

## CHAPTER 9

# INDUSTRIAL DEVELOPMENT

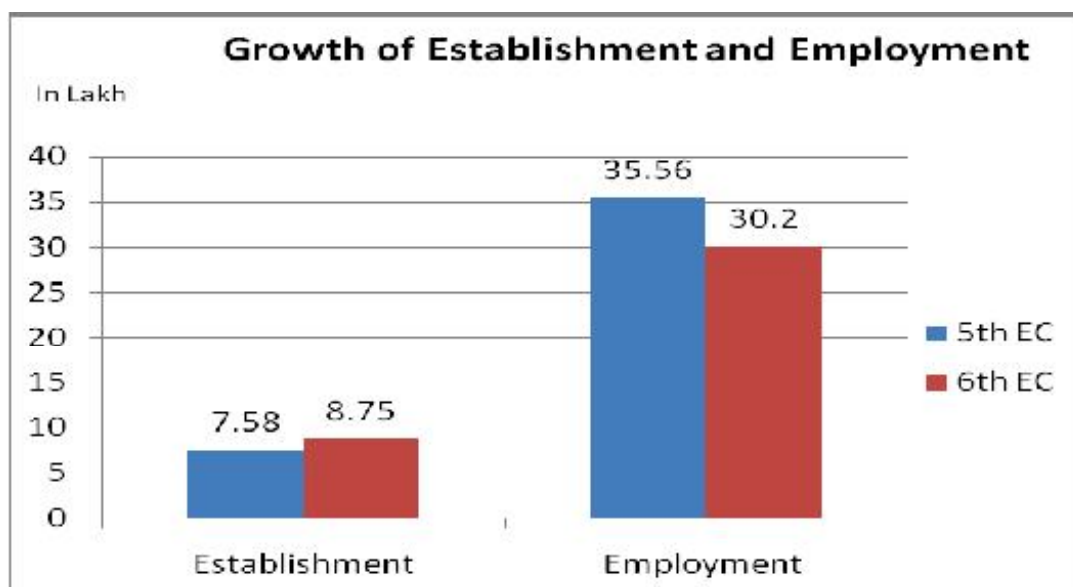
Government of Delhi has accorded priority to create conducive environment for business and is keen to formulate trade friendly policies for setting new industries. Government has initiated action for simplification of procedure and compliance system by traders and making efforts for ease of doing business under the e-Biz Project launched by Government of India.

2. The new Industrial Policy of Delhi 2010-2021 focuses on promotion of knowledge based industries with priority for skill development and its vision is to make Delhi a hub of clean, high-technology & skilled economic activities by 2021 by adopting the following strategy:
  - Infrastructure Development through better Operation & Maintenance of industrial assets.
  - Facilitating business by simplification & e-enabling measures.
  - Support skill development and other promotional measures like allowing Knowledge-based Industries in industrial area among others.
  - Decongesting industrial areas through redevelopment schemes.
  - Promoting cluster development of high-technology and skilled industries in new industrial areas through public private partnerships.
  - Discourage polluting industries through higher infrastructure development fee.

### Growth of Establishment and Employment in Delhi as per 6<sup>th</sup> Economic Census

3. There are 8.75 Lakh total establishments operating in Delhi as per Sixth Economic Census conducted in 2013, out of them only 1.42% were in rural areas and 98.58% in urban areas. Sixth Economic Census registered an annual growth rate of 1.94%, in absolute term there is an increase of 1,17,565 establishments over 5<sup>th</sup> Economic Census conducted during 2005.
4. Out of the total establishment, 54.55% were Own Account Enterprises (OAE) and 45.45% were establishments with at least one hired worker {Estt(H)}. 30.20 lakh persons were employed in 8.75 lakh establishments with an average of 3.45 employees per establishment. Out of the total 0.9% persons were employed in rural areas, whereas, 99.1% were engaged in urban Delhi. 8.05 % of total establishment were managed by women entrepreneurs.
5. The chart captures growth of establishments and employment position in Delhi during 2005-13 as per Fifth Economic Census (2005) & Sixth Economic Census (2013):

**Chart 9.1**



**6. District wise number of establishments and number of persons employed:**

**Statement 9.1**

Districts	Establishments	No. Of Persons employed
Central	150671	599058
West	106726	313574
North-West	93297	286189
North-East	86597	183313
East	80061	215979
South-East	75049	352562
North	73724	318960
Shahdara	71738	229663
South	57126	145304
South-West	42166	105954
New Delhi	38153	269225
Total	875308	3019781

## 7. Sectoral composition of Gross State Value Added at Current Prices:

### STATEMENT 9.2

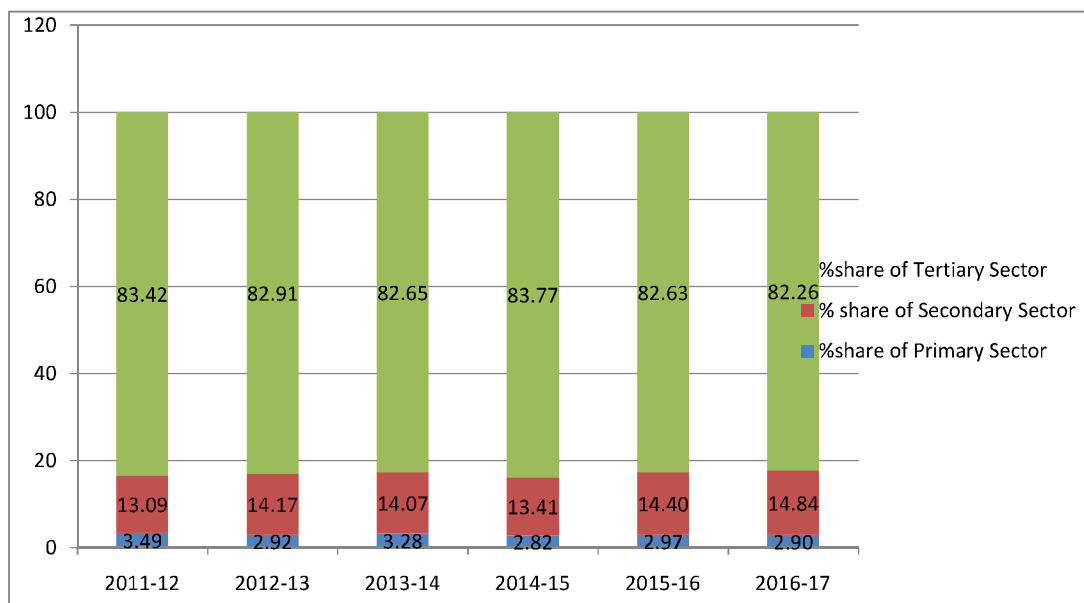
Year	%share of Primary Sector	%share of Secondary Sector	%share of Tertiary
2011-12 (R)	3.49	13.09	83.42
2012-13 (R)	2.92	14.17	82.91
2013-14 (R)	3.28	14.07	82.65
2014-15 (1 <sup>st</sup> RE)	2.82	13.41	83.77
2015-16 (1 <sup>st</sup> RE)	2.97	14.40	82.63
2016-17 (RE)	2.90	14.84	82.26

*R- Revised Estimates, 1<sup>st</sup> RE- First Revised Estimates, AE- Advance Estimates*

- 7.1 The 1<sup>st</sup> Revised Estimates and Advance Estimates of GSVA at current prices for the year 2015-16 and 2016-17 shows that contribution of Primary Sector (comprising of Crops and Livestock, Forestry and logging, Fishing, Mining and Quarrying) in the economy of Delhi has decreased to 2.97% and 2.90% for both the years respectively from 3.49% share in the base year 2011-12. At constant prices, same situation appears that contribution has declined to 3.46% and 3.39% in the year 2015-16 and 2016-17 respectively.
- 7.2 GSVA at current prices reveals the fact that contribution of Secondary Sector (comprising of Manufacturing, Electricity, Gas, Water Supply & Other Utility Services and Construction) in the economy has increased from 13.09% during the base year 2011-12 to 14.40% and 14.84% and at constant prices it has increased to 14.30% and 14.89% in the years 2015-16 (1<sup>st</sup> Revised Estimates) and 2016-17(Advance Estimates) respectively.
- 7.3 Contribution of Tertiary Sector (comprising of Trade, Hotels & Restaurants, Railways, Transport , Storage, Communication, Financial Services, Real Estate, Ownership of Dwellings & Other Professional Services, Public Administration and Other Services) in the economy is decreasing marginally. GSVA at current prices shows that the contribution of tertiary sector in the economy was 83.42% during the base year 2011-12 that has decreased to 82.63% and 82.26% and at constant prices, it has decreased to 82.24% and 81.72% in the years 2015-16 (1<sup>st</sup> Revised Estimates) and 2016-17 (Advance Estimates) respectively.

**Chart 9.2**

**Graphical depiction of Sectoral Composition of State Economy**  
(GSVA at Current Prices)



## 8. GSVA by Manufacturing Sector

8.1 Manufacturing sub-sector is the largest contributor in the secondary sector in the economy of Delhi. GSVA from manufacturing is estimated at ₹ 36300 Crores and ₹ 45689 Crores at current prices during 2015-16 and 2016-17 respectively with respective annual growths of 32.03% and 25.86% over previous year's estimates. Similarly, GSVA at constant prices is to the tune of ₹ 31511 crores and ₹ 38576 Crores during 2015-16 and 2016-17 respectively registering annual growths of 28.48% and 22.42% over previous years. NSVA estimates, by and large, are showing positive growth trend at Current Prices and at Constant Prices. As per estimates for 2015-16, NSVA is to the tune of ₹ 32837 Crores with an annual growth of 36.13% over previous year at current prices and ₹ 28460 Crores with an annual growth of 32.43% over previous year at constant prices. As per advance estimates for 2016-17, NSVA was to the tune of ₹ 42133 Crores with annual growth of 28.31% over previous year at current prices and ₹ 35509 Crores with annual growth of 24.77% over previous year at constant prices respectively.

8.2 The Gross State Value Added in respect of manufacturing sector is presented in statement 9.3:

### Statement 9.3

(` in Crore)

Year	Manu- facturing	Secondary Sector	Total GSDP at Market Prices	%age share of Manufacturing in		%age share of Secondary Sector in GSVA
				Total GSVA	Total GSVA of Secondary Sector	
2011-12 (R)	18907	39681	343767	6.24	47.65	13.09
2012-13 (R)	23350	48498	391238	6.82	48.15	14.17
2013-14 (R)	25338	54263	443783	6.57	46.70	14.07
2014-15 (1st RE)	27493	57694	492424	6.39	47.65	13.41
2015-16 (1st RE)	36300	69234	551963	7.55	52.43	14.40
2016-17 (AE)	45689	80649	622385	8.41	56.65	14.84

Source: Estimation of GSVA by DES, R- Revised Estimates, 1<sup>st</sup> RE- First Revised Estimates, AE- Advance Estimates

- 8.3 It is evident from the statement 9.3, that the income from manufacturing has increased from ` 18907 crore in 2011-12 to ` 45689 crore in 2016-17. The percentage contribution of manufacturing to GSVA has increased from 6.24 % in 2011-12 to 8.41% in 2016-17. During the same period, the contribution of secondary sector to the total GSVA of Delhi has increased from 13.09 percent in 2011-12 to 14.84 percent in 2016-17.

## 9. Working Factories

- 9.1 The number of registered factories and estimated workers employed in these factories during the last nine years is presented in statement 9.4:

### Statement 9.4

#### FACTORIES AND ESTIMATED WORKERS EMPLOYED

S.No	Years	Factories	Estimated Workers Employed
1.	2007	7793	359126
2.	2008	7921	364053
3.	2009	7997	367611
4.	2010	8109	373500
5.	2011	8219	378361
6.	2012	8557	392270
7.	2013	8821	403270
8.	2014	8968	416927
9.	2015	8954	415278

Source: - Delhi Statistical Handbook, 2016.

- 9.2 The Statement 9.4 indicates that the number of working factories in Delhi increased from 7793 in 2007 to 8954 in 2015. Likewise the estimated workers employed in these factories increased from 359126 in 2007 to 415278 in 2015. On an average of 46 persons were working in each factory in Delhi.
- 9.3 Due to the intervention of various environmental norms by the Central Pollution Control Board and Delhi Pollution Control Committee, number of industrial units in Delhi are not meeting with the safety standards which automatically results into closure of these units or shifting these industries to other neighboring States. The estimated number of workers employed in these industries increased at a slow rate.
- 9.4 The types and number of factories and workers in registered factories during the years 2011 to 2015 may be seen from statement:

## INDUSTRY-WISE REGISTERED FACTORIES AND ESTIMATED WORKERS EMPLOYED

S. No.	Industries	Factories						Estimated Workers					
		2011	2012	2013	2014	2015		2011	2012	2013	2014	2015	
1.	Food Product	285	304	326	330	333		17546	18716	20070	20316	20500	
2.	Beverages, Tobacco and Tobacco Product	38	43	45	46	44		2656	3005	3145	3214	3074	
3.	Textiles products	1931	1975	2007	2033	2012		134177	137234	139457	141263	139803	
4.	Wood products, Furniture and Fixtures	256	261	263	265	266		9968	10162	10240	10317	10356	
5.	Paper and Paper products Printing publishing & allied	682	721	758	765	771		26582	28102	29544	29816	30050	
6.	Leather and Leather Fur products (except repair)	279	285	296	298	298		12052	12311	12786	12872	12872	
7.	Rubber, Plastic, Petroleum Coal Products	557	628	654	666	666		12851	14489	15089	15365	15365	
8.	Chemical & Chemical products (except Petroleum & Coal)	293	293	294	295	291		11714	11714	11754	11793	11633	
9.	Non-metallic Mineral products	80	80	82	82	82		2367	2367	2426	2426	2426	
10.	Basic Metal & Alloy Industry	524	524	526	525	523		8598	8598	8631	8614	8581	
11.	Metal products and Parts Machinery & Transport Equipment - Machine tools including Electrical Appliances	1759	1814	1872	1913	1890		70275	72472	74789	76427	75508	
12.	Electricity, Gas and Stream Water Works and Supply	102	103	104	104	104		5821	5878	5935	5935	5935	
13.	Wholesale Trade in Fuel, Chemicals, Perfumery, Ceramics Glass	12	35	59	73	95		108	315	531	657	855	
14.	Public Administration and Defence Services	2	2	2	9	9		90	90	90	7655	7655	
15.	Sanitary Services	10	12	14	17	17		144	173	202	391	391	
16.	Repair of Capital Goods & Repair Services	479	512	529	540	550		27057	28921	29881	30502	31067	
17.	Miscellaneous unspecified Group	930	965	990	1007	1003		36355	37723	38700	39364	39207	
	Total	8219	8557	8821	8968	8954		378361	392270	403270	416927	415278	

## 10. Annual Survey of Industries

- 10.1 As per provisions of the Factories Act, 1948, a factory is registered under sections 2m (i) having 10 or more workers and using power and registered under section 2m (ii) employing 20 or more workers but not using power. Annual Survey of Industries is conducted for the registered factories under the above provisions.

### Statement 9.6

#### KEY INDICATORS OF INDUSTRIAL SECTOR IN DELHI

No	Key Indicator	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1.	Registered Factories (No)	3026	2878	2878	2976	3183	2980
2.	Capital (Rs. In crore)						
a.	a. Fixed Capital	3129	3867	4469	8938	10661	5903
b.	b. Working Capital	3287	6040	8216	10352	8137	10722
c.	<b>Total</b>	<b>6416</b>	<b>9907</b>	<b>12685</b>	<b>19290</b>	<b>18798</b>	<b>16625</b>
3.	<b>Employment</b>						
a.	Workers	87752	84408	79036	76867	81901	76250
b.	Other Than Workers	39064	36753	43495	41911	44453	39481
c.	<b>Total</b>	<b>126816</b>	<b>121161</b>	<b>122531</b>	<b>118778</b>	<b>126354</b>	<b>115731</b>
4.	Man Days (in Lakh)	379	363	371	359	376	350
	<b>Total Emoluments ( ` Crore)</b>	1313	1590	1972	2260	2578	2489

Source: - Delhi Statistical Handbook, 2016 & Report on Annual Survey of Industries of DES.

## 11. Industrial Estates

### 11.1 Operation and Maintenance of Industrial Estates/ Areas

Delhi has 29 planned industrial areas and 5 flatted factories complex. In addition, 22 non-confirming industrial clusters have been notified for development. Delhi State Industrial Infrastructure Development Corporation (DSIIDC) is the Agency for development, operation and maintenance of all industrial estates in Delhi. The Delhi Industrial Development, Operation & Maintenance, Act, 2010 notified on 8<sup>th</sup> June 2010, has come into force with effect from 28<sup>th</sup> March 2011 to place all industrial areas under DSIIDC. The DSIIDC has



created industrial development, operation and maintenance fund with ` 74 crore of seed capital for discharge of its function under the Act.

- 11.2 Rules under the Delhi Industrial Development, Operation and Maintenance Act, 2010 have been notified on 11<sup>th</sup> November 2011.
- 11.3 Government of India has directed the Delhi Municipal Corporations to hand over the industrial estates for maintenance to DSIIDC. Hon'ble L.G has also ordered transfer to industrial estates from Municipal Corporation of Delhi and Delhi Development Authority to DSIIDC.

## **12 Operation and Maintenance of Industrial Estates**

- 12.1 In order to maximise efficiency with the available resources, the Government has decided to develop and maintain industrial infrastructure on Public Private Partnership basis. Two industrial estates namely Bawana and Narela have been selected as pilot project for maintenance of industrial estates on PPP model under a BOT concession to a private partner for 15 years.
- 12.2 Operation and maintenance to Bawana and Narela Industrial Areas is under PPP model. Estimated infrastructure development cost is of ` 258 crore. The work of up-gradation and redevelopment of roads and drains at Patparganj and Okhla industrial Estate taken up on EPC model and costing ` 33 crore. The work has already been completed of these industrial areas. Govt. has approved redevelopment and upgradation of roads & drains in 10 industrial areas at a cost of about ` 169 crore during 2014-15.

## **13 Business Facilitation Council (BFC)**

- 13.1 Issues pertaining to the industry sector e.g. Grant of consent to establish/ operate an industrial unit, grant of factory licence at all floors in industrial use premises, sanctioning of building plan, guidelines for redevelopment of approved industrial areas etc have been resolved. The Council is also acting as a hand holding agency to guide existing units into becoming technologically more advanced, less polluting and moving to knowledge based or high- technology activity.

## **14. Redevelopment of Industrial Clusters in Non-conforming Areas**

- 14.1 There are 29 approved industrial areas and five flatted factory complexes in Delhi.

However, many industries are functioning in non-conforming areas. Hon'ble Supreme Court in a PIL ordered closure of all industrial units that have come up on or after 1<sup>st</sup> August 1990 in residential/ non-conforming areas and other impermissible industries in violation to the provision of Master Plan.

- 14.2 With a view to ensure minimum dislocation of cluster of industries operating in residential/ non-conforming areas, 22 non-conforming industrial clusters having 70 per cent concentration have been notified by the Government for redevelopment.
- 14.3 The redevelopment process involves preparation of redevelopment plans for the area which includes widening of roads, laying of services, development of open space, parking etc,. It needs to be carried out in accordance with the guidelines prepared and notified for this purpose by the Government. The industrial association of the respective area will have to own the responsibility for preparation and implementation of Re-development Plan for their area.

## **15. Delhi Financial Corporation**

- 15.1 The Delhi Financial Corporation (DFC) caters to the financial needs of industries located in the National Capital Territory of Delhi and the Union Territory of Chandigarh. Financial assistance is being made available to the industrial as well as service sectors units like medical & health care/diagnostic centres, transport sector, hotels, and restaurant, Tourism related facilities like amusement parks, convention centres, software/hardware services relating to information technology, telecommunication or electronics including satellite, linkage, Audio/Video/Visual communication, Hi-tech Agro Industries, floriculture, Tissue culture, aqua poultry farming, breeding hatcheries etc. The upper limit for grant of loans in case of companies and co-operative Societies is ` 10 crore while for proprietorship and partnership firms, it is ` 4 crore. The loans are available to new industrial units as well as existing ones for shifting, expansion, modernization, diversification and rehabilitation. Loans are also provided to the units for up-gradation of technology resulting in less consumption of power and increase in qualitative productivity as also pollution control equipment etc. DFC is also providing loans to small road transport operators for commercial vehicles. In order to make Delhi an environment friendly city, DFC facilitated the relocation process of industrial units by providing loans on concessional terms. The corporation has a paid-up share capital of ` 2623.75 lakh and reserve & surplus of ` 4699.21 lakh as on 31<sup>st</sup> March 2013. DFC sanctioned loans worth ` 23.19 crore during 2015-16.

### Statement 9.7

#### PERFORMANCE OF DFC: 2007-2016

(` in crore)

Year	Sanction	Disbursement	Recovery
2007-08	19.78	16.15	50.59
2008-09	10.55	10	42.16
2009-10	38.66	18.8	39.61
2010-11	125.97	86.55	37.9
2011-12	50.48	60.43	46.47
2012-13	9.77	8.88	49.22
2013-14	7.19	6.65	50.79
2014-15	60.72	9.14	43.7
2015-16	23.19	49.37	52.4

#### 16. Delhi State Industrial & infrastructure Development Corporation (DSIIDC)

- 16.1 DSIIDC was incorporated as a company and registered under Companies Act, 1956 in February, 1971 with the main objectives of aiding, counselling, assisting, financing, projecting and promoting the interests of small industries in Delhi and providing them capital, credit, resources and technical and managerial assistance for the successful execution of their work and business. At the time of registration it was known as Delhi Small Industries Development Corporation Limited. However, now it is called 'Delhi State Industrial & Infrastructure Development Corporation Limited'
- 16.2 **Sheds Constructed Under Half-A-Million Job Programme:** The DSIIDC constructed 840 Industrial sheds to implement the Scheme launched by Government of India titled "Half-a-million Job Programme" in the year 1973-74 at various Industrial Complexes as indicated as under:

### Statement 9.8

#### INDUSTRIAL SHEDS UNDER HALF-A-MILLION JOB PROGRAMME

S. No.	Name of the Complex	Number of sheds
1.	Okhla Industrial Complex Ph-I	232
2.	Okhla Industrial Complex Ph-II/I	112
3.	Okhla Industrial Complex Ph-II/II	34
4.	Okhla Industrial Complex Ph-II/III	59
5.	Wazirpur Industrial Complex	103
6.	Lawrance Road Industrial Complex	90
7.	Jhilmil Tahirpur Industrial Complex	33
8.	Rohtak Road Industrial Complex Ph-I	177

Source:- Industry Department, GNCTD

- 16.3 **Sheds under Self-Financing Scheme:** DSIIDC also constructed 446 industrial sheds under self financing scheme. The information regarding industrial sheds constructed under the self financing scheme is presented as:

### Statement 9.9

#### INDUSTRIAL SHEDS UNDER SELF FINANCING SCHEME

S. No	Name of Complex	Number of Sheds	Permitted Industries
1.	Kirti Nagar Packing Complex	216	Timber related and Packing
2.	Mangolpuri Engg. Complex	94	Light Engineering.
3.	Okhla Computer Complex	31	Computer related.
4.	Rohtak Road Indl. Complex	105	General

Source:- Industry Department, GNCTD

- 16.4 **Shifting of industries from Non-Confirming areas:** Allotments of new developed industrial plots have been made to 22465 applicants from non-confirming areas in the newly developed industrial areas. Water polluting industries were given allotments on priority basis in Narela and Badli while units falling under F category of Master Plan of Delhi were given priority allotments in Bawana industrial area.

## 17. Construction of Common Effluent Treatment Plants (CETPs):

- 17.1 With the growth of city of Delhi, the environmental concerns have assumed greater

importance. Delhi State Industrial & Infrastructure Development Corporation (DSIIDC) was entrusted with the task of construction of CETPs in compliance of the orders of the Hon'ble Supreme Court of India. DSIIDC is executing this project in co-ordination with Delhi Pollution Control Committee (DPCC) and National Environmental Engineering Research Institute (NEERI). DSIIDC has constructed 13 CETPs at Wazirpur, Mangolpuri, GTK, Mayapuri, Badli, SMA, Okhla Industrial Area, Jhilmil, Nagloi, Lawrence Road, Narela, Bawana and Naraina.

## **18. Institute of Gem and Jewellery**

- 18.1 Delhi State Industrial & Infrastructure Development Corporation (DSIIDC) has set up National Institute of Jewellery Design and Technology. Presently, the institute is running different certificate courses of 1 to 3 months duration and diploma courses in Gemmology, Jewellery manufacturing and Advance Jewellery Design, AD/CAM from 6 months to 1 year duration.

## **19. Delhi Khadi and Village Industries Board**

- 19.1 Delhi Khadi & Village Industries Board was constituted in the year 1983 under Himachal Pradesh Khadi and Village Industries Board Act as extended to Delhi. At present the Board is implementing following two employment generation schemes namely Rajiv Gandhi Swavlamban Rozgar Yojna and Prime Minister Employment Generation Programme-KVIC, Government of India.

### **19.2 Rajiv Gandhi Swavlamban Rozgar Yojna (RGSRY):**

Rajiv Gandhi Swavlamban Rozgar Yojna has been designed, developed and promoted by the Delhi Khadi and Village Industries Board, with the help of Government of National Capital Territory of Delhi, to provide the employment opportunities to the unemployed youths, artisans, trained professionals, skilled technocrats and entrepreneurs by promotion/expansion of permissible industries, professions, tertiary and service sector in Delhi. Under this scheme financial assistance in the shape of loan up to ` 3 lakh is provided with 15% subsidy component of project cost subject to a ceiling of ` 7500 per entrepreneur. The detail of progress made under this scheme during 2014-15 & 2015-16 is presented in the following statement 9.10.

**Statement 9.10****PROGRESS OF RGSRY**

No	Items	Achievement	
		2014-15	2015-16
1.	Number of Loan Sub Committee meeting held	3	3
2.	Target (Number of cases)	50	30
3.	Details of Sanctioned Cases		
	a. Number of Cases	20	33
	a. Amount Sanctioned	₹ 51.48 lakh	₹ 84.90 lakh
4.	Details of Disbursed Cases		
	a. Number of Cases	20	24
	a. Amount Disbursed	₹ 51.48 lakh	₹ 59.75 lakh

Source: Industry Department, GNCTD.

**19.3 Prime Minister Employment Generation Programme (PMEGP):**

19.3.1 This scheme was introduced by the Ministry of Small and Medium Enterprises, Government of India with a view to generate employment opportunities in the country. Khadi and Village Industries Commission is the nodal agency for implementation of the scheme in the country as a whole and state Khadi and Village Industries Board have been nominated as the state implementing agency. In Delhi, Khadi and Village Industries Board is nominated as the nodal agency to implement the scheme in the rural as well as in urban areas. The maximum cost of the project per unit admissible to each entrepreneur under the scheme is ₹ 25 lakh. There is no income criterion for applying loan under PMEGP scheme. The rate of subsidy differs depending on the category of the applicant along with the area where he/ she wants to establish the unit.

19.3.2 Under this scheme the proposals are invited by the implementing agencies and applications are placed before the District Task Force Committees (DTFC) headed by Deputy Commissioner of the concerned district and after the recommendation of DTFC the cases are forwarded to the banks for their evaluation and sanction. The progress of the scheme during 2014-15 and 2015-16 is presented in Statement 9.11.

### Statement 9.11

#### PROGRESS OF PMEGP IN DELHI DURING 2014-15 & 2015-16

S. No	Items	Achievement	
		2014-15	2015-16
1.	Target (number of cases)	519	254
2.	Number of Cases disbursed by Banks	173	221
3.	Margin money amount disbursed by the Banks	` 163.54 lakh	` 205.84 lakh

#### 19.4 Marketing Activities:

Delhi Khadi and Village Industries Board started limited marketing activities from 1999. The Board is procuring items from certified Khadi and Village Industrial units and selling them at their sale outlets. There are two sale outlets at present at Udyog Sadan, Patparganj and Delhi Secretariat.

#### 20. Knowledge Based Industrial Park at Baprola

- 20.1 DSIIDC is in the process of setting up a knowledge based Industrial Park for Information Technology and Knowledge based industries in an area of approximately 77 acres at Baprola. The total estimated project cost is about ` 2100 crore. A world class Incubation Centre for high tech & knowledge based industries may be set up in the Knowledge Park.
- 20.2 The project is expected to provide direct employment of one lakh persons and indirect employment to one lakh seventy thousand persons. In addition, the following proposals are also at the anvil:
- To initiate work to develop about 1000 acres land for planned and futuristic industrialization and knowledge based industries at Kanjhawala.
  - To initiate work to develop 147 acres land at Rani Khera for setting up a manufacturing hub.