recognition (ICR) Technology was recommended. The advantage with this technology is that hand-written forms could be scanned and data extracted by the computerised equipment with a high speed. Surprisingly, the accuracy was found to be much better compared to the manual data entry method. The use of this technology in Third Census paved the way for bringing out Quick Results within a very short time.

5. The approval of modalities and methodology for the conduct of Third Census was followed by a Conference of Secretaries (Industries) which was held on 5th July, 2002 at Vigyan Bhawan, New Delhi. This Conference prepared the Action Plan and finalised the operational aspects for conducting the Census.

6. The Third Census relates to the reference year 2001-02, field work for which was conducted during November 2002 to April 2003 all over the country. The complexity of the job can well be assessed by the fact that there were about 25 lakh units for which data was required to be collected without any statutory support. This also included the Sample Survey on Unregistered SSI Sector, which was taken up for the first time and conducted simultaneously alongwith the Census. Conducting a Census of about 23 lakh registered units and a Sample Survey in about 19766 villages/urban blocks, to measure the structure of unregistered sector, is an important feature of the Third Census. Such a gigantic task was completed mostly through internal deployment of the existing manpower resources without creating even a single additional post for the work. All these features may perhaps place this Census as the largest Survey of its kind so far taken up in the world.

7. The first results, called '*Quick Results*' of the Third Census are being presented in this booklet. The Final Report is expected to be released in another two months' time. It is hoped that the results presented here will have utility for planners, administrators, academicians, industrialists, entrepreneurs and all other stakeholders in the promotion and development of small scale industries.

8. In my official capacity, I have been in touch with the State/ UT Governments and monitored the progress of Third Census on daily basis and I honestly feel that the Third Census could not have been completed but for the active involvement of many individuals and institutions, and their contribution needs to be recognised. First of all, I would like to thank all the Members of the Steering Committee and its Sub-Committees for conceptualizing the Survey, and devising the methodology, formats for data collection and tabulation plan. My special thanks are due to Shri S.K. Tuteja, Secretary (Small Scale Industries) for his inspiring leadership during the course of the Census. The Ministry of Statistics & Programme Implementation gave us excellent support in devising the methodology using the latest industry and product classifications and also provided the maps of selected urban blocks for the Sample Survey. I am grateful to all the concerned officers and staff, especially Shri M. Neelakantan, Deputy Director General, NSSO (FOD) and Shri P.H. Khopkar, Director, CSO. I also thank Dr. C.S. Prasad, Additional Development Commissioner, and Shri Amir Subhani, Joint Development Commissioner for the strenuous efforts they had put in, in monitoring the various activities of the Census, right from the planning stage till its completion. I thank all the officers and staff of the State/ UT Governments who took the task of completing the field operations of the Census with a missionary zeal. The Office of the Registrar General of India has been the guiding spirit in the use of ICR Technology in the Third Census and I thank all the officers and staff, especially Shri R.G. Mitra, Deputy RG for the guidance and support. M/s C.S. Software Enterprise Ltd, Hyderabad, designed and printed the data collection formats, and took up data processing with the aid of ICR Technology. I thank them for the excellent support they have been providing to the Census Cell. My special appreciation is due to all the officers and staff in the Census Cell of the Statistics & Data Bank Division in my Office, who have toiled very hard to make this Census a very big success. Finally, my hearty appreciation goes to Shri M.V.S. Ranganadham, Director (Census) who played a key role in the conduct of the Census. He was responsible for preparing the Vision Document for Third Census, which was used as the Agenda by the Steering Committee and its Sub-Committees. He was also responsible for drafting the sampling design, methodology and all other technical material used in the Third Census.

New Delhi
14th August, 2003



(Suresh Chandra)

**TEAM OF OFFICERS ACTIVELY ASSOCIATED
WITH THE THIRD ALL-INDIA CENSUS OF SSIS**

Name & Designation

- 1 Dr. C.S. Prasad, Additional Development Commissioner
- 2 Shri Amir Subhani, Joint Development Commissioner
- 3 Shri M.V.S. Ranganadham, Director
- 4 Shri D.K. Seth, Director
- 5 Shri Anup Sarkar, Director
- 6 Shri Deepak Goyal, Director
- 7 Shri R.C. Chatrath, Deputy Director
- 8 Shri V.K. Gupta, Deputy Director
- 9 Shri S.K. Mohanty, Deputy Director, SISI, New Delhi
- 10 Ms. Jayshree M.G., Assistant Director
- 11 Ms. Navanita Gogoi, Assistant Director
- 12 Shri Dinesh Kumar, Assistant Director
- 13 Shri B. R. Ghumatkar, Assistant Director
- 14 Shri D.K. Sinha, Assistant Director, SISI, Guwahati
- 15 Shri M. B.R. Sastry, Assistant Director, SISI, Hyderabad
- 16 Shri P. Pardasani, SIPO
- 17 Shri R.K. Sharma, SIPO
- 18 Shri Mohinder Singh, SIPO
- 19 Shri Basudev Das, SIPO
- 20 Shri Ram Tirath, SIPO
- 21 Shri A. K. Lokhande, SIPO
- 22 Dr. S.K. Gupta, SIPO

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