CHAPTER III

DEVELOPMENT OF SMALL SCALE INDUSTRIES IN INDIA

3.1 INTRODUCTION

Industries can be divided into three groups, viz.,

(i) large scale industrial units;
(ii) medium scale industrial units; and
(iii) small scale industrial units.

3.2 DEFINITION OF SMALL SCALE INDUSTRIES

Small scale industries have been defined in different ways at different times. The Industries (Development and Regulation) Act, 1951 amended in 1953 and 1957 adopted the criteria of the number of workers as 50 when using power and 100 when not using power in
demarcating large scale industrial units from small. 17

A Small Scale Unit was defined in 1955, as a unit employing less than 50 persons if using power, less than 100 persons without the use of power and with capital assets not exceeding Rs. 5 Lakhs. 18

The above definition was modified in 1960 and the small scale industries would include all industries with a capital investment of not exceeding Rs. 5 Lakhs irrespective of the number of persons employed.


The modified definition was again revised in 1966 which was as follows. The small scale industries will include all the units with a capital investment of not more than Rs. 7.5 Lakhs irrespective of the number of persons employed. Capital investment for this purpose means investment in plant and machinery alone.

In 1974, the definition was again revised as follows:

(i) Small scale industries are undertakings having investment in fixed assets in plant and machinery not exceeding Rs. 10 Lakhs.

(ii) Ancillary industries are undertakings having investment in plant and machinery not exceeding Rs. 15 Lakhs and engaged in

a. the manufacturing of parts, components, sub assemblies, toolings or intermediates

(or)
b. the rendering of services, and
supplying or rendering or proposing to supply
or render 50 per cent of their production or the
total services, as the case may be, to other
units for the production of other articles.

The Industrial Policy of 1977,
classified small scale industries into three
categories as follows:

a. Small scale units are those units
who have an investment of Rs. 10 Lakhs in plant
and machinery

b. The ancillary units are those who have
an investment of Rs. 15 Lakhs in plant and
machinery.

c. The tiny units are those who have a
capital investment of Rs. 1 Lakh in plant and
machinery and located in rural areas and small
towns with a population of less than 50000.
In the Industrial Policy 1980, the definition was again revised and a small scale unit must not have an investment of more than Rs. 20 Lakhs in plant and machinery and Rs. 25 Lakhs for ancillary units. The investment in plant and machinery is to be not more than Rs. 2 Lakhs to come under tiny sector.

The Union budget of 1985-86, has defined a small scale industry as a unit with an investment of Rs. 35 Lakhs in plant and machinery and ancillary units have to have an investment of Rs. 45 Lakhs and a tiny sector is to have an investment of Rs. 2 Lakhs.

On May 31, 1990, the government declared a few modifications in the previous industrial policy. Accordingly, the investment ceiling in plant and machinery have been enhanced from Rs. 35 Lakhs to Rs. 60 Lakhs for small scale industries and for ancillary units the ceiling has been raised from Rs. 45 Lakhs to
Rs. 75 Lakhs. The investment ceiling for tiny sector remains the same, i.e., Rs. 2 Lakhs.

In the new policy for small industries, announced on August 6, 1991, the investment limit in the small sector has not been changed except that the investment limit for tiny units has been raised to Rs. 5 Lakhs. 19

The need for the development of small scale, village and cottage industries has been the objective of the government, since independence. Although their importance was underlined in the Industrial Policy Resolutions of 1978.

This may appropriately be called as "Small Scale Industrial Policy, 1978". This is the first time that the government has laid greater stress on the small scale industries sector than on any other industrial sector of the economy.

This policy was presented to Parliament on 23rd December 1977. The essence of this policy is that the prosperity and distribution of income arising from a broad-based growth of agriculture and related activities in rural areas can be achieved only when the basic demand for a wide range of industries. Producing articles of mass consumption is adequately met.

The New Industrial Policy, announced on May 31, 1990, made a few modifications in the previous industrial policy. The main features of the new policy regarding small scale industries were as follows:
(i) Investment ceilings for small units and ancillary units were raised to Rs. 60 Lakhs and Rs. 75 Lakhs respectively.

(ii) The units which undertake to export at least 30 percent of the annual production by third year will be permitted to raise their investment limit up to Rs. 75 Lakhs.

(iii) Stress laid on small units upgradation.

3.4 NEW POLICY FOR SMALL INDUSTRIES, 1991

Closely following the heels of the new industrial policy, a joint package of policy measures for small, tiny, handloom and handicraft and village industries was announced on August 6, 1991. The main features of the new policy are as follows:20

(i) To allow equity participation by other industrial undertakings in the SSI, not exceeding 24 per cent of the total shareholding. This is being done to provide small units access to the capital market and to encourage modernisation, technical upgradation, ancillaryisation and sub-contracting.

(ii) To widen the scope of the National Equity Fund, to enlarge the Single Window Scheme and to associate commercial banks with the provision of composite loans.

(iii) To introduce a Limited Partnership Act to limit the financial liability of the new entrepreneurs to the capital invested.

(iv) To introduce factoring services. This would help solve the problems of delayed payments to small sector.
(v) To accord priority to the tiny sector in the government purchase programme.

(vi) Market promotion of small sector products to be undertaken by cooperatives, public sector institution and other professional agencies by adopting a consortium approach.

(vii) To accord priority to small and tiny sector in the allocation of indigenous raw materials.

(viii) To encourage complimentarity in production programmes of large, medium and small sectors.

(ix) To encourage and support industry associations to establish quality counselling and common testing facilities.

(x) To facilitate location of industries in rural and backward areas.
The Small Industry Development Organisation to be recognised as the nodal agency to support SSI in export promotion.

3.5 THE NEW INDUSTRIAL POLICY OF GOVERNMENT OF TAMILNADU, 1992.

The Government of Tamil Nadu stands committed to ensuring that Tamil Nadu forges ahead among the industrialised States in India. The Chief Minister of Tamilnadu has had a free and frank dialogue with industrialists and entrepreneurs on Tamil Nadu's industrial growth prospects. As a result of these wide ranging discussions, the Government of Tamil Nadu announced the New Industrial Policy on 20th January, 1992. The salient features of this policy regarding small scale sector are as follows:

(i) The Government firmly believes that rapid industrialisation is possible only through a successful policy relating to small scale industries.

(ii) The State Capital subsidy for small scale industries will hereafter be released on a stage-by-stage basis without waiting for full completion, even as the work on the new units is in progress. This will help bring down the capital cost for the entrepreneur.

(iii) A monitoring system will be instituted to ensure that State Public Sector Undertakings/Statutory Boards pay for supplies made by small scale industries promptly and in any case not later than 30 days from the date of receipt of materials.

(iv) Tamil Nadu Industrial Investment Corporation (TIIC) will constitute a Venture Capital Fund to promote new technologies.
(v) A Technology Development Fund (TDF) will be constituted to enable small scale industries to acquire new knowledge and modernise their units.

(vi) The problem of sickness in small scale industries is serious and has to be tackled. A Special Empowered Committee with full powers headed by the Secretary for Industries will be given powers to take quick decisions on rehabilitation plans for small scale industries.

3.6 FIVE YEAR PLANS AND SMALL SCALE INDUSTRIES

The amount earmarked exclusively for the promotion of small scale sector has been steadily increasing with every successive five year plan. It is evident from Table : 5. During the First Five Year Plan (1951-56) the total outlay on small scale industries programmes was Rs. 5.2 Crores, which has been
### TABLE 4

PLAN OUTLAYS ON SMALL SCALE INDUSTRIES PROGRAMMES

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Plan/Period</th>
<th>Outlays (Rs.in Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>I Plan (1951-1956)</td>
<td>5.20</td>
</tr>
<tr>
<td>2.</td>
<td>II Plan (1956-1961)</td>
<td>56.00</td>
</tr>
<tr>
<td>3.</td>
<td>III Plan (1961-1966)</td>
<td>113.06</td>
</tr>
<tr>
<td>4.</td>
<td>IV Plan (1969-1974)</td>
<td>96.19</td>
</tr>
<tr>
<td>5.</td>
<td>V Plan (1974-1979)</td>
<td>221.74</td>
</tr>
<tr>
<td>6.</td>
<td>VI Plan (1980-1985)</td>
<td>616.10</td>
</tr>
<tr>
<td>7.</td>
<td>VII Plan (1985-1990)</td>
<td>1120.51</td>
</tr>
<tr>
<td>6.</td>
<td>VIII Plan (1992-1997)</td>
<td>1709.00 (PROPOSED)</td>
</tr>
</tbody>
</table>

increased to Rs. 56 Crores in II Plan (1956-61); Rs. 113 Crores in III Plan (1961-66); Rs. 196.19 Crores in IV Plan (1969-74); Rs. 221.74 Crores in V Plan (1974-79); Rs. 616.10 Crores in VI Plan (1980-85) and Rs. 1120.51 Crores in VII Plan (1985-90)\(^22\). The VIII plan’s proposed outlay is Rs. 1709 Crores\(^23\).

In the eighth-plan, the shift in emphasis from subsidised or cheap credit on a normative basis and the quality of its delivery would facilitate viable operations of the small scale sector. A scheme known as Integrated Infrastructural Development, is to be implemented in 187 identified backward areas at a cost of Rs. 5 Crore each. State Governments would provide Rs. 3.5 Crore and the union Government Rs. 1.5 crore for each of the mini

Small Scale Industries in India, P. 125.
growth centres. In 1992, the Government proposed to set up 20 such centres and it was expected to set up similar centres in all the 187 backward areas by the end of the Eighth plan.  

3.7 ORGANISATIONAL STRUCTURE OF SMALL SCALE INDUSTRIES

The organisational structure of small scale industry differs from that of other business organisations. Its outstanding feature is the personal character of the organisation and management. Small scale units can be in the form of sole proprietorship concerns, partnership concerns, co-operatives and limited concerns. Sole proprietorship form of organisation is quite popular in the small scale industry. Nearly 61 percent of the small scale industries are proprietary concerns. About 21

24. Ibid.
percent of the small scale industries in India are partnership concerns. Of which 7 percent is family partnership and 14 percent is non-family partnership. In India, only 3 percent of the units are in the form of joint stock companies. Due to complicated and cumbersome legal procedures, heavy taxation and the possibility of unscrupulous promoters, the joint stock company system has not made any headway in the small-scale industries sector. Only 0.7 percent of small units are organised as co-operative societies. These are mainly in such industries as wooden furniture and fixtures, utensils, agricultural hand tools and implements, printing and washing soaps.

3.8 ROLE OF SMALL SCALE INDUSTRIES IN INDIAN ECONOMY

India has a fairly developed structure of small industries till the 19th Century. These industries had reached a high-water-mark of excellence. The emergence of the British Rule and the spread of Industrial Revolution dealt a death—knell to these industries. Since independence, cottage and small industries have been sought to be promoted and encouraged in the Indian economy. The small scale industrial sector has emerged as a dynamic and vibrant sector of the economy during the eighties. We can assess the role and the contribution of the small sector in the Indian economy on the basis of its growth. Growth in the small scale industries as shown in Table 5 can be measured with reference to the following:

i. Number of units
ii. Production
iii. Employment
iv. Capital invested and
v. Exports
<table>
<thead>
<tr>
<th>S.No</th>
<th>Year</th>
<th>No. of Units (Lakhs)</th>
<th>Employment (Lakhs)</th>
<th>Production (Rs. in crores)</th>
<th>Exports (Rs. in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1982-83</td>
<td>10.55</td>
<td>79.00</td>
<td>35,000</td>
<td>2094</td>
</tr>
<tr>
<td>2</td>
<td>1983-84</td>
<td>11.50</td>
<td>84.15</td>
<td>41,620</td>
<td>2350</td>
</tr>
<tr>
<td>3</td>
<td>1984-85</td>
<td>12.80</td>
<td>90.00</td>
<td>50,520</td>
<td>2553</td>
</tr>
<tr>
<td>4</td>
<td>1985-86</td>
<td>13.56</td>
<td>96.00</td>
<td>61,228</td>
<td>2769</td>
</tr>
<tr>
<td>5</td>
<td>1986-87</td>
<td>14.76</td>
<td>101.40</td>
<td>72,250</td>
<td>3648</td>
</tr>
<tr>
<td>6</td>
<td>1987-88</td>
<td>15.92</td>
<td>107.00</td>
<td>85,700</td>
<td>4535</td>
</tr>
<tr>
<td>7</td>
<td>1988-89</td>
<td>17.01</td>
<td>113.00</td>
<td>1,06,875</td>
<td>N.A.</td>
</tr>
<tr>
<td>8</td>
<td>1989-90</td>
<td>18.06</td>
<td>119.40</td>
<td>1,21,002</td>
<td>6321</td>
</tr>
<tr>
<td>9</td>
<td>1990-91</td>
<td>19.48</td>
<td>125.30</td>
<td>1,55,340</td>
<td>6846</td>
</tr>
<tr>
<td>10</td>
<td>1991-92</td>
<td>20.80</td>
<td>128.80</td>
<td>1,78,700</td>
<td>7062</td>
</tr>
</tbody>
</table>

N.A-Not Available

SOURCE: Ministry of Industries, Govt. of India
3.8.1 Number Of Units

Industrial units in the small sector can be classified into two parts,
(a) those registered with the Small Industries Development Organisation, known as the registered units, and
(b) those not registered, known as unregistered units. While the data are available about the registered units, no such data are available regarding the unregistered units. Subject to the above limitation of the data base, it may still be contended that the growth of the small scale industry has been spectacular.

During the period 1961-71, the total number of registered units increased from about 0.36 Lakh to about 2.82 Lakh i.e., an increase of about eight times. During the following period their number increased to over 15.92 Lakh in 1987-88 at the compound rate of 15.7 percent.
per annum. The number of small scale units stood at 19.48 Lakh in 1990-91. It has increased to 20.80 Lakh during 1991-92, recorded an increase of 6.8 percent.

3.8.2 Production

With the growth in the number of small scale units, production in the sector has also increased substantially. The gross output in the sector was valued at Rs. 1246.5 Crores in 1961. It multiplied by three and a half times during the decade 1961-71 to reach the value of Rs. 4860 Crores in 1971 and further by over fifteen times to reach the gross value of about Rs. 85700 Crores in 1987-88, out of which the registered units accounted for about 55 percent of the total output. The increase in production is markedly significant in industries producing foot wear, transport equipment, basic metal products, paper products and rubber products. At the end of the Seventh Plan period, it accounted
for nearly 35 percent of the gross value of output in the manufacturing sector.

The value of output of this sector during 1991-92 stood at Rs. 1,78,700 crore at current prices. This shows about 15 percent increase over the output of Rs. 1,55,340 crore in 1990-91. Production in this sector is expected to reach Rs. 2,33,436 Crores in 1996-97.

3.8.3 Employment

Growth in the small scale sector is also reflected in the growth in employment provided by these industries. Whereas in 1961, this sector provided employment to 21.59 lakh

27. Laghu Udyog Samachar, July 92, P.6
persons, the number increases to 36.70 lakh in 1987-88 i.e., the small sector has been generating on average an additional employment of the order of about 2 lakh annually. At the end of Seventh Plan period, it provided employment opportunities to around 12 million people by 1996-97. The estimated employment in the small scale sector has increased from 125.3 lakh in 1990-91 to 128.8 Lakh in 1991-92, registering an increase of about 3 percent.

3.8.4 Capital Investment

Investment in fixed capital in small scale industries increased from Rs.2233 crores in 1972 to over Rs.10,000 crores in 1988, indicating an annual increase of about 12 percent investments in the registered units averaged about 12.7 percent annually, whereas that in the unregistered units it was lower at 11.14


73
percent. The fixed capital investment of registered units rose to Rs.15121 crores in 1990 and Rs.16037 Crores in 1992.

3.8.5 Exports.

Though overall exports of small scale sector were extremely limited before the seventies, yet they have, in recent years, gradually increased pushing up the share of small scale units in total exports. The total value of exports in 1970-71 was 11 percent. Total estimated exports of small scale industrial sector which was at Rs.1643 crores in 1980-81 has increased to Rs.4535 crores in 1987-88. At the end of the Seventh Plan period, total value of exports was 40 percent. By the end of the current plan period (VIII Plan) it is estimated to have a share of 50 percent. Exports from the sector were to be increased by Rs.7543 crores in the Eighth plan. The Government continued to accord high priority for
encouraging exports from small scale industrial
sector and provided financial support and other
assistance to these exporters under various
schemes.

3.9 SMALL SCALE INDUSTRIES IN TAMIL NADU

Tamil Nadu is one among the
industrially advanced states in the country.
District Industries Centres play a significant
role for the development of small scale
industries. It is the expectation of the Tamil
Nadu Government that the small industries sector
should be used to its full potential to achieve
the State's objectives of dispersed development
and employment generation. The state policy on
industrial development lays special emphasis on
the development of the small scale sector on
the strength of the inherent merits it has —
low capital intensity, short gestation period,
high employment generating potential, capability
to induce dispersal of industrial activity,
widening the entrepreneurial base, etc. Plan
efforts in recent times have been playing particular attention to the upgradation of technology for adoption in the small scale sector.

The number of small scale industrial units to whom the permanent registration certificates granted by the Directorate of Industries stood at 46,378 at the end of March 1983. It increased to 80,123 at the end of March 1987, registering about 78 per cent increase over a period of four years. Between 1987-88 and 1988-89, the number of registered units rose to 91,397 and 1,02,224 respectively, a 11.8 percent increase. The number of registered units stood at 1,27,202 at the end of March, 1991. At present, more than 1.2 lakhs registered small scale industries are operating in Tamilnadu. An ambitious programme of ushering in one lakh small units in the next five years has been launched by the State Government.
3.10 SMALL SCALE INDUSTRIES IN SALEM DISTRICT

Salem District, one of the biggest districts of Tamil Nadu, is located at the western border of the state of Tamil Nadu and is bounded on the North by Dharmapuri District, on the South by Trichy District, on the West by Periyar District and Karnataka State and on the East by South Arcot District. This District is as such a land locked with no coastal line but it has locational advantage of nearness to Karnataka State. So the goods produced here finds easy passages to all places. It is located near to Erode which is another market centre. Salem is well endowed with a variety of mineral resources like Magnesite, Bauxite, Chromite, Limestone, etc., Salem District is famous for its handloom products. More than 25 per cent of the total annual production of handloom products in Tamil Nadu are manufactured in Salem. Since the skilled persons are available more in Namakkal, Tiruchengode and Sankagiri,
Building Industries are developing in these areas. Coir Industries in this district are located in villages around Salem, Omalur and Panamarathupatti. This district is enjoying a near monopoly in the production of sago and starch in the Country. Tapioca Industries are the backbone of this district economy. At present, there are about 1000 small scale units manufacturing Tapioca, Starch and Sago in the State. Of which, about 500 units are concentrated in Salem District. Due to the advantageous climate thousands of poultry units have sprung up in Namakkal and Rasipuram areas. There is one large scale sugar mill, in the Cooperative sector at Mohanur.

For making financial assistance, the following financial institutions are existing at Salem District.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Commercial Banks</td>
<td>256</td>
</tr>
<tr>
<td>2. SBI Group</td>
<td>31</td>
</tr>
<tr>
<td>3. Public Sector Banks</td>
<td>159</td>
</tr>
<tr>
<td>4. Private Sector Banks</td>
<td>66</td>
</tr>
<tr>
<td>5. Salem District Central Co-operative Bank</td>
<td>39</td>
</tr>
<tr>
<td>6. Urban Co-operative Banks</td>
<td>26</td>
</tr>
</tbody>
</table>
There are six Industrial Estates in this District—Salem with 54 sheds, Idappadi with 10 sheds, Namakkal with 11 sheds and Tiruchengode with 20 sheds. Apart from these, SIDCO is also engaged in developing plots for construction of sheds for entrepreneurs according to their plan. Such developed plots at Salem with 250 plots, Mettur with 49 plots and Udayapatti with 91 plots have already started functioning.

Salem District comprises of 10 Taluks. Of which four taluks have been declared as backward and two taluks have been declared as most backward for the purpose of grant of concessions like power tariff concession, interest free sales tax loans, deferral of sales tax, state capital subsidy and special subsidy for pioneer industries.

Salem has achieved significant progress in the field of industrialisation in the past few years. In Salem District, there are about 40 large/medium scale industries covering a wide range of products lines grouped into chemicals, minerals, paper, steel, sugar and spinning industries.

The number of registered small scale industries was 3308 at the end of March 1981, providing employment to 17,929 persons with capital investment of 4788.52 Lakhs and 8792.16 Lakhs value of production. During 1982-83, the number of registered units rose to 4242, providing employment to 6355 persons with capital investment of Rs.1880.47 Lakhs and Rs.4949.44 Lakhs value of production. The number of registered units rose to 6314 at the end of December 1985. During the next fifteen months i.e. as on 31st March 1986, the number of registered units went upto 6701.
By the end of March, 1989, Salem District Industries Centre granted permanent registration to 10,466 small scale industries. This number increased to 12,009 in the next three years (as on 31.3.1992).

The table 6 shows the industry-wise classification of registered small scale industries in Salem District Industries Centre as on 31st March, 1992. According to this table, textile based industries occupied the first place, followed by engineering and allied industries and agro based industries.
<table>
<thead>
<tr>
<th>S.No</th>
<th>Industries categories</th>
<th>No. of units registered</th>
<th>Places of concentration</th>
<th>Fixed investment (Rs. in lakhs)</th>
<th>Employment Rs. in Lakhs</th>
<th>Capacity produced under industries category (Rs. in lakhs)</th>
<th>Main items produced</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agro based industries</td>
<td>1086</td>
<td>Salem, Namakkal, Attur, Rasipuram</td>
<td>1274</td>
<td>12049</td>
<td>4144</td>
<td>Rice, Oil, Starch, sago and bakery.</td>
</tr>
<tr>
<td>2</td>
<td>Forest based Industries</td>
<td>415</td>
<td>Salem, Namakkal, Attur</td>
<td>818</td>
<td>4009</td>
<td>860</td>
<td>Wooden products, wood saving</td>
</tr>
<tr>
<td>3</td>
<td>Mineral based Industries</td>
<td>813</td>
<td>Salem, Omalur, Sankagiri</td>
<td>733</td>
<td>4510</td>
<td>3069</td>
<td>Minerals, brick making cement pipes</td>
</tr>
<tr>
<td>4</td>
<td>Textile based industries</td>
<td>3614</td>
<td>Pallipalayam, Komarrapalayam, Tiruchengodu, Jalakandapuram, Vennandur, Elampillai, Attayampatti</td>
<td>6899</td>
<td>43794</td>
<td>33903</td>
<td>Cotton fabrics, braided cords, stove wicks</td>
</tr>
<tr>
<td>5</td>
<td>Engineering and Allied Industries</td>
<td>1487</td>
<td>Salem, Namakkal, Tiruchengode, Komarrapalayam, Sankagiri, Velur</td>
<td>2107</td>
<td>14416</td>
<td>13740</td>
<td>Hotel Products, Machineries, Electrical Accessories.</td>
</tr>
<tr>
<td>6</td>
<td>Animal Husbandry Based Industries</td>
<td>295</td>
<td>Salem, Namakkal, Rasipuram</td>
<td>51</td>
<td>513</td>
<td>513</td>
<td>Leather products (Shoes and chappi)</td>
</tr>
<tr>
<td>S.No</td>
<td>Industries categories</td>
<td>No. of units registered (1)</td>
<td>Places of concentration (2)</td>
<td>Fixed investment (rs. in lakhs) (3)</td>
<td>Employment cent (4)</td>
<td>Capacity in Lakhs (5)</td>
<td>main items produced under industries category (8)</td>
</tr>
<tr>
<td>------</td>
<td>-----------------------</td>
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<td>-----------------------------</td>
<td>------------------------------------</td>
<td>---------------------</td>
<td>----------------------</td>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td>7.</td>
<td>Chemical Based Industries</td>
<td>797 (6.6%)</td>
<td>Salem,Mettur,Auttur,Talail-vasal,Onalur</td>
<td>980</td>
<td>6204</td>
<td>3727</td>
<td>Plastic Goods, Matches,Wax, Candles.</td>
</tr>
<tr>
<td>8.</td>
<td>Others</td>
<td>3502 (29.2%)</td>
<td>Salem,Namakkal,Rasipuram,Komarapalayam,Tiruchengode</td>
<td>3220</td>
<td>17510</td>
<td>10506</td>
<td>Printing, Binding, Repairing of Automobiles and Electric</td>
</tr>
</tbody>
</table>

Total 1209 26182 102999 70480

Figures in paranthesis indicate the share of percentage in total units registered.

SOURCE: District Industries Centre, Salem.
There are about 13,238 small scale industrial units registered with the State Industries Department at the end of March, 1993 in Salem District Industries Centre. There might be a sizable number of unregistered small scale industrial units in this district.

The proposed action plan of the district Industries Centre, Salem (for Eighth Plan period) is given in Table 7.

TABLE 7

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Year</th>
<th>Number Of Units Proposed</th>
<th>Total Investment (Rs. In Lakhs)</th>
<th>Employment Generated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1992-93</td>
<td>1,495</td>
<td>5000.17</td>
<td>8,797</td>
</tr>
<tr>
<td>2.</td>
<td>1993-94</td>
<td>1,665</td>
<td>5437.97</td>
<td>9,151</td>
</tr>
<tr>
<td>3.</td>
<td>1994-95</td>
<td>1,800</td>
<td>5768.36</td>
<td>10,164</td>
</tr>
<tr>
<td>4.</td>
<td>1995-96</td>
<td>2,000</td>
<td>6300.05</td>
<td>11,450</td>
</tr>
<tr>
<td>5.</td>
<td>1996-97</td>
<td>2,200</td>
<td>7122.47</td>
<td>12,402</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>TOTAL 9,160</strong></td>
<td><strong>51,964</strong></td>
</tr>
</tbody>
</table>

It is evident from the above table that District Industries Centre proposed to establish 9160 small scale units (15.2 percent growth per year) with an investment of Rs.29,630 Crores (22.6 percent growth per year). The DIC is contemplating to generate employment opportunities to 51964 persons through these proposed industrial units during the period of five years i.e., 1992-97 registering a growth of 10 per cent per year.