CHAPTER - II

CONCEPT AND SIGNIFICANCE
OF SMALL SCALE
INDUSTRIES
CONCEPT AND SIGNIFICANCE OF SMALL SCALE INDUSTRIES

The small scale sector has acquired a prominent place in the socio-economic development of the country since independence. It has contributed to overall growth of the Gross Domestic Product (GDP) as well as in terms of employment and export. Small scale industrial sector has been registering a higher growth rate than the overall industrial sector in the past few years consistently.

A significant feature of the Indian Economy since Independence is the rapid growth of the small scale and cottage industries. In the resolutions of the Industrial policy of 1948, the small scale industries and cottage industries were given special role for creating additional employment with low capital investment.¹

CLASSIFICATION OF SMALL SCALE INDUSTRIES

Traditional SSI

Handloom Khadi Industries, Handicraft Industries, Silk Industries are included in traditional SSI. These industries are established in villages and towns and very less capital is invested in plant. They produce short term employment.²

Modern SSI

Power operated looms; Industries making spare parts of machines etc are included in modern SSI. These industries are often established in cities.

¹ Meier and Baldwin, Economic Development, Theory, History and Policy, p. 112 ff.
² Joshi, N.C., Cottage and Small Scale Industries in India, p. 218.
On this basis, the analytical discussion of the above classification can be enumerated that traditional small industries include khadi and handloom, village industries, handicrafts, sericulture, coir, etc. Modern small scale industries produce wide range of goods from comparatively simple items to sophisticated products such as television sets; electronics control system, various engineering products, particularly as ancillaries to the large industries. The traditional small industries are highly labour intensive, while the modern small scale units make use of highly sophisticated machinery and equipment. For instance, during 1979-80 traditional small industries accounted for only 12 percent of the total output but their share in total employment was 56%. In that year, total output of traditional small industries came to be Rs. 4,420 crores and this output produced with the employment of 133 lakh workers, the average output of labour in traditional small industries was roughly Rs. 3,323.

As against this, the share of modern small industries in the total output of this sector was 74% in 1979-80 but their share in employment was only 33%. Obviously these industrial units would be having higher labour productivity. For instance, in 1979-80, a total output of Rs. 24,885 crores was produced by 78 lakh workers in modern small scale industries - the average product of labour being Rs. 31,9004.¹

One special characteristic of traditional village industries is that they can not provide full time employment to workers, but instead can provide only subsidiary or part-time employment to

¹ Joshi, N.C., Cottage and Small Scale Industries in India, p. 218.
agricultural, labourers and artisans. Among traditional village industries, handicrafts possess the highest labour productivity; besides handicrafts make a significant contribution in carrying foreign exchange for the country. Under these circumstances, active encouragement of handicraft is a must. On the other hand, traditional village and small industries are largely carried on by labourers and artisans living below the poverty line, while modern small industries can provide a good source of livelihood. Hence, if with an expansion of employment, the number of persons living below the poverty line has also to be reduced, then a rapid and much larger expansion of the modern small sector will have to be planned.

**Components of Small Scale Industries:**

(a) **Small Scale Industries:**

An industrial undertaking is defined as a small scale unit if the investment in fixed assets in plant and machinery does not exceed Rs. 10 million. The SS units can get registered with the Directorate of Industries/District centre in the State Government concerned.

(b) **An Ancillary Industrial Undertaking:**

An industrial undertaking which is engaged or is proposed to be engaged in the manufacture or production of parts, components, sub-assemblies, tooling on intermediates, or rendering of services is termed as ancillary undertaking. The ancillary undertaking has to supply or render or propose to supply or render not less than 50% of its production or services, as the case may be, to one or more other industrial undertaking. The
investment in plant and machinery held on ownership terms or on lease or on hire purchase should not exceed Rs. 10 million.

(c) **Tiny Enterprises:**

A unit is regarded as tiny enterprise where investment in plant and machinery does not exceed Rs. 2.5 million, irrespective of the location of the unit.

**Definitions of Small Scale Industries:**

**Definition by Committee on Credit to Small Scale Industries:**

The definition of small scale industry is linked to the question of ownership. Small scale industrial units cannot be controlled or owned or be a subsidiary of any other industrial undertaking on the basis of above observation, it is implied that in proprietary/partnership firms, the combined investment of all the units set up by the same proprietor/partners should not exceed the total investment limit fixed for a small scale industry. As regards the formation of a small scale industry is as a limited company. The equity investment by other companies in small scale industries should not exceed 24%.¹

**Definition by Fiscal Commission:**

“A small scale industry is one which is operated mainly with hired laborers usually 10-50 hands.”²

**Definition by Planning Commission:**

“The small scale industries are mainly located in urban centers as separate establishments. In other words small scale

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² Fiscal Commission (1950).
industries produce goods with partially or wholly mechanized equipment employing outside labour.”

Definition by Industrial Development and Regulation Act (IDRA):

"On the basis of these definitions, IDRA 1951 exempted industrial, units for registration which are employing less than 50 workers with power and less than 100 workers without power."

Definition by Small Scale Industry Board (SSIB 1955):

“A unit employing less than 50 persons if using power and less than 100 persons without the use of power and with a capital investment not exceeding Rs 5 lakhs.”

Definition by Ministry of Commerce and Industry (MCI 1960):

“An industrial unit with a capital investment of not more than Rs 5 lakhs irrespective of the number of persons employed.”

Definition by Ministry of Commerce and Industry (MCI 1966):

“An undertaking having a capital investment in plant and machinery of not more than Rs 5 lakhs and Rs 10 lakhs in case of ancillary units.”

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1 Planning Commission of GOI (in first Five Year Plan)
2 IDRA, 1951
3 SSIB, 1955
4 MCI, 1960
1 Ibid 1966
Definition as given by Government of India:

(a) In 1975:

“An undertaking having a capital investment in plant and machinery of not more than Rs 10 lakhs and Rs 15 lakhs in case of ancillary units.”¹

(b) In 1980:

“An undertaking having a capital investment in plant and machinery of not more than Rs 20 lakhs and Rs 25 lakhs in case of ancillary units.”²

(c) In 1985:

“An undertaking having a capital investment in plant and machinery of not more than Rs 35 lakhs and not more than Rs 45 lakhs in case of ancillary units.”³

(d) In 1991:

“An undertaking having an investment in plant and machinery of not more than Rs 60 lakhs and not more than Rs 75 lakhs in case of ancillary units.”⁴

(e) In 1997:

“An undertaking having an investment in plant and machinery of not more than Rs 3 crores.”⁵

¹ Gov. of India, 1975
² Ibid, 1980
³ Ibid, 1985
⁴ Ibid, 1991
⁵ Ibid, 1997
In 2000:

“An undertaking having an investment in plant and machinery of not more than Rs 1 crores.”

It is evident from the above definition that there was upward revisions in the investment limit on plant and machinery in small scale sector from Rs. 5 lakhs to Rs. 3 crores over years but this limit has been reduced from Rs. 3 crore to Rs. 1 crore in the year 1999-2000.

Definition by Reserve Bank of India (RBI):

The Reserve Bank of India uses an expanded definition of small scale industry which includes:

(a) A small scale industrial undertakings which are engaged in the manufactures, processing or preservation of goods in which the investment in plant and machinery does not exceed Rs. 1 crore. These would inter-alia include units engaged in mining or quarrying, servicing and repairing of machinery.

(b) Tiny enterprises whose investment in plant and machinery does not exceed Rs. 25 lakhs.

(c) Power-loom.

(d) Traditional industries which require high workmanship and technique as also village and household industries producing common goods.

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1 Govt. of India, 2000
of consumption, pre-dominantly by using simple tools.

(e) The decentralized and informal sectors like handlooms, handicrafts, coir etc. and,

(f) The industry related service/business enterprises which are notified as such.

**Definition by Micro Small and Medium Enterprise Development (MSMED) Act-2006:**

Enactment of the 'Micro, Small and Medium Enterprises Development Act, 2006' aims to facilitate the promotion, development and enhance the competitiveness of micro small scale and medium enterprises. The Act came into force from 2\textsuperscript{nd} October 2006. The main features of the act are:

Manufacturing enterprises defined in terms of investment in Machinery and Equipment (excluding land and building) classified into (a) Micro enterprises - investment upto Rs. 25 lakhs, (b) Small enterprises - investment above Rs. 25 lakhs and upto 5 crore (c) Medium enterprises - investment above Rs. 5 crores and upto Rs. 10 crores.

Service enterprises defined in terms of their investment in equipments (excluding land and building) classified into (a) Micro enterprises - investment up to Rs. 10 lakhs (b) Small enterprises - investment above Rs. 10 lakhs and up to Rs. 2 crores and (c) Medium enterprises - investment above Rs. 2 crores and upto Rs. 5 crores.
From the definitions as discussed above it is very much clear that the basis of definition of SSI mainly depends on Scale of Business and Qualitative aspects.

**Definition of Small Scale Industry on the basis of**

<table>
<thead>
<tr>
<th>Scale of Business</th>
<th>Qualitative Aspects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Investment on plant and machinery (as defined by GOI)</td>
<td>Ownership of small business is in the hands of an individual or a few individuals (as defined by commission on Credit to SSI, 1998)</td>
</tr>
<tr>
<td>2. Employment generation (as defined by IDRA)</td>
<td>Management and control of SS firms is with the owner or owners (as defined by commission on Credit to SSI)</td>
</tr>
<tr>
<td>3. Investment and employment (as defined by SSIB)</td>
<td>SS business is normally carried on in a limited or local area (as defined by RBI)</td>
</tr>
<tr>
<td>4. Volume and or value of production (as defined by Planning Commission)</td>
<td></td>
</tr>
<tr>
<td>5. Volume and or value of sales (as defined by RBI)</td>
<td></td>
</tr>
</tbody>
</table>
Various definitions of small scale industries are discussed. The investment limits in these sectors kept on increasing till 1997 but decreased in year 2000 which is clearly shown in the exhibit 2.1.

**Exhibit 2.1**

**Investment Limit in Small Scale Industries**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Year</th>
<th>Particulars</th>
<th>Amount (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Prior to 1975</td>
<td>Plant &amp; Machinery Ancillary</td>
<td>7.5 lakhs, 10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Units</td>
<td>lakhs</td>
</tr>
<tr>
<td>2</td>
<td>1975</td>
<td>Plant &amp; Machinery Ancillary</td>
<td>10 lakhs, 15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Units</td>
<td>lakhs</td>
</tr>
<tr>
<td>3</td>
<td>1980 (Industrial</td>
<td>Plant &amp; Machinery Ancillary</td>
<td>20 lakhs, 25</td>
</tr>
<tr>
<td></td>
<td>statement)</td>
<td>Units</td>
<td>lakhs</td>
</tr>
<tr>
<td>4</td>
<td>1985 (in March)</td>
<td>Plant &amp; Machinery Ancillary</td>
<td>35 lakhs, 45</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Units</td>
<td>lakhs</td>
</tr>
<tr>
<td>5</td>
<td>1990 (May)</td>
<td>Plant &amp; Machinery Ancillary</td>
<td>60 lakhs, 75</td>
</tr>
<tr>
<td></td>
<td>(Industrial</td>
<td>Units</td>
<td>lakhs</td>
</tr>
<tr>
<td></td>
<td>statement)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>1997 (Feb.)</td>
<td>Plant &amp; Machinery Ancillary</td>
<td>3 crores, 3</td>
</tr>
<tr>
<td></td>
<td>(Industrial</td>
<td>Units</td>
<td>crores</td>
</tr>
<tr>
<td></td>
<td>statement)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>2000</td>
<td>Plant &amp; Machinery Ancillary</td>
<td>1 crore, 1</td>
</tr>
<tr>
<td></td>
<td>(Industrial</td>
<td>Units</td>
<td>crore</td>
</tr>
<tr>
<td></td>
<td>Statement)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Recent</td>
<td>Plant &amp; Machinery Ancillary</td>
<td>1 crore, 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Units</td>
<td>crore</td>
</tr>
</tbody>
</table>

Source: Self prepared on the basis of definition discussed earlier.
investment ceiling in plant and machinery from the year 1966 to 1997 by segregating the inflation component from the increase in current prices so as to calculate the effective enhancement in real terms.\(^1\) The upper investment ceilings in plant & machinery both from the small scale industrial and ancillary units at different points of time are presented in this table\(^2\).

As shown in Exhibit 2:1, another criterion for defining small scale industrial units relates to Fixed Capital Investment in Plant and Machinery. Prior to 1975, small scale and cottage industries sector covered industrial units having capital investment in fixed assets in plant and machinery upto Rs. 7.5 lakhs and in the case of ancillary units upto Rs. 10 lakhs. These limits have continuously been raised upwards. In 1975, these limits were raised to Rs. 10 lakhs for small scale industrial units and Rs. 15 lakhs for ancillary units. In Industrial policy statement of 1980, these limits were raised to Rs. 20 lakhs and Rs. 25 lakhs respectively. In March 1985, the government again raised the investment limit in plant and machinery for small scale industrial units from Rs. 20 lakhs to 35 lakhs and for ancillary units from 25 lakhs to Rs. 45 lakhs. In industrial policy statement of May 1990, these limits were raised for SSI units from Rs. 35 lakhs to Rs. 60 lakhs for ancillary units from Rs. 45 lakhs to Rs. 75 lakhs. For those small scale industrial units which will export 30% of their output by the third year of their statutory production will have an

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\(^1\) SIDBI, Report on SSI Sector, 2006, pg. 27.

\(^2\) Development Commissioner (Small Scale Industries), Ministry of Industry, Govt, of India, New Delhi.
incentive that their investment limit is further raised to Rs. 75 lakhs. According to the modified definition, an ancillary unit is one which sells not less than 50% of its manufacturing to one or more industrial units. In February 1997, on the recommendation of the Abid Hussain Committee, the investment limit in plant and machinery for small scale industrial units and ancillary units was raised to Rs. 3 crores.

Government of India in 2,000 reduced the investment limit from Rs. 3 crores to 1 crore. It is evident that there was upward revision in the investment limit on plant and machinery in small scale sector from Rs. 10 lakhs to 3 crores till year 1997. It was sudden unexpected downward revision by Government in the view of the opposition by large sector industries.

The investment limit of Rs. 1 crore has been enhanced to Rs. 5 crore in respect of certain specified items under hosiery hand tools, drugs and pharmaceuticals, stationery items and sport goods by the Government of India.¹

The small scale industrial sector² in India covers a wide spectrum of industries categorized under small, tiny and cottage segment ranging from small artisans, handicrafts units to modern production unit work significant investments. This sector has acquired a prominent place in the socio economic development of the country as it not only acts as a nursery for the development of entrepreneurial talent but also produces wide range of 7,500 products.

¹ United Bank of India, 2000, p. 128.
The term small scale industry evokes different meaning for different agencies. The planning commission, Government of India views the entire village and small industries (VSI) Sector as a part of the SSI sector. The National Sample Survey Organization (NSSO) under the Central Statistical Organization (CSO), Government of India, defines the entire industry sector in terms of organized and unorganized segments, as well as in terms of industrial enterprises run by households and non-households.

The Central Excise Department, on the other hand, distinguishes small scale industries on the basis of the annual turnover of the units (up to a maximum limit of Rs. 10 million). The Reserve Bank of India (RBI) adopts an expanded definition of small scale industries which includes traditional industries as well. The Industrial policy planners in the Small Scale Industry Board (SSIB) defines small scale industry on the basis of investment in plant and machinery (an upper limit of Rs. 10 million) and cover all those units which do not fall under the assistance programmes of any of the statutory board.

Growth in demand in the domestic market size due to overall economic growth increases export potential for Indian products. Growth in ancillary units is due to the increase in number of bonafide units coming up in the large-scale sector. Small industrial sector has performed exceedingly well and enabled our country to achieve a wide measure of industrial growth and diversification, in various fields like:

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(1) **Fashion Technology:**

Glamour and Limelight, Clothes, Dresses, Garments, Textile, Footwear, Various Leather Products, Jewellery, Travel Goods.

(2) **Information Technology:**

Media & Entertainment, Contents, Animation, Games.

(3) **Design Technology:**

Industrial Products, Textiles, Electrical appliances, White goods, Leather products, Engineering products, Machinery, Watches, Hospital equipments, Medical instruments.

**Indian Small and Medium Enterprise Sector - At a Glance**

**2005-06**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSI Units</td>
<td>12.3 Millions</td>
</tr>
<tr>
<td>Employment Generated in SSI</td>
<td>29.5 Millions</td>
</tr>
<tr>
<td>Production: At current Prices</td>
<td>Rs. 4762.01</td>
</tr>
<tr>
<td>Exports:</td>
<td>Rs. 1215.00</td>
</tr>
</tbody>
</table>

SSI account:

- Industrial Production: 40%
- Exports: 35%

(50% of Direct & Indirect)

- GDP Share: 7%

**Ownership pattern:**

- Proprietorships: 78%
- Partnerships: 16%
- Corporate & Others: 6%
- Industrial Units: 96%
- Service Enterprises: 3%
- Ancillary Units: 1%
- Produces Diverse range of products (more than 8000 consumer items, capital goods and intermediates)

[Source: Document of MSMED Act-2006]

Nature of Small Scale Industries:

Industrial units constitute small scale units, medium scale and large scale units. This type of categorization is generally based on the size, capital resource and the number of workers engaged upon.

Similarly village and cottage industries are an integral part of the small scale industrial sector. According to Planning Commission the village and small industries sector includes traditional sectors such as khadi, village industries, handlooms, sericulture, handicrafts, coir and the modern sector including power-looms.

Generally distinction is made between SSI and cottage industries on two different issues\(^1\)-

(1) SSI are mostly located in urban centers as separate unit but the cottage industries are normally associated with agriculture and provide subsidiary employment in rural areas.

\(^1\) Joshi, N.C., Cottage and Small Scale Industries in India, p. 39
SSIs produce goods with mechanized equipments partially or fully but the cottage industries involve activities mostly by hand and are performed primarily with the help of household workers.

The Fiscal commission also indicate the basis in 1950 for the distinction between the small scale and cottage industries in these words, “A cottage industry thus one which is carried on wholly or primarily with the help of member of the family either as a whole or a part time occupation. A small scale industry on the other hand is one which is operated mainly with hired labour usually 10 to 50 hands.”

Objectives of Small Scale Industries

The small scale sector can estimate economic activity and is entrusted with responsibility of realizing the following objectives:

1. To create immediate and permanent employment opportunities to public at a relatively small costs.
2. To meet a major part of the increased demand for consumer goods and simple producer goods.
3. To facilitate the mobilization and exploitation of resources this might otherwise remain inadequately utilized.
4. To bring about an integration of the development of these industries with rural economy and large scale industries.

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1 Fiscal Commission (1950)
To ensure a more equitable and justifiable distribution of national income to society at large.

To remove economic backwardness of rural and less developed regions of the economy.

To reduce regional disbalances.

To improve standard of living of people.

To solve unemployment problem

To attain self reliance.

To adopt latest technology aimed at producing better quality products at lower costs.

Characteristics of Small Scale Industry:

**Ownership:** Ownership of small scale unit is with one individual in sole proprietorship or it can be with a few individuals in partnership.

**Management and Control:** A small scale unit is normally a one man show and even in care of partnership the activities are mainly carried out by the active partner and the rest are generally sleeping partners. These units are managed in a personalized fashion. The owner is actively involved in all the decision concerning business.

**Gestation Period:** Gestation period is that period after which problems are over and return on investment starts. Gestation period of small scale unit is less as compared to large scale unit.

**Area of Operation:** The area of operation of small scale unit is
generally localized catering to the local or regional demand. The overall resources at the disposal of small scale units are limited and as a result of this, it is forced to confine its activities to the local level.

**Technology:** Small industries are fairly labour intensive with comparatively smaller capital investment than the larger units. Therefore these units are more suited for economies where capital is scarce and there is abundant supply of labour.

**Resources:** Small scale units use local or indigenous resources and as such can be located anywhere subject to the availability of these resources like labour and raw materials.

**Dispersal of units:** Small scale units use local resources and can be dispersed over a wide territory. The development of small scale units in rural and backward areas promotes more balanced regional development and can prevent the influx of job seekers from rural areas to cities.

**Flexibility:** Small scale units as compared to large scale units are more change susceptible and highly reactive and responsive to socio economic conditions. They are more flexible to adopt changes like new method of production, introduction of new products etc.

**Position and Goal of Small Scale Industry:**

Small scale industry occupies a prominent place in the economic development of Uttar Pradesh. Many facilities have been provided by the department for intact promotion of small scale units.

Under such facilities the training of industrial skills, priority
in sale price to these units by a government, development system and facility, export promotion, Prime Minister’s Employment Scheme, training programme for development of entrepreneurship and critical infrastructural balancing schemes are included in this regard. Small scale industries have been highly developed beyond expectation.

The small scale industrial sector plays a vital role in the growth of the country. It contributes almost 40% of the gross industrial value added to the Indian economy. It has been estimated that a million of investment in fixed assets in the small scale sector produces 4.62 million worth of goods or services with an approximate value addition of ten percentage points.

The small scale sector has grown rapidly over the years. The growth rates during the various plan periods have been impressive. The number of small-scale units has increased from an estimated 0.87 million units in the year 1980-81 to over 3 million in the year 2000.

When the performance of this sector is viewed against the growth in the manufacturing and the industry sector as a whole, it instills confidence in the resilience of the small scale sector.

Despite the global and domestic recession, small scale industries registered a higher growth rate than the overall industrial sector growth rate as shown in exhibit 2.2.

As indicated, in exhibit 2.2 we find that the overall growth of small scale sector is higher than the total industrial sector growth except in year 1995-96. During this year the growth rate of SSI sector has although highest with 11.49% but total industrial growth
was greater with 13.00%.

**Exhibit 2:2**

**Overall performance of SSI sector**

<table>
<thead>
<tr>
<th>Year</th>
<th>SSI Sector Growth Rate (in %)</th>
<th>Total Industrial Sector Growth Rate (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994-95</td>
<td>10.44</td>
<td>9.10</td>
</tr>
<tr>
<td>1995-96</td>
<td>11.49</td>
<td>13.00</td>
</tr>
<tr>
<td>1996-97</td>
<td>1.29</td>
<td>6.10</td>
</tr>
<tr>
<td>1997-98</td>
<td>9.19</td>
<td>6.70</td>
</tr>
<tr>
<td>1998-99</td>
<td>7.84</td>
<td>4.10</td>
</tr>
<tr>
<td>1999-00</td>
<td>7.09</td>
<td>6.70</td>
</tr>
<tr>
<td>2000-01</td>
<td>8.04</td>
<td>5.00</td>
</tr>
<tr>
<td>2001-02</td>
<td>6.06</td>
<td>2.70</td>
</tr>
<tr>
<td>2002-03</td>
<td>7.68</td>
<td>5.70</td>
</tr>
<tr>
<td>2003-04</td>
<td>8.06</td>
<td>6.09</td>
</tr>
<tr>
<td>2004-05</td>
<td>9.96</td>
<td>8.04</td>
</tr>
<tr>
<td>2005-06</td>
<td>10.50</td>
<td>9.44</td>
</tr>
<tr>
<td>2006-07</td>
<td>11.28</td>
<td>10.04</td>
</tr>
</tbody>
</table>

Source: Development Commissioner (Small Scale Industries)


The growth rate in both the sectors kept on fluctuating till year 2000-01 due to global and domestic recession. From year 2001-02 it shows a rising trend in both the sector which is further explained through a graph.

In Ninth Plan preference was given to small scale industries to accelerate the rate of growth of rural area. It helped in development of employment opportunities and removal of poverty. Therefore the Integrated Infrastructure Development Centres of Eighth Plan was continued in Ninth Plan also. In this plan technique development and transfer and revival of technique was promoted by financial institutions. For the development of small scale industries, Government started various policies, e.g., permitting the large and medium scale industries in participation of 24% of small scale industrial units. And government also simplified the labour law related to small scale industrial units. The position of small scale industries in 9th Plan is shown in exhibit 2.3:

The data as shown in exhibit 2.3 provides information about the achievement of 9th Five Year Plan (1996-97 to 2001-2002). There is constant increase in production of coconut, jute, power loom clothes, raw silk, handicraft, handloom clothes and raw woods. Though, employment level not reached to the expected level. It may be due to adoption of modern techniques by these units. The importance of all these small scale units accelerated during the 9th Five Year Plan.
Exhibit 2.3

Achievement of 9th Plan

<table>
<thead>
<tr>
<th>Industry</th>
<th>Production</th>
<th>Employment</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1996-97</td>
<td>2001-02</td>
<td>1996-97</td>
</tr>
<tr>
<td>SSI (In Rs. Crores)</td>
<td>412636</td>
<td>690522</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>39249</td>
</tr>
<tr>
<td>Coconut Jute (000 ton)</td>
<td>271</td>
<td>375</td>
<td>5.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>208</td>
</tr>
<tr>
<td>Powerloom Clothes (mtr. sq. Mtr.)</td>
<td>19352</td>
<td>25273</td>
<td>70.79</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>8418</td>
</tr>
<tr>
<td>Raw silk (Met. Ton)</td>
<td>14126</td>
<td>18395</td>
<td>5961</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>880</td>
</tr>
<tr>
<td>Handicraft (Crores Rs.)</td>
<td>10411</td>
<td>18677</td>
<td>70.82</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5828.62</td>
</tr>
<tr>
<td>Handloom Clothes (mtr. sq. Mtr.)</td>
<td>7235</td>
<td>7579</td>
<td>124</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1622</td>
</tr>
<tr>
<td>Raw wool (Million Kg)</td>
<td>49</td>
<td>47</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>


Small Scale Industries in Tenth Plan (2002-07)

In Tenth Five Year Plan (2002-07) importance was given to unorganized small scale sectors to increase production employment generation and acceleration of export. The small scale industries were provided financial help from banks and other financial institutions in order to promote modernization,
development of techniques, providing various rehabilitation facilities, increasing ability to work and help in marketing was included. For the year 2006-07 the aim kept was.

Production- 14.2 lakh
Import - 1,52,250 crores Rs.
Employment generation- 54.3 million.

Exhibit 2.4
Achievement of 10th Plan

<table>
<thead>
<tr>
<th>Industry</th>
<th>Production</th>
<th>Employment</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2002-03</td>
<td>2006-07</td>
<td>2002-03</td>
</tr>
<tr>
<td>SSI (In Rs. Crores)</td>
<td>624363</td>
<td>1401939</td>
<td>201</td>
</tr>
<tr>
<td>Coconut Jute (000 ton)</td>
<td>390</td>
<td>435</td>
<td>5.6</td>
</tr>
<tr>
<td>Powerloom Clothes (mtr. sq. Mtr.)</td>
<td>7875</td>
<td>10000</td>
<td>120</td>
</tr>
<tr>
<td>Raw silk (Met. Ton)</td>
<td>24360</td>
<td>132821</td>
<td>42.5</td>
</tr>
<tr>
<td>Handicraft (Crores Rs.)</td>
<td>21900</td>
<td>26450</td>
<td>58.2</td>
</tr>
<tr>
<td>Handloom Clothes (mtr. sq. Mtr.)7579</td>
<td>22765</td>
<td>47204</td>
<td>60.10</td>
</tr>
<tr>
<td>Raw wool (Million Kg)</td>
<td>47.5</td>
<td>49</td>
<td>5</td>
</tr>
</tbody>
</table>

Achievement of 10th Five Year Plan (Exhibit 2.4) shows marvelous increase in production, employment as well as importance in all the sector of small scale industries.

**Present Position:**

Present position of small scale industrial production, employment, export and number of small scale industry is illustrated through exhibit 2.5.

**Exhibit 2.5**

**Present Position of Small Scale Industries**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Units (in lakhs as on 31st Dec.)</th>
<th>Production of current price (in Rs. Crore)</th>
<th>Employment (in lakhs)</th>
<th>Export (in Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>101.10</td>
<td>261289</td>
<td>239.00</td>
<td>69797</td>
</tr>
<tr>
<td>2003-04</td>
<td>115.22</td>
<td>348059</td>
<td>273.97</td>
<td>-</td>
</tr>
<tr>
<td>2006-07</td>
<td>120.32</td>
<td>476805</td>
<td>298.92</td>
<td>-</td>
</tr>
</tbody>
</table>


Small scale industry is playing an important role in economy by performing various functions job creation, export acceleration, industrial production and household production. According to calculation of “Akhil Bhartiya Garhara” at the end of year 2004 the number of units in 2003-04 was 115.22 lakh which produced 3,48,059 crore. During this year the total employment was given to 273.97 lakh people. At present 675 seats are reserved for small scale industries.
Till 31st December, 2007, 298.92 lakhs of people were employed with production of Rs. 47685 Crore with the establishment of 120.32 lakhs of small scale units in India.

The main highlights of the Third Census of Small Scale Industries are represented as follows:

The fact figure regarding registered SSI Sector in indicated herewith-

- All the SSI units permanently registered up to 31-3-2001 numbering 23,05,725 were surveyed on complete enumeration basis, out of which 14,37,704 units (62.35%) were found to be working and 8,68,021 units (31.65%) were found to be closed.

- Of the 7,50,102 working units for which Validated Data is available, 4,92,804 were SSIs and 2,57,298 were SSSBEs. Thus, the proportion of SSIs is 65.7%. About 4.5% of the SSI units were Ancillary Units. The proportion of the units operating in rural Areas was 45.8%.

- In terms of 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 (61.2%), Uttar Pradesh (13.4%), Kerala (8.4%), Madhya Pradesh (7.4%) and Maharashtra (7.1%) had a combined share of 52.5%.
• 90% of the units were proprietary units and about 6% of the units were partnership units.

• The per unit employment was 4.6. The employment per rupees one lakh of investment in fixed assets was 0.65.

• About 11.08% of the units were women enterprises and 51.45% of the units were managed by the entrepreneurs from socially backward classes.

• 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 employment generation was 0.37.

• Compared to 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 gone down considerably from 96% to 66%. This is mainly due to the increase in the number of units engaged in Services. The per unit employment has gone down from 6.29 to 4.6. The per unit fixed investment has gone up from Rs. 1.60 lakhs to Rs. 7.11 lakhs. This could be due to technological upgradation.

In the same way unregistered SSI Sector is described herewith-

• The Sector was surveyed using two - stage stratified sampling design. Out of the 9,94,357 villages and urban blocks, 19754 villages and urban blocks were surveyed to identify
the units of Unregistered SSI Sector. Out of these selected villages and urban blocks, Validated Data is available in respect of 18,205 only in which 3,69,606 unregistered SSI units were listed. About 1.77 lakh units were actually surveyed out of which validated data is available in respect of 96,431 units. The estimates of various components of the Unregistered SSI Sector would be furnished after completion of the validation process.

- Out of the 96,431 unregistered units, only 36% were SSIs and the rest were SSSBEs.
- The reasons for Non-registration were elicited in the Third Census. Interestingly, 52.3% of the units informed that they were not aware of the provisions for Registration, while 40.6% of the units indicated that they were not interested.
- About 49.8% of the units were engaged in Services while 33.6% were engaged in manufacturing and the rest 16.6% in repair/maintenance.
- 97.2% of the units were proprietary units and about 1.25% of units were being run on partnership basis.
- The average employment was 2.11 and the employment generated per rupees one lakh of fixed investment was 1.71.
- About 10.66% of the units were women enterprises and 55.62% of the units were managed by the entrepreneur from socially backward classes.
Significance of Small Scale Industries:

India is a developing economy so SSI plays a crucial role in the progress of the country. SSIs have got a significant place in Indian economy. The socio-economic development of India depends upon the development of SSI. In fact, they are foundations of Indian economy. Socio-economic factors affecting small scale industries came to be noticed during industrial revolution with motion on entrepreneurial importance gaining favor by mid of twentieth century. These industries by and large represent a stage in economic transition from traditional segments to modern segments. The traditional nature of this process is reflected in the diversity of these industries.

Small scale Industrial sector is contributing a lot towards generation of employment, increasing overall production and exports. "They provide immediate large scale employment", they offer a method of ensuring a more equitable distribution of the N.I. and they facilitate an effective mobilization of resources of capital and skill which might otherwise remain unutilized"\(^1\)

India was the first amongst the developing countries to have assigned a significant role to SSIs right from the First Five Year Plan itself. The second Five Year Plan while recognizing the importance of SSI states the following five points-

1. Generation of employment opportunities.
2. An equitable distribution of N.I.
3. Mobilization of entrepreneurial skills.
5. Regional dispersal of industries.\(^2\)

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\(^1\) Indian Policy Resolution, 1956.
\(^2\) Second Five Year Plan.(1956-57 to 1960-61), Planning Commission, Govt, of India.
The SS Sector has attracted so much attention not only from industrial planners and economists but also from sociologists, administrators and politicians. The small scale sector in India has particularly emerged as a vibrant and dynamic segment of the economy. It is evident from the above points small scale enterprises play an important role in employment generation, resource mobilization and utilization, income generation and in helping to promote change in a graduals and phase manner. They integrate a continuing element in the scheme of national planning. Small scale and cottage industries are the important constituents of our economy which can never be ignored. They are a strategic part of the Indian economy as well as a progressive and effective decentralized sector which is closely related with agriculture and medium and large scale industries.

The whole scheme of a socialistic pattern of society with employment for all rests on the decentralization and wide distribution of economic activity, entrepreneurship and economic advantages. The basic social philosophy underlying Indian Planning is that to develop medium and large scale sector only to take advantages of modern technology. Over the rest of the field SSIs will be encouraged to play their active role. If there is change in scale, that has to be developed with the help of mutual cooperation, both horizontal and vertical.

It may be emphasized that Indian occupies a distinct position amongst developing countries specifically in the area of development of SSI. India has a vast reservoir of scientific and technical manpower and occupies third position in the world as far
as technical manpower is concerned. It has already emerged as a leading player in the development of software technology.

For the first time, the SSI sector received a specific focus towards growth and development in industrial policy measures announced on August 6, 1991. These policy measures for the SSI sector have given considerable focus and attention towards modernization technology upgradation, quality and human resource development. The SSI has recorded a significant rate of growth since independence in spite of stiff competition from the large sector and not very encouraging support from the government. This would be clear from the following -

**Growth:**

The importance of small scale industries can be very well evaluated by considering its growth structure. The SSI have shown tremendous growth in their number, production employment and exports over the last ten years as shown in exhibit 1.1 in first chapter, page 5.

During the last decade alone the SSS has progressed from the production of simple consumer goods to the manufacture of many sophisticated products like TV sets, microwave components, electro medical equipment etc. Other than this, SSIs have been engaged in the production of goods like wood products, hosiery and garments, cotton textiles, beverages and tobacco products, food products, jute, textiles, leather and leather products, transport equipments etc. These industries produce 7,500 commodities.
There is a close connection between rate of population growth and economic development. Population growth is at once a stimulant as well as in impediment to rapid economic growth on economic development. The rapid growth of population neutralizes all measures to reduce the incidence of poverty. This indicated the adverse effect.

**Employment Generation:**

In India, a very big number of people are unemployed. SSI employs labour intensive technology and hence generates more employment opportunities. A basic problem that is confronting the country is the increasing massive employment opportunities. SSI generates opportunities for self employment of technically qualified persons, artisans and professionals. A given amount of capital invested in a SSI provides more employment than the same amount of capital invested in large scale industry.

In a country like India confronted with twin problems of unemployment and under employment, it is only the SSI which can solve these problems. SSI can be located anywhere and hence it can provide employment to workers from their homes, more work for underemployed and additional work for the farmers when they are idle.

Small scale sector provides numerous opportunities for self employment also so it is more suited for our country facing with the

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2 Desai, Vasant, Problems and Prospects of Small Scale Industries in India, p. 189
major problem of unemployment. A self-employed entrepreneur is the master of his own show and he thus gets opportunity for doing something new and different. He instead of seeking job for himself creates personal interest and successful accomplishment of the task generates job satisfaction and sense of attachment.

Karve Committee stated, "The principle of self employment is at least as important to a successful democracy as that of self government."\(^1\) The argument is based on the assumption that small enterprises are labour intensive and this creates more employment per unit of capital employed.

SSI sector in India creates largest employment opportunities for the Indian peoples, next only to Agriculture. It has been estimated that 1,00,000 rupees of investment in fixed assets in the small scale sector generates employment for four persons as shown in exhibit 2.6

This table shows the performance of Micro and Small Enterprises from 2002-08. During last five years, the SSI recorded a significant growth in terms of employment. The employment provided in small scale industrial sector in 2003 was 263.49 lakhs which increased to 322.28 lakhs in 2008. The growth rate percentage also increased from 8.68% (in year 2003) to 13% (in year 2008). This is further illustrated by graph.

\(^1\) Karve Committee.
## EXHIBIT 2:6
Performance of Micro & Small Enterprises

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Enterprises (Lakh Nos.)</th>
<th>Empl. (Lakh Person)</th>
<th>Production (Rs. Crs. at Current Prices)</th>
<th>Growth Rate (%)</th>
<th>Shar in GDP (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Registered</td>
<td>Unregistered</td>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002-03</td>
<td>15.91</td>
<td>93.58</td>
<td>109.49</td>
<td>263.49</td>
<td>314850</td>
</tr>
<tr>
<td>2003-04</td>
<td>16.97</td>
<td>96.98</td>
<td>113.95</td>
<td>275.30</td>
<td>364547</td>
</tr>
<tr>
<td>2004-05</td>
<td>17.53</td>
<td>101.06</td>
<td>118.59</td>
<td>287.55</td>
<td>429796</td>
</tr>
<tr>
<td>2005-06</td>
<td>18.71</td>
<td>104.71</td>
<td>123.42</td>
<td>299.85</td>
<td>497842</td>
</tr>
<tr>
<td>2006-07</td>
<td>20.98</td>
<td>107.46</td>
<td>128.44</td>
<td>312.52</td>
<td>587196</td>
</tr>
<tr>
<td>2007-08</td>
<td>24.68</td>
<td>108.99</td>
<td>133.67</td>
<td>322.28</td>
<td>695126</td>
</tr>
</tbody>
</table>

Source:
Office of the Development Commission. MSME Cluster Development Programme (Statistics and Data Bank Division).
According to a World Bank Study, small and medium enterprises sponsor projects with appreciably higher proportion of unskilled workers i.e. 65%, than medium to large enterprises with about 50%. Creation of unskilled jobs certainly has a direct impact on alleviation of poverty which is greater for small and medium enterprises than for larger ones\(^1\).

It is true that the employment opportunities afforded in marketing will indeed be far greater than in manufacturing. In other words, the making of a product even in a small industry will be separate from the job of selling it, the latter being taken over by professional marketing man who will handle a group of products, explore new outlets and sell the product in the rural and semi urban areas.

On the reduction of goods demand in large scale industry there is a fear of heavy unemployment. But due to spread over of SSI in the entire country stability in employment is maintained.

**Export Acceleration**

Substantial increase in exports were observed in case of readymade garments, canned and processed fish, leather sandals and slippers, food products, hosiery and marine products. Various products like sports goods, processed tobacco and plastics originate from the SSS. This sector accounts for 92% of exports of marine products, 95% of readymade garment, 84% of woolen goods, 45% of cashew, kernels and cashew nuts and 60% of the

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\(^1\) World Bank study and its Report, 2007-08.
chemical items. It would surprise many to know that non-traditional products account for more than 95% of the SSI exports.

Small scale industrial sector plays a major role in India's present export performance. SSI Sector contributes 45% to 50% of the Indian Exports. Direct exports from the SSI Sector account for nearly 35% of total exports. Besides direct exports, it is estimated that small scale industrial units contribute around 15% to exports indirectly. This takes place through merchant exporters, trading houses and export houses. They may also be in the form of export orders from large units or the production of parts and components for use for finished exportable goods.

The exports from SSI sector have been clocking excellent growth rates in this decade. It has been mostly fuelled by the performance of garments, leather, gems and jewellery units from this sector.

The project groups where the SSI sector dominates in exports are sports goods, readymade garments, woolen garments and knitwear, plastic products, processed food and leather products.

The small scale industrial sector is reorienting its export strategy towards the new trade regime being ushered in by the WTO as shown in exhibit 2.7.
Exhibit 2.7
Share of SSI in Export

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports (Rs. Crore at current prices)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994-95</td>
<td>29068 (14.86)</td>
</tr>
<tr>
<td>1995-96</td>
<td>36740 (25.50)</td>
</tr>
<tr>
<td>1996-07</td>
<td>39249 (7.62)</td>
</tr>
<tr>
<td>1997-98</td>
<td>43946 (11.97)</td>
</tr>
<tr>
<td>1998-99</td>
<td>48979 (10.2)</td>
</tr>
<tr>
<td>1999-00</td>
<td>53975 (10.2)</td>
</tr>
<tr>
<td>2000-01</td>
<td>59,753 (10.7)</td>
</tr>
</tbody>
</table>


The above table shows share of small scale industries in exports (Rs. crore) at current prices year-wise from 1994-95 to 1999-2000. An increasing trend can be seen in the export made by small scale industrial units which increased to 59,753 crores in 2000-01 from Rs. 29,068 crores in 1994-95. When we compare the growth rate in Rs. crore at current price in 2000-01 which was 10.7% with previous year growth rate, we find it unsatisfactory and the exports should be increased. The increasing trend in export is further shown through a graph.
Regional dispersal of Industry

Decentralization is absolutely essential for the balanced development of Indian economy. There has been massive concentration of industries in states of Maharashtra, West Bengal, Gujarat, Tamil Nadu and Punjab. Even within these industrialized states, industries have tended to get concentrated in a few large cities like Bombay, Calcutta, Madras, and Ludhiana. People migrate from rural and semi urban areas to these highly developed centers of industrial development. The urban environment gets polluted due to various reasons.

The industrial development of India has been misplanned in the sense while the others are lagging far behind in industrial field. The need is to develop all regions simultaneously. Thus for economic development of small scale sector cottage industry is essential as it can be established in towns as well as in villages. Small scale industries satisfy local demand and can be dispersed over all the state very easily. They bring about a qualitative change in the economy of the state. Punjab has more SSI units (about 1.25 lakhs) than even industrially developed state of Maharashtra. The following benefits are available from SSI:

1. Reduction in regional imbalances
2. Best use of local resources and local expertise
3. Useful from the view point of national security
4. Solution of the problems of industrial cities etc.

Government has reserved some items for Small scale industrial sectors.
The list of reserved items are\textsuperscript{11}.

(a) Food and allied industries.
(b) Wood and wood products.
(c) Paper products.
(d) Plastic products.
(e) Chemical and chemical products.
(f) Natural essential oils.
(g) Organic chemicals, drugs and drug intermediates.
(h) Glass and ceramics.
(i) Mechanical engineering excluding transport equipments
(j) Electrical machines appliances and apparatus.
(k) Electronic equipments and components.
(l) Transport equipments, boats and truck bodybuilding.
(m) Auto parts components and ancillaries and garage equipments.
(n) Bicycle parts, tricycles and perambulators.
(o) Miscellaneous transport equipment
(p) Sports goods.
(q) Stationery items.

\textsuperscript{11} Government of India, 2005.
Provides Opportunities for development of technology:

Small scale industries provide ample opportunities for the development of technology and the technology in return creates an environment conducive to the development of SSIs. Technological inputs in the form of external services faculties are increasingly becoming more and more important to industries. Small industries have tremendous capacity to generate or absorb innovations. As discussed earlier, many of the important inventions of the century have come from independent inventors of the century and small business houses. These is every likelihood the cost of special incentives given to SSIs is low; the benefits generated are likely to be high.

The latest example of such technology based unit is the development of personal computer (PC) which was not developed by multinational but by young entrepreneur, Steve Jobs, who overnight created a billion dollar industry.

Appropriate for Indian Economy:

The lack of employment in other sector, except agriculture, has increased burden of population on agriculture. About 3/4 of the population in our country depends on agriculture. It is estimated that about 15% to 20% people are surplus in agriculture. Evidently, the burden of population on land has increased beyond measures. The revival and development of cottage and small scale industries will minimize this burden on land.

In India the latent resources are vast and plenty. These will be put to utilization in consequence of the development of SSI. As it is well said that "India is rich

1 Roofhwell and others, Industrialisation and Technology, P.31
inhabited by poors”. Small scale industries make use of latent resources of the country. By latent resources we mean hoarded wealth and local enterpriser ability. But for the development of SSIs, these resources would never have been lapped. This is indeed a great advanced which can ascribe to the economy from further development of small industries.

India is a poor country. The people here do not have so much money as they may undertake big enterprises. The SSI need less capital. Besides they do not need any specialized knowledge and training. The middle and poor class of people who are in abundant in our country cannot afford to purchase the costly goods manufactured by large scale industry. Their want can be fulfilled only by the cottage industries. It is temperamental characteristic of the Indian people that they like to do independent business which can only be made possible by SSI. These industries are suited to national genius and temperament. Thus, SSI benefits national genius and temperament of Indians.

Encouragement to Ancillary Industries:

After Independence many LSI like Iron and Steel, Heavy Electric Goods, Chemical Manure etc, have been set up and many other are being setup. But allied to these industries many items like nuts and bolts, steel plants, sewing machine and their parts, cycles and their parts, electronic items and parts etc, which are being produced by small industries. These and similar small industries can be further developed as industries ancillary to large industries, to help increase the pace of industrial development.

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12 Pathak, H.H; Problems of small scale enterprises; P.137
Equal Distribution of Economic Power:

India has opted for a socialistic pattern of society. So there should be equal distribution of income and wealth and absence of exploitation of man by man. The development of SSI will help to bring about a fairer distribution of income and wealth in the country. The SSI decentralizes the economic capital. As a large number of people get employment in these industries, so the distribution of national wealth is equalized.

SSI helps in the development of socialistic pattern of society by ensuring equitable distribution of income and wealth. This sector inculcates the spirit of entrepreneurship amongst people thereby providing them self employment in limited means. SSI thus, promotes the objective of social justice.

Production of Best Quality and Artistic Products:

The finished goods of SSI are of best quality. In SSI artisans get full opportunity to exhibit their expertise and art. In addition the taste of customers can also be satisfied.

Through SSI ancient art and traditional culture are maintained. Still today, the carpets and sarees of Banaras, Pots and Ivory goods of Moradabad are famous. SSI produces artistic goods for persons of taste and thereby preserve India's indigenous arts.

The handmade articles are more durable and artistic as compared to the mill made goods because the craftsmen try to put in their best art and skill in the goods produced by them. Hence SSI products will have their own markets without fear of competition from the mill made goods.

Thus, it is the small enterprise that not only creates new products and
services but also ideas and most importantly jobs. SSI play a crucial role in the rapid economic development of our country. SSIs include modern SSI and Traditional SSI. Traditional small scale industries are labour intensive while modern small scale units make use of machinery and equipments. SSI plays an important role in job creation, export acceleration, equitable distribution of economic power and balanced regional development which ultimately accelerates country's pride and prestige.

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