

POSITION OF REGISTERED AND UNREGISTERED SSI UNITS IN INDIAN ECONOMY

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ABSTRACT

Small Scale and ancillary units (i.e. undertaking with investment in plant and machinery of less than Rs. 10 million) should seek registration with the Director of Industries of the concerned State Government. However, the registration scheme has no statutory basis.

Actually, the main purpose of Registration is to maintain statistics and maintain a roll of such units for the purposes of providing incentives and support services, either by the Central or State Govt. But in reality there are a huge number of unregistered units in the SSI sector. No doubt, both registered and unregistered SSI units are playing a very vital role in the SSI sector of India. But regarding facility, help, recognition, supports etc are concerned registered units are placed in better position and unregistered units lacking such all opportunities. As per the observation the govt has taken several steps to get register the units and enhance productivity, efficiency and competitiveness of the whole SSI sector of India. But it is not happening as per the data available. Thus, finally, the wish is that the system not only make units registration compulsory by law, but at the grass root level it should be see that the SSI units get registered or treat and support equally both registered and unregistered SSI units in the economy.

KEY WORDS: SSI units, registered, unregistered, women entrepreneurs, Organisation, units management, employment, investment , exports

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I. INTRODUCTION

The small scale sector has been playing very vital role in the socio-economic development of the country from several years. The sector has significantly contributed in generating employment, in increasing exports, augmenting GDP and in proper distribution of wealth. In real sense SSI sector has been promoting welfare of the people of the country.

Small Scale and ancillary units (i.e. undertaking with investment in plant and machinery of less than Rs. 10 million) should seek registration with the Director of Industries of the concerned State Government. However, the registration scheme has no statutory basis.

Actually, the main purpose of Registration is to maintain statistics and maintain a roll of such units for the purposes of providing incentives and support services, either by the Central or State Govt. But in reality there are a huge number of unregistered units in the SSI sector and as per the sample survey of unregistered SSI sector, main reason for non-registration by the selected unit were ascertained. It was found that 53.13 % of the units did not register because they were not aware of the provisions for registration. About 39.86 % of the entrepreneurs stated that they were not interested. In the light of the above condition, the paper tries to discuss certain ideas regarding the registered and unregistered SSI units in India.

II. OBJECTIVES

1. To know the tendency of establishment of SSI units as registered and unregistered units in India.
2. To know the participation of women entrepreneurs in the registered and unregistered SSI sector of India

3. To know the contribution of the registered and unregistered SSI units in different nature of activities.
4. To examine position of the registered and unregistered SSI units regarding Types of Organisation, units management, employment, investment and exports.

III.METHODOLOGY

The study is based on the available secondary data, and used simple statistical tools like tables, percentage, averages, and graphs.

IV. EXAMINATION

The economic improvement of a country primarily depends upon the development of industries, may be large or small, so the performance of the SSI sector also has a direct force in the augmentation of the overall economy of the country. The SSI sector here includes not only registered units but also unregistered units.

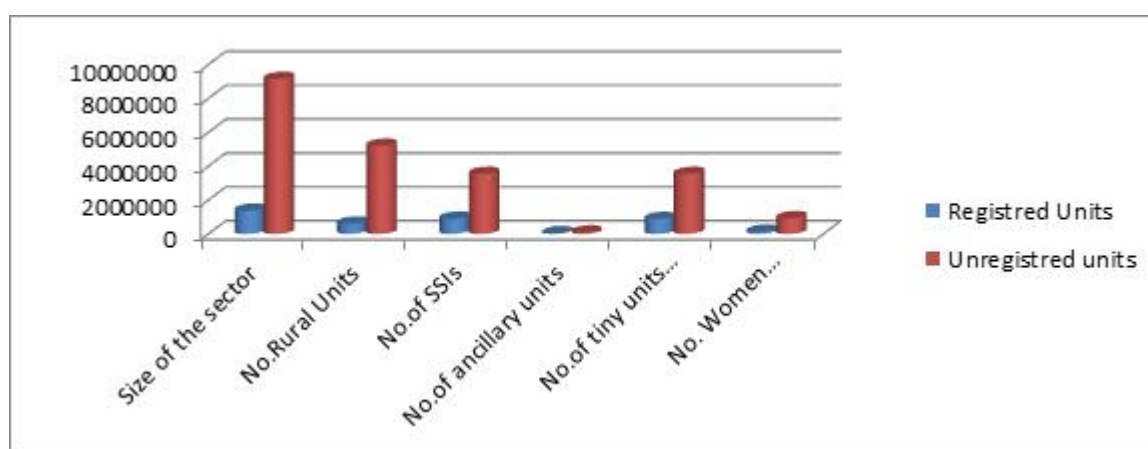
IV. i) Share of Registered and Unregistered SSI Units on Certain Characters:-

General belief is that registered units are more and their role in the economy is considerable but here it is in the SSI sector the size of the unregistered units are more and contribution in the rural units, women enterprises are also more from unregistered units.(Table.no.1) thus, it indicates that the role of unregistered units are paramount in the growth of SSI sector in India.(graph no.1)

Table No.1: Share of Registered and Unregistered SSI units on certain characters

Description	Registered	%	Unregistered	%	Total	%
Size of the sector	13,74,974		91,46,216		1,05,21,190	
No. of rural units	6,09,537	44.33%	51,98,822	56.8%	58,08,359	55%
No. of SSIs	9,01,291	65.55%	35,44,577	38.75%	44,45,868	42.26%
No. of ancillary units (%age of no. of SSIs)	45,797	5.08%	86,516	2.44%	1,32,313	2.98%
No. of tiny units among SSIs	8,82,496	97.6%	35,43,091	99.9%	44,25,587	99.5%
No. of women enterprises	1,37,534	10%	9,26,187	10.13%	10,63,721	10.11%

Sources: Final Results :Third All India Census of Small Scale Industries 2001-2002,D.C., SSI, the MSME, GOI. (Reference Period : 2001-02)

Graph. No. 1: Share of Registered and Unregistered SSI Units on Certain Characters

IV. ii)Position of Registered and Unregistered SSI units in the Nature of activities:-

SSI units in India mainly spread their activities in manufacturing/assembling/processing, repairs and maintenance and services field. As per the data available in the manufacturing /assembling/ processing area,

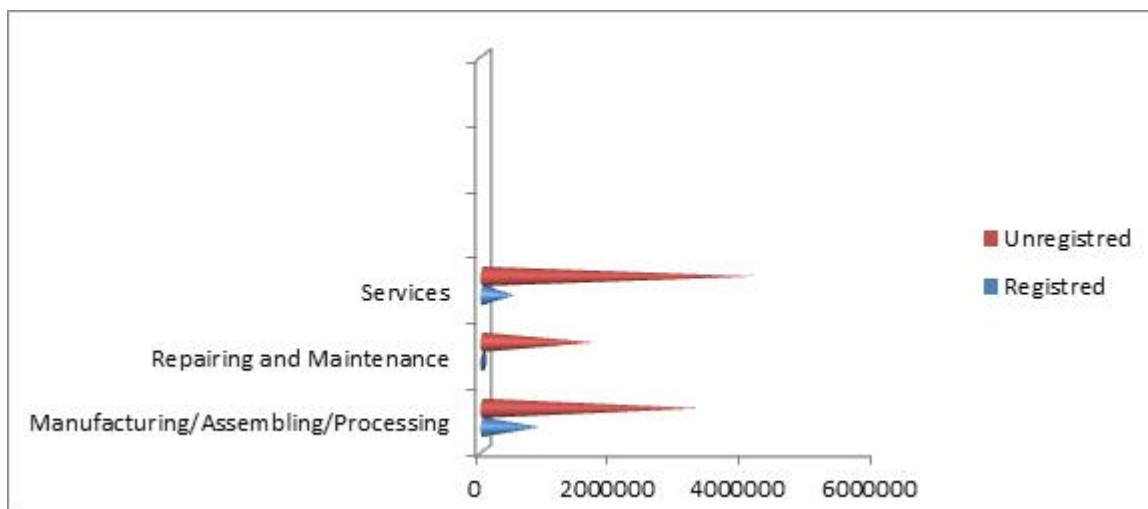
registered units are involved more, but regarding repairs and maintenance and services sector unregistered units are dominated.(table no.2 & graph no.2) Thus, unregistered units contribution is considerable.

Table No.2: SSI units in the Nature of activities

Type of Units	Manufacturing/ Assembling / Processing	%	Repairing & Mainten ance	%	Services	%
Registered	8,72,449	63.45%	28,843	2.10%	4,73,682	34.45 %
Unregistered	33,03,366	36.12%	16,92,663	18.50%	41,50,187	45.38 %
Total	41,75,815	39.69 %	17,21,50	16.36%	46,23,869	43.95 %

Sources: Final Results :Third All India Census of Small Scale Industries 2001-2002,D.C., SSI, The MSME, GOI. (Reference Period : 2001-02)

Graph no.2: SSI units in the Nature of activities



IV.iii) Position of Registered and Unregistered SSI units in Types of Organisation:-

Usually, when there is less investment in SSI units, not possible to find joint stock companies, but may be many more existence of proprietary types of organisations. As per the data, more proprietary types of organisation are there in

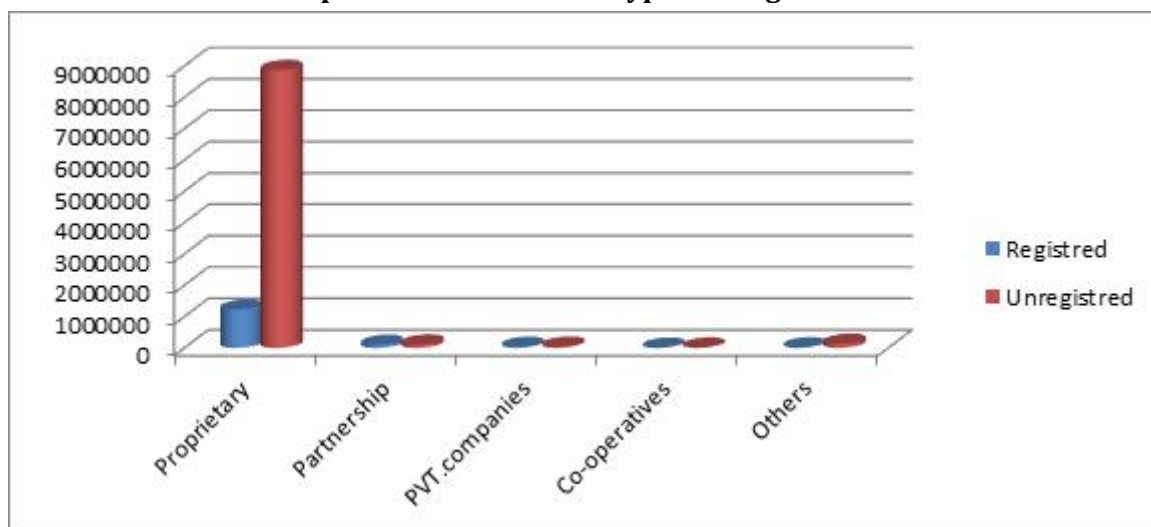
unregistered units compared to registered units, further, among partnerships, pvt.companies and co-operatives registered units are dominated. (Table no.3 and Graph no.3)

Table No.3: SSI units in Types of Organisation

Type of Units	Proprietary	%	Partner ship	%	Pvt. Company	%	Coopera tives	%	Others	%
Registered	12,21,702	88.85%	99,190	7.2%	33,284	2.42%	4,715	0.34%	16,083	1.1%
Unregistered	88,62,548	96.9%	1,03,662	1.1%	38,153	0.42%	9,854	0.11%	1,31,999	1.4%

Sources: Final Results :Third All India Census of Small Scale Industries 2001-2002,D.C., SSI, the MSME, GOI. (Reference Period : 2001-02)

Graph no. 3: SSI units in Types of Organisation



IV. iv) Position of Registered and unregistered SSI units in Using Different source of Power:-

Majority of SSI units are run with the help of power supply. Major source of power to both registered and unregistered units is electricity, and other source of source of energy are oil,

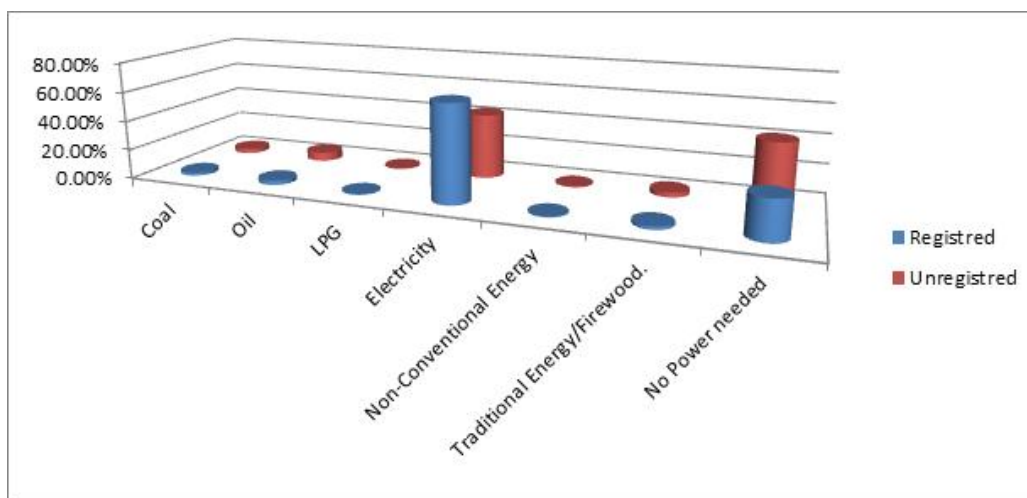
firewood, coal supplies. However, more than 1/4 th of the total SSI units including both registered and unregistered, are run without any source of power. (Table no.4 and Graph no.4)Generally, all types of SSI units may not use machines, thus, at least a few units work without power supply.

Table no.4.SSI units in Using Different source of Power

Source of Power	Registered	%	Unregistered	%	Total	%
Coal	28,841	2.10%	2,95,165	3.23%	3,24,006	3.1%
Oil	40,401	2.94%	5,55,416	6.07%	5,95,817	5.66%
LPG	7,222	0.53%	55,237	0.60%	62,459	0.59%
Electricity	8,99,657	65.43%	40,25,262	44.01%	49,24,919	46.8%
Non-conventional energy	7,142	0.52%	60,539	0.66%	67,681	0.64%
Traditional energy/Firewood	31,100	2.26%	2,99,562	3.28%	3,30,662	3.14%
No power needed	3,60,611	26.23%	38,55,035	42.15%	42,15,646	40%

Sources: Final Results :Third All India Census of Small Scale Industries 2001-2002,D.C., SSI, The MSME, GOI. (Reference Period - 2001-02)

Graph No.4: SSI units in Using Different source of Power



IV. v)Position of Registered and Unregistered SSI Units regarding Management by Different Category Entrepreneurs:-

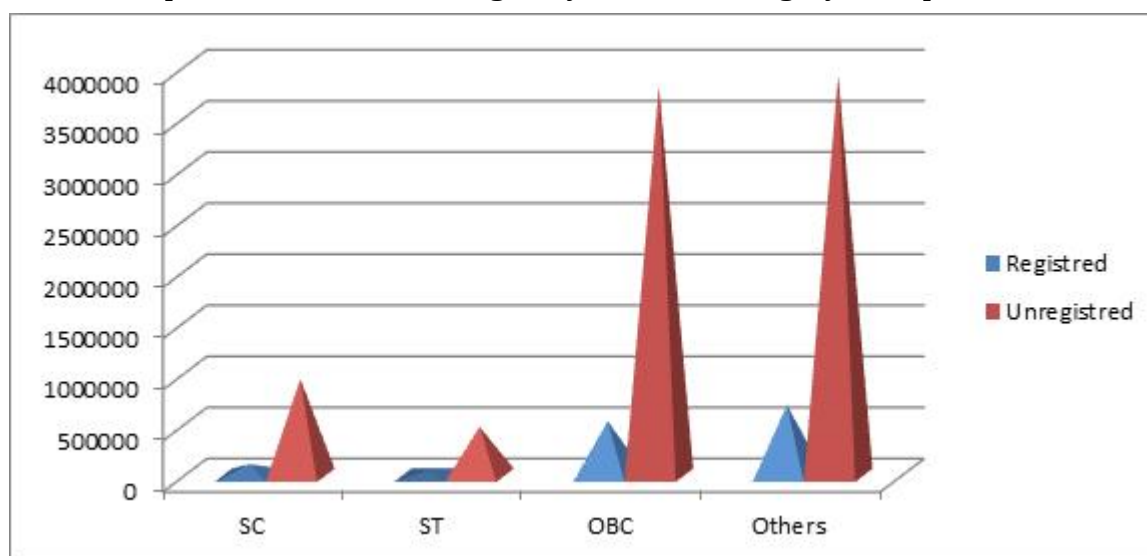
Ownership or management is very important aspect in running any type of business venture. Here the SSI entrepreneurship spreads all most all cast people in the society. The SC and SC communities are managing more unregistered SSI units compare to registered units.

Even OBCs are also managing unregistered units among the total ownership of the OBCs. The other category people are managing slightly more registered SSI units compared to unregistered units ownership. (Table no.5 and graph.no.5).Thus, it indicates that either registered or unregistered SSI units but every section of the society shows interest to establish SSI units in India.

Table No.5: SSI Units Managed By Different Category Entrepreneurs

Category	Registered	%	Unregistered	%	Total	%
SC	1,07,934	7.85 %	9,43,969	10.32 %	10,51,903	10 %
ST	48,560	3.53 %	4,74,271	5.19 %	5,22,831	4.97 %
OBC	5,29,406	38.50 %	38,11,372	41.67 %	43,40,778	41.26 %
Others	6,89,074	50.12 %	39,16,604	42.82 %	46,05,678	43.77 %
Total	13,74,974	100%	91,46,216	100%	10521190	100%

Sources: Final Results : Third All India Census of Small Scale Industries 2001-2002, D.C., SSI, the MSME, GOI. (Reference Period - 2001-02)

Graph No.5: SSI Units Managed By Different Category Entrepreneurs.

IV.vi) Position of Registered and Unregistered SSI Units in Certain Aspects:-

Study is also tried to know overall position of Registered and Unregistered SSI units regarding in certain vital aspects. Employees are more in unregistered units compare to registered units. Regarding Per unit original value of Plant &

Machinery , Per unit fixed investment, Per unit Gross Output, Value of Exports registered SSI units are doing better , however, regarding No. of exporting units unregistered units are more. (Table no.6)

Table No.6: SSI Units in Certain Aspects

Description	Registered	Unregistered	Total
Total employment	61,63,479	1,87,69,284	2,49,32,763
Per unit original value of Plant & Machinery (in Rs. Lakhs)	2.21	0.27	0.52
Per unit fixed investment (in Rs. Lakhs)	6.68	0.68	1.47
Total fixed investment (in Rs. Lakhs)	91,79,207	62,55,660	1,54,34,867
Per unit Gross Output (in Rs. Lakhs)	14.78	0.86	2.68
Total Gross Output (in Rs. Lakhs)	2,03,25,462	79,01,536	2,82,26,998
No. of exporting units	7,344	43,262	50,606
Value of Exports (in Rs. Lakhs)	12,30,826	1,89,130	14,17,956

Sources: Final Results :Third All India Census of Small Scale Industries 2001-2002,D.C.,

SSI, The MSME, GOI. (Reference Period : 2001-02)

V. CONCLUSION

No doubt, both registered and unregistered SSI units are playing a very vital role in the SSI sector of India. But regarding facility, help, recognition, supports etc are concerned registered units are placed in better position and unregistered units lacking such all opportunities. As per the observation the govt has taken several steps to get register the units and enhance productivity, efficiency and competitiveness of the whole SSI sector of India. But it is not happening as per the data available. Thus, finally, the wish is that the system not only make units registration compulsory by law, but at the grass root level it should be see that the SSI units get registered or treat and support equally both registered and unregistered SSI units in the economy.

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