

## FOREWORD

A standardized system of classification of economic activities is essential for meaningful collection of data relating to such activities. This not only ensures comparability of the data collected within the country from various sources by different agencies but also with the rest of the world. In India, the National Industrial Classification (NIC) is the standard classification followed for classifying economic activities. The NIC is prepared to suit the Indian conditions and follows the principles and procedures laid down in the United Nations' International Standard Industrial Classification (ISIC). It is a constant endeavor of the Ministry of Statistics and Programme Implementation, charged as it is with the responsibility for setting standards for collection, compilation and dissemination of statistical data in India, to establish classification systems as well as updating existing ones. This is necessary to keep pace with the changes in the organization and structure of industries besides accounting for emerging economic activities. The NIC-2004 is the revised version of the earlier classification standard issued in 1998 called the NIC-1998, which was based on ISIC-1990 Rev. 3.

2. With the revision of ISIC-1990 Rev. 3 as ISIC-2002 Rev. 3.1, an exercise was taken up to revise the NIC-1998, under the guidance of the Standing Committee on Industrial Statistics (SCIS). The revision was effected through suggestions from users including those in the Government, Research Institutions, Industry Associations, etc. A Sub-group was formed to analyse the suggestions received along with other technical issues. The report of the Sub-group was considered and approved by the SCIS on 17<sup>th</sup> March, 2004.

3. Thus, the present publication, NIC-2004 is the result of sustained efforts at various levels. I would like to place on record the Ministry's appreciation of the efforts by the Chairman and members of the SCIS and its Sub-group in giving shape to this publication. The officers and staff of the Classification Unit of Central Statistical Organisation also deserve praise for their efforts in developing the revised classification.

4. I would urge all the users to follow the NIC-2004 henceforth. Your comments and suggestions would help us to improve future classifications.

New Delhi  
September, 2004

(Dr. Mano Ranjan)  
Secretary to the Government of India

## PREFACE

The Ministry of Statistics and Programme Implementation being nodal statistical authority is vested with the responsibility of setting up standards for collection, compilation and dissemination of statistical data. The official statistical data are required to be collected and presented according to classification designed to facilitate their use for national economic policy and for international comparison. Comparability of statistics available from various sources, on different aspects of the economy, and usability of such data for economic analysis are prerequisite for standardisation of a system of classification.

2. The Central Statistical Organisation (CSO), which is responsible for coordination of statistical activities in the country as well as for evolving and maintaining statistical standards, took up the task of evolving a standard industrial classification as early as in 1960 and evolved a Standard Industrial Classification (SIC) in 1962. To mop-up the significant changes in the organisation and structure of industries, the necessity to revise the industrial classification has been felt from time to time. With this objective, the CSO revised SIC 1962 in 1970 (NIC -70), NIC-1970 in 1987 (NIC-87) and NIC-87 in 1998 (NIC-98). One of the significant features of NIC-98 was that apart from being identical with the ISIC Rev.3 in structure upto the 4-digit level, the appropriate four-digit categories of NIC- 1987 and the national requirements were incorporated at the five-digit level.

3. Keeping in view the release of the United Nations International Standard Industrial Classification (ISIC)-2002 Rev. 3.1 coupled with immediate national requirements reflected through the suggestions obtained from various users, necessitated revision of the NIC-1998. CSO accomplished this task of revising the NIC-1998 consistent with the ISIC Rev.3.1, under the overall guidance of Standing Committee on Industrial Statistics (SCIS) under the Chairmanship of Prof. K. L. Krishna, Indian Council for Research on International Economic Relations (ICRIER). The SCIS constituted a Sub-group for detailed deliberations on technical issues. The Sub-group held six meetings on 4 December 2001, 2 September 2002, 7 November 2003, 14 January 2004, 10 February 2004 and 12 March 2004 and submitted the draft report on NIC-2004 to SCIS for approval. The SCIS in its meeting held on 17 March 2004 approved and adopted updated National Industrial Classification 2004.

4. I would like to place on record the pains taking efforts of the members of the Sub-group and the SCIS in preparing the NIC-2004. But for their tireless efforts it would not have been possible to give NIC-2004 a final shape. The overall work of evolving NIC-2004 was accomplished through the appreciable work of examining and implementing the various suggestions forwarded by different organisations on the draft of updated NIC, by Shri Rajeev Lochan, the then Director, CSO, Smt. G S Lakshmi, the then Joint Director, CSO and the staff of Classification Unit, under the able guidance of Shri. V K Arora, Deputy Director General (Industrial Statistics Division).

5. The improvement in classification evolved at any time is an on going task and I would urge the users to follow NIC- 2004 extensively and send comments/observations based on their experience of use, which would go a long way to improve the future classification.

September, 2004  
New Delhi

(Dr. Vaskar Saha)  
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