CHAPTER-II

PLANNED DEVELOPMENT OF INDUSTRIALIZATION

2.1 INTRODUCTION

It is a historical fact that the small-scale industries have received step motherly treatment at the hands of British rulers and have been made to disinvest. But the national movement, ever since its inception, strove to protect and organize them. It was only natural that after independence the paternalistic and protectionist, outlook nurtured by the national movement with regard to these industries was made the core of the policy of the national government. It considered the small-scale sector as an important accessory for attaining the economic and social objectives and evolved the programme for development of these industries as an integral part of the development of the other sector’s of the economy (Basu S.K 1957).

This approach was first laid down in the Industrial Policy Resolution of 1948 and was later adopted as the basis of policy in the first five-year plan. The same was reiterated and further elaborated in the Industrial Policy Resolution in 1956. It subsequently became a part of the strategy for economic development in the consecutive plan periods. With this, the present chapter examines the planned development of industrialization in following aspects: a) Development of small-scale industries in India during various five-year plans and b) Development of small-scale enterprises in Kerala during the same period.

2.2 SSI DEVELOPMENT UNDER FIVE-YEAR PLANS

2.2.1 SSI DURING PRE-PLAN

Modern Small-scale industries in India were almost non-existent prior to the Second World War. It was during the war years that a number of small-scale industries were established to augment and sustain the war effort, to relieve pressure and to counteract
inflationary trends in the economy. A number of small-scale units especially light engineering job workshops were established to supply manufactured goods for indigenous consumption as well as for the allied forces.

After Independence, organized efforts were made and a comprehensive programme for the development of small-scale industries was conceived on the basis of the report submitted by a team of Ford Foundation experts who were invited to the country. In the first phase of development of small-scale industries, the accent was laid on providing a climate conducive to the setting up of new units as well as the modernization and rationalization of existing small-scale units. Manufacturing units in this sector have been protected from competition by the well-organized large-scale units by providing subsidies and preferential on the production pattern in large-scale units.

Industrial Policy Resolution 1948 and the Ford Foundation Team Recommendations were the foundations upon which small-scale industries policies were conceived during the pre-plan era. Industrial Policy Resolution 1948 continued to be the framework for the first five-year plan. It recommended a ‘Common Production Programme’ to ensure both large-scale industries and small-scale industrial sector make their contributions to the total requirement of the community. The Ford Foundation International Planning Team on small-scale industries was invited to formulate plans for the development of small-scale industries. It recommended to set up four regional institutions at Gawahati, Faridabad, Pune and Madurai (Desai Vasant 2002).

2.2.2 SSI DURING SECOND FIVE-YEAR PLAN

The principal objective of the Second Five Year Plan was to increase National Income by about 25 per cent over the plan period and creation of employment opportunities for about 10 to 12 million persons. The emphasis placed on heavy and capital goods industries in this plan inevitably raised the important question of the place of the small scale sector. It was necessary to economize on the capital requirements of industries other than capital goods industries and hence investments in the consumer goods
industries had to be severely restricted. Large investments in heavy industries would cause an increased demand for consumer goods by creating income (Mahalanobis Model of Growth 1961). The consumer demand from the increased expenditure in these sectors of the national economy is to be met substantially by the development of village and small industries which will not make on the one hand any heavy demand on the scarce capital resources available within the country and on the other hand will provide increasing employment opportunity.

The Planning Commission in its Resolution No.FY/11 CDI 23/55 dated 25th June 1955, constituted a committee with Prof. Karve as Chairman. The committee was asked to prepare a scheme, industrywise and wherever possible statewise for the utilization of the resources to be earmarked for the purpose of development of village and small industries. The major recommendations of the Karve Committee were to provide means of non-agricultural productive employment to avoid technological unemployment (Surey M. 2008)

2.2.3 INDUSTRIAL POLICY RESOLUTION-1956 (OR AN APPROACH TO THE SECOND FIVE-YEAR PLAN)

Village and small industries assumed a prominent role. Industrial Policy Resolution (1956), based on the recommendations of the Karve Committee, stated that lack of technical and financial assistance and suitable working accommodation are among the serious handicaps of small producers. The two paragraphs of the resolution dealing with this sector, say that “in relation to some of the problem that need urgent solutions, they offer a method of ensuring a more equitable distribution of National Income and they facilitate an effective mobilization of resources of capital and skill, which might otherwise remain, unutilized. Some of the problems that unplanned urbanization tends to create will be avoided by the establishment of small centers of industrial production all over the country. The State has been following a policy of supporting small-scale industries by restricting the volume of production in the large-scale sector by
differential taxation. The aim of the state policy will be to ensure that the decentralized sector acquires sufficient vitality to the self-supporting and its development is integrated with that of large-scale industry”. A start has been made with the establishment of industrial estates to make good these deficiencies.

2.2.4 OUTLAY: During the Second Five Year Plan, out of the total outlay of Rs. 4800 crore, Rs. 200 crore was earmarked for the development of village and small industries (4.16%). Out of Rs. 200 crore of the targeted outlay, major share of Rs. 59.5 crore (29.7%) was given to Handloom industries, closely followed by small-scale industry to which Rs. 55 crore (25.50%) was allotted. The rest was given to Khadi and Village industries.

2.2.5 PROGRESS: The progress during the first and second plans of village and small industries were reviewed in the middle of the second plan by a number of working groups and committees. A special study team assessed the working of 25 industrial pilot projects, which were taken up in community development blocks. The programme evaluation organization also made a study of the rural industries in selected community development blocks. The data collected in the course of these studies and the findings and conclusions reached have been of considerable value in formulating programmes for the third plan.

The foregoing analysis clearly revealed that adequate importance was not given for the small-scale industrial sector in terms of financial allocation. This was mainly because during the first five-year plan, agriculture got all the importance and during the second five-year plan, the large-scale industries received the prominence. The thinking of the policy makers at that time was to consider small-scale industry as a supporter to large-scale industries. The Planning Commission adopted the ‘Mahalanobis Model of Growth’, which envisaged greater role to large-scale industries by providing employment through mass production contributing to the Gross Domestic Product. Small-scale industries were to play the supportive role by providing the requirements
of the employers of the large-scale sector i.e., to say small-scale industries role was limited only to the production of consumer goods.

2.2.6 SMALL-SCALE INDUSTRY DURING THE THIRD FIVE-YEAR PLAN

A total provision of Rs. 264 crore was made in the public sector for the programme for village and small industries as against Rs. 175 crore. It was also proposed to offer government guarantee for bank loans to small industries. Of the total outlay of Rs. 264 crore, Rs. 141 crore for schemes of the states and Union territories and about Rs. 123 crore for the central and centrally sponsored schemes were made.

2.2.7 CREDIT AND FINANCE

Credit facilities that are essential requirements of all village and small industries had to be organized on a larger scale. A substantial provision has been made for loans under state aid to industries to meet the need for long and medium term capital as well as working capital. However, the provision which was made for loans in the plan was necessarily limited in relation to the requirements, and the aim to be kept in view was that in increasing that credit requirement for village and small industries should be available from normal banking and financial institutions.

Under a pilot scheme operated by the State Bank of India for coordinated provision of credit to these industries, the credit limit sanction by the end of March 1961, was nearly Rs. 9 crore. A Pilot Credit Guarantee Scheme under which government shares with certain specified banks and other financial institution risks on loans granted by them to small industries was introduced in July 1960 and guarantees for loans amounting to Rs. 2 crore were issued by the end of 1960-61. While providing loans under State Aid to Industries Act, it has been argued that a portion of the funds to be disbursed under these Acts should be earmarked for artisans in rural areas and an equal amount for the same purpose should be made available from the budget of community development blocks.
2.2.8 PROGRESS: Considerable progress was also made in providing credit facilities to small industries from institutional agencies. The credit limits sanctioned by the state bank were increased from Rs. 8.85 crore at the end of March 1961 to Rs. 70.33 crore by March 1966. Under the Credit Guarantee Scheme of the Reserve Bank of India guarantees for loans amounting to about Rs. 97.42 crore were issued by January 1966 as against about Rs. 2 crore in April 1961. In pursuance of the recommendations of the Rural Industries Planning Committee that was constituted in April 1962, 45 Rural Industries projects have been taken up in selected rural areas. The actual expenditure spent in the third plan is depicted in Table 2.1.

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Sector</th>
<th>Planned Expenditure</th>
<th>Actual Expenditure</th>
<th>% of actual expenditure to planned expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture</td>
<td>1068</td>
<td>1089</td>
<td>1.96</td>
</tr>
<tr>
<td>2</td>
<td>Industries</td>
<td>1520</td>
<td>1726</td>
<td>13.55</td>
</tr>
<tr>
<td>3</td>
<td>Village and small industries</td>
<td>264</td>
<td>240</td>
<td>-9.09</td>
</tr>
<tr>
<td>4</td>
<td>Total</td>
<td>7500</td>
<td>8577</td>
<td>14.36</td>
</tr>
</tbody>
</table>

Source: Commerce Annual Number on Industries 1968, P. 306

It is evident from the above table that the actual expenditure crossed the planned expenditure in both agriculture and industrial sectors, but in case of small industrial sector actual expenditure is less than the planned expenditure.

2.2.9 SMALL-SCALE INDUSTRY DURING ANNUAL PLANS (1966-69)

During this interim period from 1966-69 Rs. 131 crore was provided for the development of village and small industries out of the total outlay of Rs. 6800 crore. But the actual expenditure was Rs. 126.1 crore only, which is 1.9 per cent of the total...
The annual plan outlay for village and small industries during the three annual plan periods is presented in Table 2.2 (Sandesara 1978).

Table 2.2
Annual Plan Outlay for Village and Small Industries during three annual plan periods

<table>
<thead>
<tr>
<th>Year</th>
<th>Total public sector outlay</th>
<th>Outlay for village and small industries</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966-67</td>
<td>2221</td>
<td>45</td>
<td>2.00</td>
</tr>
<tr>
<td>1967-68</td>
<td>2242</td>
<td>45</td>
<td>2.67</td>
</tr>
<tr>
<td>1968-68</td>
<td>2337</td>
<td>41</td>
<td>1.80</td>
</tr>
<tr>
<td>Total</td>
<td>6800</td>
<td>131</td>
<td>1.90</td>
</tr>
</tbody>
</table>

Source: Mimiographed from the book “Efficiency of incentives for small industries’ (ed) J.C Sundaresa IDBI, Bombay p.6

2.2.10 CREDIT AND FINANCE

Under the State Aid Industries Act, the State Government disbursed loan to the tune of Rs. 7.56 crore by the end of 1968. The total loans sanctioned by the State Financial Corporations to small-scale units at the end of March 1968 stood at Rs. 33.74 crore to 3806 applicants. The Reserve Bank of India issued 36,055 guarantees for loans amounting to Rs. 154.02 crore during the same period under its credit guarantee scheme.

To increase the flow of institutional credit to the small-scale sector, the Reserve Bank of India introduced in February 1968, refinance facility to Scheduled Commercial banks and State Financial Corporations at concessional rates. But after the establishment of Industrial Development Bank of India and Small Industries Development Bank of India the refinance facility to State Financial Corporations and Commercial Banks was taken over by these institutions from Reserve Bank of India. To boost exports, Small Industries Service Institutes supplied information relating to overseas buyers foreign markets to small units. The small-scale industries engaged in export because of their
size are not in a position to independently undertake overseas market survey. Hence, SISI was established in all the states with regional offices in important cities of the state. The major task of the SISI was to provide necessary information with regard to the establishment of small-scale industry like source of machinery, technical know how etc and also to help small-scale industry units after their establishment by providing information on potential buyers, sources of raw material etc.

2.2.11 SMALL-SCALE INDUSTRY DURING FOURTH PLAN PERIOD

The objectives and approach in the fourth plan were drafted to achieve the objectives of widening employment opportunities, mobilizing of resources of capital and skill particularly in the countryside and providing more equitable distribution of National Income.

2.2.12 OUTLAY: A total outlay of Rs. 370 crore in the public sector was suggested for the development of small industries. This proposed provision of Rs. 370 crore was exclusive of the outlays made for the development of these industries in the programmes for community development, rehabilitation of displaced persons and development of special areas. Further about Rs. 400 crore were expected to be invested from private sources including banking institutions. Thus a total outlay of about Rs. 800 crore was made available for the small-scale sector under the fourth plan (of this Rs. 120 crore was for small-scale industries and Rs. 25 crore for the development of industrial estates). Finally, when the allotted amount in the Fourth Plan was revised, out of the total expenditure of Rs. 15,779 crore, the amount spent on the village and small industries sector was increased to Rs. 243 crore (1.54 % to total).

2.2.13 CREDIT FACILITIES

In the fourth plan, a total outlay of over Rs. 290 crore had been made in the public sector for the development of this sector, the expenditure is estimated at about Rs. 250 crore. In addition to the outlay in the public sector, about Rs. 560 crore was expected to
be invested from private sources including banking and other financial institutions. The credit extended by the commercial banks, to small industries (including terms loans and advances) made to craftsmen and qualified entrepreneurs) rose from Rs. 286 crore by June 1969 to Rs. 597 crore by June 1972. It is estimated that about 18 per cent of the credit advanced by the commercial banks consisted of term loans. The advances by the State Financial Corporations also increased from Rs. 7 crore in 1969-70 to Rs. 20 crore in 1971-72. The National Small Industries Corporation supplied machines on hire purchase terms valued at Rs. 20.8 crore including Rs. 17 crore in 1971-72.

The number of units (Small-scale industries) registered on voluntary basis with the Industries Directorate of the State and Union territories increased from nearly two lakhs in 1969 to about 3.18 lakhs in 1972 and the total employment in these units was estimated to be at 41.4 lakh persons. A further list of 77 items was added to those reserved for exclusive development of the small-scale sector.

And there was a substantial increase in the flow of institutional credit for these industries. The Credit Guarantee Scheme administered by the Reserve Bank was further extended and liberalized. A total of 183 credit institutions including all the major commercial and co-operative banks and the State Financial Corporations joined the scheme.

2.2.14 DEVELOPMENT OF SMALL-SCALE INDUSTRY DURING FIFTH FIVE-YEAR PLAN

The Fifth Plan emphasized that small industries had an important role to play in the removal of poverty, disparities in income and wealth and removal of regional imbalances. The sector had definite potential for providing increasingly large employment opportunities with relatively smaller capital investment. During the Fifth Five-Year Plan the emphasis was on the development of small-scale industries and their role as ancillaries to large undertakings. The combined development programmes of the Centre, States and Union Territories were expected to create additional jobs for
15.16 lakh persons. For the purpose, Rs. 611 crore was expected to be invested from private sources. Thus, an amount of Rs. 166 crore was provided during the fifth plan. The progress made during this plan was not encouraging due to various factors mainly due to inflation and political disturbances. But the progress made in the field of providing infrastructural facilities to small-scale industry was satisfactory.

The Fifth Plan could not continue its full term due to the changes that took place at the Union Government in January 1977. The Janata Government scrapped the plan in 1977 and in its place Rolling plan was introduced.

In the six years period (1974-80), the estimated value of production registered a growth rate of 6.8 per cent per annum. The gross value added at factor cost rose from around Rs. 2800 crore in 1973-74 to Rs. 4100 crore in 1979-80 (at 1970-71 prices) registering a growth rate of 6.6 per cent. Table 2.3 below shows the physical progress of the village and the small-scale industries during 1973-74 to 1979-80

Table 2.3

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Industries</th>
<th>Output (Value in Rs. Crore)</th>
<th>Employment (Lakh persons)</th>
<th>Export (Rs. in crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Modern small-scale industries</td>
<td>7200</td>
<td>39.65</td>
<td>534</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19060</td>
<td>64.60</td>
<td>1050</td>
</tr>
<tr>
<td>2</td>
<td>Traditional village industries</td>
<td>2183</td>
<td>102.21</td>
<td>362</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4419</td>
<td>132.84</td>
<td>1175</td>
</tr>
</tbody>
</table>

Source: Yojana 31st July 1982 vol 23/13.8 p.17

It can be seen from Table 2.3 that output of modern SSIs during the plan period increased from 7200 to 19060 and the employment in this sector rose from about 40 lakhs to 65 lakhs and the contribution to export doubled from Rs. 534 crore to Rs. 1050 crore.
2.2.15 CREDIT AND FINANCE

In spite of the credit expansion (from about Rs. 250 crore in 1973-74 to about Rs. 600 crore in 1979-80), the share of the ‘tiny’ units with investment of up to Rs. 1 lakh was very little. According to a survey conducted by Reserve Bank of India, of the units financially assisted by the Commercial Banks up to June 1976, 69 per cent of the total credit flow was availed by 11 per cent of the bigger units in the small industries sector which accounted for 55 per cent of the production. Taking into account the units that did not have access to institutional credit, the disproportionate supply of credit becomes more pronounced.

Another important development during this period was the establishment of District Industries Centre (DICs) as an umbrella for the development of small-scale industries.

2.2.16 DISTRICT INDUSTRIES CENTRE (DIC)

The District Industries Centre programme was launched on 1st May 1978 by the Government of India as a focal point for promotion of small, cottage and village industries to provide all services and support to the decentralized sector under a single roof at the pre-investment, investment and post investment stages. The District Industries Centre programme was a centrally sponsored scheme in contrast to the previous attempts made in the field of rural industrialization and rural employment envisaged providing to the small-scale industries and to the prospective entrepreneurs, all the assistance required for developing existing industries or supporting the new one under one roof at the district level itself so that the delays and difficulties faced by the new industrialists and entrepreneurs were solved locally. Under this scheme of DIC, the entrepreneurs were to get all special assistance from one agency, suitable power was to be delegated by the several departments of the state government to the DIC so that entrepreneur got all the assistance from the DIC of the 420 districts in the country 380 were covered by the DIC scheme during 1981-82 (Dasai Vasant 2002).
2.2.17 SMALL-SCALE INDUSTRY IN THE SIXTH FIVE-YEAR PLAN

Promotion of small-scale industries continued to be an important element in the development strategy because of its favourable capital output ratio and the high employment intensity. Loans advanced by commercial banks during the plan period increased from about Rs. 686 crore in March 1973 to about Rs. 2633 crore by December 1979. The assistance from co-operatives increased from Rs 14 crore in 1973-74 to Rs. 58 crore in 1979-80. The Regional Rural Banks granted loans to the extent of Rs. 45 crore. The State Financial Corporations had sanctioned term loans to the tune of about Rs 702 crore by March 1989. The Reserve Bank of India continued to operate the Credit Guarantee Scheme for small-scale industries. The target for priority sector for lending by the commercial banks was increased from 33 to 40 per cent.

Public sector outlay of Rs. 1780.45 crore was provided for the development of village and small industries during the Sixth Five-Year Plan. The total outlay of the Sixth Five-Year Plan was Rs. 97,500 crore. The outlay on village and small industries constituted about 1.82 per cent of the total outlay. The production from the small-scale industry sector increased from Rs. 33,538 crore 1979-80 to Rs. 63,790 crore in 1984-85 and exports from Rs. 2280.62 crore in 1979-80 to Rs. 4557.56 crore in 1984-85 at current prices. With regards to employment, it increased from 233.72 lakh persons in 1979-80 to 315 lakh persons in 1984-85. The manufacturing sector thus represented about 80 per cent of the total industrial employment. However, some of the long-term objectives set for the village and small industries sector are still to be achieved. The growth and development of this sector were constrained by several factors like technology obsolescence, inadequate and irregular supply of raw materials, lack of organized marketing channels, inadequate availability of credit and deficient managerial technical skills etc.
2.2.18 DEVELOPMENT OF SMALL-SCALE INDUSTRIES DURING THE SEVENTH FIVE-YEAR PLAN

The small-scale sector has played a vital role in the development of the economy and still there is scope for increase in production and productivity in this sector. To facilitate modernization and achieve rapid growth in the sector, the upper limit on the investment on plant and machinery has been raised in respect of small-scale units from Rs. 20 to Rs. 35 lakh and in the case of auxiliary units from Rs. 25 lakh to Rs. 45 lakh. Promotion of industries in this dispersed sector primarily falls within the responsibility of the state government. The center however, supplements their efforts.

With the overall objectives of food, work and productivity laid down in the Seventh Five-Year Plan, this sector would contribute towards improving the economic and occupational profile of the rural, semi-urban and the weaker sections of the urban communities through promotion of village and small industries.

2.2.19 SMALL-SCALE INDUSTRIES IN THE EIGHTH FIVE-YEAR PLAN

The plan proposed a growth rate of 5.6 per cent per annum on an average during the plan period. The level of national investment was proposed at Rs. 798 crore and public sector outlay was proposed to be at Rs. 4,34,100 crore.

Acceptance of significance of industrialization has been a basic tenet of policy in India during all these years since the Second Five-Year Plan. But for this, we would not have attained the capital goods base that we have, the highly diversified nature of our industrial sector that we see, and the skills and the technical know-how that we possess today.

The outlay on village and small industries was Rs. 4778 crore and Rs. 34,075 crore for large and medium industries. The significant departure in eighth plan is in respect of the distribution of investment in both the public and private sector in view of the shift
in economic policy, placing greater reliance in the market. The private sector is expected to shoulder a greater responsibility in investment.

After going through the approach paper of the Eighth Five-Year Plan, one could say it is less fussy about targets and more about industrial restructuring as it could automatically make for better enlargement and use of resources in the industrial sector through the spurt of private enterprises and initiatives including foreign investment.

2.2.20 SSI DURING NINTH FIVE YEAR PLAN (1997-98 to 2001-02)

The process of liberalizing central government control over the industrial sector has advanced considerably. Industrial licensing was eliminated for all but a handful of industries and the list of industries reserved for the public sector was sharply reduced. However, the small scale sector has shown considerable resilience and inbuilt strength. After the opening up of the economy, its growth rate was about two to three percentage points higher than that of the large and the medium industries. The sector has matured and is in a position to make a much greater contribution to the national economy as well as to meet the competition from large industry including that from the multinationals. The small scale sector will be provided with necessary incentives and support including making available credit to facilitate its growth and development leading to increased contribution to output, exports and employment generation.

In accordance with the recommendations of the Abid Hussain Committee (1997), the definition of small scale sector will be broadened from Small Scale Industries to Small Scale Enterprises which will include not only industrial enterprises but also business enterprises. The small scale sector is presently producing about 3300 items, out of which, 882 items are still reserved for production in the small scale sector. However, it has been observed that out of the reserved items, as many as 200 items are either not produced at all in the small scale sector or their production is insignificant.
Besides, in the last few years, the growth of SSI sector in the non-reserved areas has been higher than in the categories, which is a proof of the inherent strength and resilience of the small scale sector and its ability to respond to the challenges of the market forces. Furthermore, out of these 822 items, about 600 items are allowed to be imported under OGL, which means that the SSI units have to face competition from multinational corporations and large units abroad, whereas large units in the country are not allowed to produce these items, thus preventing economic activity and employment within the country. De-reservation would also help a number of small enterprises to upgrade their technology, improve the quality of their products. The Abid Hussain Committee has also recommended complete de-reservation of the products, presently reserved for the small scale sector. (Mathew P.M 2009). The government has enhanced the investment limit for tiny units from Rs. 5 lakh to Rs. 25 lakh. The investment limit for small scale units was also raised from Rs. 60 lakh to Rs. 100 lakh. Perhaps, the biggest problem being faced by the Small Scale Industries is inadequate availability of credit. The Nayak Committee had made a number of recommendations to help the Small Scale Sector in this regard. Most of its recommendations have been accepted by the Reserve Bank of India.

2.2.21 SSI DURING TENTH FIVE YEAR PLAN 2002-03 to 2006-07

The industrial sector was to grow around 10 per cent to achieve the tenth plan target of 8 per cent growth for GDP. This represents a major acceleration from its past performance. The sector grew at only 7 per cent in the 8th and 9th plan periods taken together. The Small Scale industry has a vital role to play in the process of industrialization providing a vehicle for entrepreneurship to flourish and a valuable entry point for new entrepreneurs who can start as small enterprises and then grow big. The policy of reservation of certain products for small enterprises also needs to be reconsidered. There is also a need for preferential opportunity to extend investment limits for small enterprises with immediate effect. A number of high level committees suggested that there should be uniform policy for all small and medium enterprises.
The policy of reserving areas of production for the small sector was feasible when the economy was not open but in an open economy, and especially one moving towards low tariffs, it imposes artificial constraints on the efficiency of domestic production.

2.2.22 SSI DURING ELEVENTH FIVE YEAR PLAN (2007-08 to 2011-12)

The pace of industrial growth quickened during the 10th plan and manufacturing in particular showed considerable dynamism. It will be necessary to build on this momentum during the 11th plan and indeed impart additional impetus to generate 10 per cent growth in industry and even higher growth in manufacturing. The micro and small enterprises sector accounts for the bulk of the employment in manufacturing and has been one of the sources of strength for manufacturing in the country. It has largely withstood the test of international competitiveness resulting from external economic liberalization since 1991-92. However, the ceiling on investment in plant and machinery together with reservation of a large number of items for exclusive manufacture by small scale industries has in the past barred these units from undertaking efforts for upgrading technology, adopting modern manufacturing methods and achieving economies of scale. The loss of fiscal benefits upon a small scale unit graduating into a larger unit is an additional disincentive against expansion and leads to horizontal expansion and deliberate fragmentation.

During the 10th plan period some major steps were taken to alleviate these problems, the number of reserved items was reduced from 675 to 114 and the ceiling on investment in plant and machinery was raised generally from Rs. 3 crore to 5 crore by the Micro Small and Medium Enterprises Act, 2006. The Act also contained a number of provisions aimed at strengthening these enterprises, and in fact sought to integrate the three tiers, viz. medium, small and micro. This process must continue in the eleventh plan.

The small and the medium enterprises are the main beneficiaries of the investment incentives for modernization, upgradation and additional capacity creation given in
schemes such as the Technology Upgradation Fund Scheme (TUFS) for the textile sector. The schemes for establishment of industrial parks such as the Scheme for Integrated Textile Park (SITP) in the same sector are also aimed at obtaining additional investment in small scale and medium enterprises. These schemes will not only be continued but also replicated in other areas during the 11th plan.

The small scale units are handicapped by insufficient flow of credit despite the measures taken to stimulate priority sector leading by Scheduled Commercial Banks and expansion of direct lending operations by SIDBI. During the 11th plan, credit flows to these units will need to be monitored and improved (Planning Commission (2007)

2.2.23 AN OVERVIEW OF THE PROGRESS AND GROWTH OF SSI SECTOR SINCE THE FIRST FIVE-YEAR PLAN

2.2.23.1 GROWTH OF SSIs

The following table traces the growth of small-scale industries since 1960.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Units (in lakhs)</td>
<td>0.36</td>
<td>2.82</td>
<td>8.74</td>
<td>13.55</td>
<td>19.40</td>
</tr>
<tr>
<td>Investment (in lakhs)</td>
<td>279.58</td>
<td>697.00</td>
<td>5850.00</td>
<td>9585.00</td>
<td>18196.00</td>
</tr>
<tr>
<td>Employment (in lakh)</td>
<td>21.59</td>
<td>36.70</td>
<td>71.00</td>
<td>96.00</td>
<td>126.26</td>
</tr>
<tr>
<td>Gross output (Rs. in crore)</td>
<td>1426.50</td>
<td>4860.00</td>
<td>21635.00</td>
<td>501520.00</td>
<td>143170.00</td>
</tr>
<tr>
<td>Export (Rs. in crore)</td>
<td>N.A*</td>
<td>393.00</td>
<td>1050.00</td>
<td>2350.00</td>
<td>9100.00</td>
</tr>
</tbody>
</table>

Source: CMIE Basic Statistics relating to Indian Economy Vol-I All India Aug. 1992
* NA- Not Available

It is clear from Table 2.4 that there is a phenomenal increase in the number of registered units. The number increased from 0.36 lakh in 1960 to 2.82 lakh in 1971 and 8.74 lakh in 1980 and 19.40 lakh in 1990.
Similarly there has been an increase in respect of employees in this sector. In the year 1960 only 22 lakh people were working in the small-scale industrial units. This increased to 36.70 lakh in 1970 and 71 lakh in 1980 and 126 lakh in 1990. In the case of investment, there is a compound average annual growth rate of 13.8 per cent on account of increase in employment and investment. The production also went up. The production increased at a compound average annual growth rate of 20 per cent. The export from small-scale industries also have shown remarkable increase from just Rs. 393 crore in 1970 to Rs. 9100 crore in 1990 with an average annual compound rate of increase of 4 percent.

**Table 2.5**

Plan Expenditure for Village & SSI Sector

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Plan Expdr</th>
<th>I Plan</th>
<th>II Plan</th>
<th>III Plan</th>
<th>3 Annual Plans</th>
<th>IV Plan</th>
<th>V Plan</th>
<th>VI Plan</th>
<th>VII Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>31.2</td>
<td>180</td>
<td>241</td>
<td>132.55</td>
<td>292.53</td>
<td>535.53</td>
<td>1945.00</td>
<td>3249.00</td>
</tr>
<tr>
<td></td>
<td>a) Village &amp; small industries</td>
<td>5.2</td>
<td>44.4</td>
<td>86.12</td>
<td>39.35</td>
<td>104.25</td>
<td>221.74</td>
<td>616.10</td>
<td>1137.15</td>
</tr>
<tr>
<td></td>
<td>b) SSIs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Total Plan expdr</td>
<td>1960.00</td>
<td>4672.00</td>
<td>8577.00</td>
<td>1625.00</td>
<td>15779.00</td>
<td>39426.00</td>
<td>109292.00</td>
<td>218730.00</td>
</tr>
<tr>
<td>3</td>
<td>1 (a) as % of 2</td>
<td>1.59</td>
<td>3.85</td>
<td>2.80</td>
<td>2.00</td>
<td>1.85</td>
<td>1.35</td>
<td>1.77</td>
<td>1.48</td>
</tr>
<tr>
<td>4</td>
<td>1 (b) as % of 2</td>
<td>0.26</td>
<td>0.95</td>
<td>1.00</td>
<td>0.59</td>
<td>0.66</td>
<td>0.56</td>
<td>0.56</td>
<td>0.51</td>
</tr>
</tbody>
</table>

Source: The II, 3rd, 4th & 6th 5 yr draft plan & also the economic reviews

A complete position of small industry development cannot be easily portrayed because registration with the State Directorate of Industries and Commerce or with any other authorities is not compulsory in the case of small industries that do not seek some assistance or facility from the government. There are, according to some estimates, at least half the number of registered small industries in the State that are functioning without seeking either registration or assistance from the government.
2.2.24 FINANCIAL OUTLAY IN DIFFERENT PLAN PERIODS

Table 2.5 shows the actual expenditure towards small-scale industries in different plan periods. Other plans were each 1.8 times the size of their respective predecessors. Of the plans for which the data on actual expenditure on village and small industries are presented, the expenditure of 1.59 per cent is the lowest and 3.85 per cent is the highest.

The importance of the public sector as adjudged by the relative allocation of public sector outlay and total outlay, including primary investment is thus, actually less in the draft plans than every earlier plan.

Eventhough the financial allocations were meager, the development of small sector gained momentum during these periods. Between 1956 and 1979, a number of committees were formed to study the various aspects of this sector. Based on their recommendations, several measures were taken for improving the sector. The definition of a small unit was revised from time to time to get more number of units into the fold. There is a considerable increase in the number of small units, the investment and employment opportunities in this sector from plan to plan.

Table 2.5 shows the share of plan expenditure of the village and the small-scale sector for the entire plan periods. Eventhough there is gradual increase with total allocations to this sector over the period in absolute figures from Rs. 5.2 crore in the first plan to Rs. 616 crore in the sixth plan and Rs. 1137 crore in the seventh plan, the percentage share of this sector to the total expenditure is always less than 1 per cent (except during the third plan). This shows that the objectives and principles spelt out are big but the actual expenditure to support them have been inadequate.

2.2.25 CONCLUSION:

All the plan documents express similar feelings and specify the measures taken or intended for the small-scale sector. It may be noticed that the second and the fifth five-year plans in terms of public sector outlay, were nearly 2.5 times each the size of
their respective predecessors. Of the plans for which the data on actual expenditure on village and small industries are presented, the expenditure of 1.59 per cent is the lowest and 3.85 per cent is the highest. The importance of public sector as judged by the relative allocation of public sector outlay and total outlay, including sector outlay and total outlay, including primary investment is thus, actually less in the draft plans than earlier plans.

2.3 THE DEVELOPMENT OF SMALL-SCALE INDUSTRIES IN THE KERALA ECONOMY DURING THE PLAN PERIODS

Significant growth of small-scale industries in India has been one of the most striking features of its planned economic development. Government of India has adopted various policy measures, established several promotional agencies and launched a variety of programmes to modernize this sector. The growth rate of this sector has been spectacular during the plan periods. Kerala economy is not an exception to this. With this background, the following section would highlight the growth and development of small-scale industries achieved during the various five-year plan periods in Kerala state.

The small-scale industries have been given a strategic position in the successive five-year plans towards the fulfillment of the socio-economic objective particularly in achieving growth and equity. Within the framework of the Industrial Policy Resolutions announced by Government of India from time to time, the aims and objectives for the development of small-scale industries had been set up in the successive five-year plans. The state economy also gives a high priority to the small-scale sector in the industrial development of the state. Comparative statement of the allocations to small-scale industries in the successive five-year plans is brought out in Table 2.6.
Table 2.6
Outlay on Small-Scale Industries in Successive Five-Year Plans in India and Kerala

<table>
<thead>
<tr>
<th>Plan Period</th>
<th>Outlay on SSI* (Rs. in crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>India</td>
</tr>
<tr>
<td>First (1951-56)</td>
<td>56</td>
</tr>
<tr>
<td>Second (1956-61)</td>
<td>56</td>
</tr>
<tr>
<td>Third (1961-66)</td>
<td>113</td>
</tr>
<tr>
<td>Annual (1966-69)</td>
<td>54</td>
</tr>
<tr>
<td>Fourth (1969-74)</td>
<td>96</td>
</tr>
<tr>
<td>Fifth (1974-79)</td>
<td>222</td>
</tr>
<tr>
<td>Annual Plan (1979-80)</td>
<td>105</td>
</tr>
<tr>
<td>Sixth (1980-85)</td>
<td>616</td>
</tr>
<tr>
<td>Seventh (1985-90)</td>
<td>1121</td>
</tr>
<tr>
<td>Annual Plan (1990-91)</td>
<td>-</td>
</tr>
<tr>
<td>Annual Plan (1991-92)</td>
<td>-</td>
</tr>
<tr>
<td>Eighth Plan (1992-97)</td>
<td>-</td>
</tr>
</tbody>
</table>

*Includes industrial estates also
Source: State Planning Board, Kerala

2.3.1 SMALL-SCALE INDUSTRIES DURING FIRST AND SECOND PLAN

Although the state economy was constantly encouraging the promotion of small units, little has been done during the First Five-Year Plan and no special targets were fixed for activities under this sector. During the second plan period, a number of schemes such as production-cum service centers, training centers and commercial units were taken up for the development of the small-scale industries: A programme for the organization of industrial co-operatives was introduced during this period. The state adopted the industrial estates programme during the Second Five-Year Plan, during which seven industrial estates were established one each in selected districts.

2.3.2 SMALL-SCALE INDUSTRIES DURING THIRD PLAN

The industrial estates programme was continued in the third plan and during the end of the plan period a total of 18 industrial estates were set up in the state. The government constructed the first series of seven major industrial estates but the second
series of eleven estates were constructed by the Kerala State Small Industries Corporation (KSSIC), which was also entrusted with the management of all the 18 estates according to the pattern adopted by the Central Government.

One of the noteworthy features of this plan was the formation of the KSSIC; the corporation was primarily set up to assist the industrialists in procuring raw materials and acquiring machinery on hire purchase. Apart from management of industrial estates, the corporation was also entrusted with sales emporia and production units run by the department. Later the KSSIC and the Kerala Employment Promotion Corporation (KEPC) were amalgamated in 1975 and thus formed the Kerala State Small Industries Development and Employment Corporation Limited (SIDECO). Another important event was the implementation of Rural Industries Programme (1962-65) during this plan period. Two projects one at Alleppey, and the other at Kozhikode were started. According to this scheme, industrial units costing upto Rs. 1 lakh were set up by the Department and handed over to the entrepreneurs on hire purchase basis.

2.3.3 SMALL-SCALE INDUSTRIES DURING FOURTH PLAN

During this period, stress was laid on setting up of development plots instead of the conventional type of industrial estates, since the latter incurred huge construction cost. Six development plots were started during this period, and the basic necessities such as road, water supply arrangements, streetlights etc. were given to the industrialists on hire purchase. The Fourth Plan witnessed the emergence of the functional and ancillary industrial estates. The functional Industrial Estates for rubber and plastics at Changanacherry (though started during the third plan period) were developed further during the Fourth Plan. Functional Industrial Estates for ceramics at Quilon and for electronics at Karakulam and the ancillary industrial estate for HMT at Kalamassery and for ISRO at Veli have come up since then.

Arrangements were made with commercial banks and Kerala Financial Corporation to provide loans to small units at liberalized terms, the difference in the rate of interest
from KFC loan and department loan being subsidized by the Government. In order to ensure regional balance, in the growth of industries, Government of India offered investment subsidy to 10 and 15 per cent in backward and most backward districts respectively. The scheme came into effect from 1971.

2.3.4 SMALL-SCALE INDUSTRIES DURING FIFTH PLAN

During this plan the state played a strategic role by providing the necessary infrastructure, coordinating all available assistance, providing incentives for setting up of small-scale industrial units and creating a climate of confidence among the industrialists. During this period the government created a post of Development Officer for small-scale industries exclusively to cater to the needs of the SSI sector.

Subsequently to the formulation of the Fifth Plan, the Government of Kerala drew up a massive industrialization programme popularly known as the Mini Industrial Estates Programme. This programme was launched in the state on 1st April 1975. Stress was also laid in the plan for strengthening the share capital base of the newly formed SIDECO, reimbursement of sales tax paid by industrialists, improving the facilities in the developmental plots, implementing the newly evolved mini-industrial estate programme, promoting women’s industrial units and organizing co-operatives of mini industrial estates etc. In consonance with the Industrial Policy Resolution of the Government of India (1977), the concept of District Industries Centre was launched in the state in 1978 and the concept was introduced in all the then districts. The Districts Industries Centres have been conceived as a single agency for making available all financial and technical assistance, inputs and other services required to an industrial entrepreneur under one roof and a number of incentives were also declared.

2.3.5 SMALL-SCALE INDUSTRIES UNDER SIXTH PLAN

During the Sixth Plan period, serious efforts were made to remove difficulties faced by the small-scale sector. Most of the infrastructural facilities required for industrial
development had been built up and a number of incentives was also offered to private sector for setting up new units in the state. For stimulating the growth of small-scale units, the scheme for giving State Investment Subsidy to industrial units in district, where the central investment subsidy was not in existence was introduced. The Sixth Plan target was to set up about 17,000 new units, against which the state could register 13,325 new small-scale industrial units. It was estimated that about 1.50 lakh persons were employed in the newly registered units. An amount of Rs. 25 crore was provided for small-scale industries during the Sixth Plan, while the plan expenditure was however only Rs. 19.3 crore, which works out to 11.59 per cent of the expenditure for industries and minerals and to 1.1 per cent of the total expenditure.

2.3.6 SMALL-SCALE INDUSTRY UNDER SEVENTH PLAN

The development plan envisaged for the small-scale industrial sector in the Seventh Plan was to promote about 20,000 small-scale units during the period with an aggregate investment of Rs. 200 crore and employment potential of 1.58 lakh persons. The value of goods and services to be added to the state economy at the end of the plan by the new units was expected at Rs. 709 crore. Thus the terminal year (1989-90) targets of the Seventh Plan consisted of 51,000 registered small-scale industrial units, with an aggregate investment of Rs. 522 crore that would generate employment to 3.78 lakh persons and generate goods and services worth Rs. 1739.10 crore. The strategies laid down for the development of the small-scale sector during the plan include the following:

- Attracting private investment by providing incentives including improved infrastructural facilities, industrial estates, development plots and functional industrial complexes in selected growth centers.
- Promoting new small-scale units especially for women, SC and ST entrepreneurs.
• Reorganizing and restructuring promotional organizations connected with small-scale industries in order to assist in the areas of financial assistance, raw material supply and infrastructure development.

• Training and motivating more entrepreneurs through entrepreneurship development programmes.

• Discouraging projects with low and obsolescent technology and providing higher incentives to units with new technology and energy saving technique of production.

• Concentrate more on greater value added industries that require high skills and direct the package of incentives in such a way as to reduce regional imbalances.

With the above strategy in view, a development plan for the small-scale sector had been drawn up for the Seventh Plan with an outlay of Rs. 44.00 crore. Against this, the total expenditure at the end of the plan amounted to Rs. 34.56 crore which was about 79 per cent of the agreed outlay. The achievement made by the small-scale sector during the Seventh Plan included starting of 32199 new units against the initial target of 20,000 units, with a total investment of about Rs. 431.00 crore, employment potential of 1.93 lakh persons, and production of goods and services valued at Rs. 882.25 crore. By the end of 1989-90, there were 64675 registered small-scale industrial units in Kerala. The capital investment made by all these units was estimated at about Rs. 854 crore. The small-scale sector also provided employment to 3.82 lakh persons and produced goods and services worth Rs. 1745 crore.

2.3.7 SMALL-SCALE INDUSTRIES DURING EIGHTH PLAN

During the Eighth Plan, several changes in line with the New Industrial Policy statement of the State Government were made and higher proportion of allocation was given to the Industrial sector than in the previous plans. Steps were taken to promote small-scale ventures. The main objective during the Eighth Plan period was to set up
50,000 new units under the small-scale sector. The unprecedented growth in the number of industries was made possible by the measures taken up under the New Industrial Policy and the Intensive Industrialization Programme launched by the Government (1993). By this programme the state could promote 30,584 new small-scale industrial units in the stipulated two years. To speed up the programme of IIP, the Green Channel Committee was meeting periodically to monitor clearances by all departmental agencies.

A total State Plan outlay of Rs. 150 crore was set apart for implementing various schemes under the small-scale sector during this plan period. Out of this, nearly Rs. 103.50 crore (69 per cent) was earmarked for the period 1992-97 for schemes like State Investment Subsidy (Rs. 62.22 crore), Seed Capital Loan (Rs. 34.95 crore), Margin Money Assistance (Rs. 0.28 crore) and Assistance to Women Entrepreneurs (Rs. 0.65 crore). The total likely expenditure towards these schemes during the period 1992-93 to 1996-97 was worked out to Rs. 110.56 crore, whereas the total number of beneficiaries under these schemes was worked out to be 7042 under State Investment Subsidy, 6237 under Seed Capital Loan and Margin Money Assistance and 4915 under Assistance to Women Entrepreneurs. A total number of about 586 SC/ST Entrepreneurs were trained for starting SSI units during 1992-97 and the number of beneficiaries under the various SC/ST schemes during the period 1992-97 worked out to 11445 and 3747 respectively. As against the total State Plan outlay of Rs. 150 crore set apart for the small-scale sector in the eighth plan period, the anticipated expenditure for the period 1992-97 amounted to Rs. 167.03 crore (111.35 per cent). The capital investment in the small-scale industrial sector increased by 54.83 per cent from Rs. 145.02 crore in 1992-93 to Rs. 224.54 crore in 1995-96. The total capital invested by the units registered during the four years (1992-96) amounted to Rs. 728.02 crore. The aggregate achievement in investment fell short of the target (1500 crore), by 51.46 per cent during the period.

Nearly 2.57 lakh persons were employed which worked out to nearly 86 per cent of the target (3 lakh) set for the plan period. The value of goods and services produced during
the first four years amounted to Rs. 2881 crore against the five-year target of Rs. 1500 crore fixed for the plan period. The other achievements were new tax exemption manual was issued on 1st November 1995 and a state level committee on tax exemption was also set up. Infrastructure development was pursued through the District Mini Industrial Co-operative Societies at Thiruvananthapuram, Kottayam, Ernakulam and Thissur during 1995-96. The Common Facility Service Centre, Changanacherry conducted Entrepreneur Development Programme for 135 potential entrepreneurs during 1995-96. A total number of 8 studies were commissioned at the cost of Rs. 33.68 lakh. During the year, 28 Entrepreneur Development Programmes, 31 Technology Clinics and 97 Entrepreneur Awareness Programmes were conducted through various institutions (Third All India Census Report 2001).

2.3.8 SMALL SCAE INDUSTRIES UNDER NINTH PLAN

The Ninth Five-Year Plan earmarked an outlay of Rs. 1126.86 crore for the industry and minerals sector which accounted for 11.15 per cent of the total state sector outlay and 7.04 per cent of the total state plan outlay including the allocation of local bodies. Priority areas in the sector included development of small-scale industries through provision of adequate infrastructure support, common facility centers, marketing facilities, investment subsidies etc. While formulating the plan, it was envisaged that the small-scale industry sector would receive a substantial share in the plan allocation of the local bodies also. During this period, a total outlay of Rs. 25,900.00 lakh has been allotted for the development of the small-scale sector. The ninth plan target was to set up 87,000 new small-scale industry units in the state and to create employment opportunities for 4.35 lakh persons.

The performance of the small-scale sector during Ninth Plan is shown in Table 2.7.
Table 2.7
Performance of Small-Scale Sector during Ninth Five-Year Plan in Kerala State

(Rs. in crore)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of units registered</th>
<th>Investment</th>
<th>Employment Generated</th>
<th>Value of Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>19547</td>
<td>428.65</td>
<td>70263</td>
<td>1118.29</td>
</tr>
<tr>
<td>1998-99</td>
<td>19736</td>
<td>302.10</td>
<td>71632</td>
<td>1156.02</td>
</tr>
<tr>
<td>1999-2000</td>
<td>20006</td>
<td>397.53</td>
<td>72042</td>
<td>1166.23</td>
</tr>
<tr>
<td>2000-2001</td>
<td>20073</td>
<td>416.65</td>
<td>74708</td>
<td>1227.59</td>
</tr>
<tr>
<td>2001-2002*</td>
<td>21000</td>
<td>500.00</td>
<td>89000</td>
<td>1400.00</td>
</tr>
</tbody>
</table>

* Target and anticipated achievement only
Source: State Planning Board, Kerala

It is evident from Table 2.7 that for the period 1997-98 to 2000-2001, 79,332 units were registered with an investment of Rs. 1544.93 crore in the four years of the Ninth Plan. With respect to the value of goods and services produced by the small-scale sector amounted to Rs. 3668.13 crore during the four years period. However, the employment generation in the small-scale sector fell short of the target fixed and generated only 2,88,645 during 1997-98 to 2000-01.

The provision of subsidy, seed capital loan, development of industrial areas/plots, sick unit rehabilitation, assistance to industrial co-operatives etc. were the major schemes implemented under the small-scale industry sector during the Ninth Plan. An amount of Rs. 5119.13 was spent under the state investment subsidy during the first four years of Ninth Plan. Expenditure under seed capital loan amounted to Rs. 1945.30 lakh. An extent of 112.74 acres of land was acquired at a total cost of Rs. 451.60 lakh during the same period and the process of acquisition of another 366.19 acres of land for the development of SSI sector. The industrial co-operatives also accounted for substantial expenditure i.e., Rs. 485 lakh during this four-year period. The Women Industries Programme that was one of the major schemes of the DIC was transferred to the local bodies. But the same could not be implemented as envisaged. The schemes like industry
varsity linkages, rehabilitation of women in socially condemned occupation, industry facilitate council, productivity council, tool room etc., where suggested to be dropped or merged with the other schemes, since these could not bring in the desired result.

2.4 CONCLUSION

The small-scale industry occupies a prominent place in the industrial economy of our country by its impressive contribution in terms of the number of units, employment and industrial production in both national economy as well as in Kerala during the various plan periods. As a result of giving importance to the small-scale sector from the third and the subsequent plan periods through the various policy programmes, subsidies and promotional schemes, the sector achieved a tremendous growth till mid 1990s’. However after 1995, the growth trend began to show a decline with respect to its economic variables. In order to know more about the small scale enterprises in India in general and performance of small enterprises in Kerala in particular, the next chapter gives us a detailed analysis.
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CHAPTER 11

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11. Report on the Third All India Census of Registered and Unregistered Small Scale Industries in Kerala- Directorate of Industries and Commerce- Govt of Kerala, Trivandrum, Pp. 120-128.