

CHAPTER VII

NET OUTPUT OF FACTORY ESTABLISHMENTS

1. In view of the organisation and availability of statistical data, manufacturing or processing activity has, for purposes of compilation of national income, been classified into two broad groups, viz. 'factory establishments' sector (or the organised industries) and the 'small enterprises' sector. The factory establishments sector covers all the factories covered by the Indian Factories Act, 1948 and distribution of electricity. A factory, according to the Factories Act, has been defined as 'any premises including the precincts thereof (i) whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power or is ordinarily so carried on, or (ii) whereon twenty or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on without the aid of power or is ordinarily so carried on, but does not include a mine subject to the operation of the Mines Act, 1952 or a railway running shed.' The 'manufacturing process' has been defined as 'any process for

- (i) making, altering, repairing, ornamenting, finishing, packing, oiling, washing, breaking up, demolishing or otherwise treating or adapting articles or substances with a view to its use, sale, transport, delivery or disposal;
- (ii) pumping oil, water or sewage;
- (iii) generating, transforming, transmitting power;
- (iv) composing types for printing, printing by letter press, lithography, photogravure or other similar process or book-binding;
- (v) constructing, re-constructing, repairing, refitting, finishing or breaking up of ships or vessels'.

All the manufacturing and processing activities undertaken by establishments not coming under the purview of the Factories Act are taken together to comprise the 'small enterprises' sector. In this section we deal with the first of these two groups, namely, 'factory establishment' sector.

2. This is a sector where the availability of statistics relating to production and cost of production is comparatively satisfactory. The major sources of information are the CSO (Industrial Statistics Wing) formerly known as the Directorate of Industrial Statistics), the NSS, the Labour Bureau and the Development Wing of the Ministry of Commerce and Industry. Of these, the Labour Bureau has been collecting and publishing statistics relating to employment and wage statistics for factory workers through State Chief Inspectors of Factories under the Factories Act and the Payment of Wages Act. Data so collected are published in the Indian Labour Year Book and the Indian Labour Journal. The Labour Bureau also compiles data on average wages and earnings of factory workers collected under the Payment of Wages Act. Wages, as defined in the Act, cover all remuneration capable of being expressed in

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terms of money and payable under the terms of the contract. The provisions of the Payment of Wages Act applied until recently to all factory employees including clerical and supervisory staff whose monthly earnings did not exceed Rs. 200.

2.1. Apart from the Labour Bureau, employment statistics for factory labour are also collected by the Industrial Statistics Wing of the CSO (formerly the Directorate of Industrial Statistics) as part of their Annual Census of Manufactures. From 1946 to 1956 the Census of Indian Manufactures¹ (CMI) was conducted annually on a statutory basis, under the provisions of the Industrial Statistics Act, 1942 and the CMI Rules 1945 made thereunder. The CMI covers only factories registered under section 2j of the Factories Act 1934, namely factories employing 20 or more employees on any day with the aid of power, and it is further confined to the first 29 of the 63 groups into which the entire field of industries was classified. The geographical coverage of the census has not been quite uniform and it improved over time as the Industrial Statistics Act was extended gradually to different States or areas. The extent of non-reporting factories also varies from year to year. The censuses for the years 1957 and 1958 were conducted on a voluntary basis as the Industrial Statistics Act 1942 was repealed with the enforcement of the Collection of Statistics Act, 1953. With the repeal of the Industrial Statistics Act, 1942 consequent upon the coming into force of the Collection of Statistics Act, 1953 with effect from the 10th November, 1956 and the subsequent promulgation of Statutory Rules, the survey from the year 1959 onwards is to be conducted under the provisions of the new Act. A strict comparison of the statistics of factory employment as available from the Labour Bureau and the CMI is not possible owing mainly to the adoption of different classification schemes for industries by them.

2.2. The Sample Survey of Manufacturing Industries (SSMI) conducted by the NSS covers all the 63 industrial groups with the exception of Ordnance Factories and Railway Workshops and it covers all the factories registered under sections 2m(i) and 2m(ii) of the Factories Act 1948, that is, factories employing 10 or more workers on any working day if using power and employing 20 or more workers if not using power. The classified list of factories registered under Section 2m(i) and 2m(ii) of the Indian Factories Act, 1948 maintained by the Chief Inspector of Factories in the different States in India forms the basis for the sampling frame adopted for this survey. The SSMI covers approximately 3,400 factories. The allocation among the 61 industries (and their sub-groups) has been proportional to the product of the total number of workers and the standard deviation of output per worker (obtained from the results of the earlier surveys). Unlike the CMI, the SSMI gives a blown up estimate for the entire population. Both the CMI and the SSMI provide data for the calendar years, except in the case of sugar industry for which the year ending 30th June is adopted. Those data have been used as such for national income estimation purposes even though national income estimate has been compiled for most of the sectors on financial year basis. Both the CMI and SSMI give information

¹ Censuses for 1944, 1945, 1957 and 1958 were also conducted but on a voluntary basis.

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in respect of fixed capital, inventory, employment, wages and salaries, value of material consumed, value of products and value added by manufacture.

2.3. The Development Wing of the Ministry of Commerce and Industry collects information on the quantum of production of a large number of selected commodities and these are published on a monthly basis by the Industrial Statistics Wing of the CSO in their monthly publication 'Monthly Statistics of Production of Selected Industries in India'. These statistics collected by the Development Wing of the Ministry of Commerce and Industry are based on voluntary returns furnished by various manufacturing units borne on the Ministry's list for their administrative purposes. Units borne on their list need not necessarily be on the basis of any size criterion. In certain industries all factories (factories as defined in the Factories Act, 1948) are covered, for example, sugar, cotton textiles, jute textiles, woollen textiles etc. In the case of electricity, data are furnished by all electricity supplying undertakings irrespective of the number of employees. Though these data are available with very little time lag, details of value of production or cost of production are not available and as such these data are not readily useful for estimating the value added.

2.4. Estimates of output for certain individual industries are independently available. For example, statistics of electricity generation, transmission etc. are available with the Central Water and Power Commission and are published in an annual publication 'Public Electricity Supply—All India Statistics'. For the motion picture production industry, which has, for purposes of national income estimation, been treated with factory establishments, useful information on production (and also distribution) of films is given in the Report of Film Enquiry Committee, the Handbook of Indian Film Industry and the Journal of Film Industry. Similarly statistics relating to some individual industries like the cotton textiles industry are available in the Bombay Cotton Annual and similar publications.

3. *Estimation of value added by manufactures:* The contribution to national income is represented by the value added by manufactures less certain deductions for miscellaneous office expenditure not already allowed for, insurance premium paid and certain imputed bank charges. Upto the year 1953, the estimates of value added by manufactures as obtained through the SSMI were being utilised for purposes of national income estimation. The value added by manufactures has been arrived at by deducting the value of input from the value of output. This value, however, is gross of depreciation in the case of SSMI. The output has been defined as the sum total of the values of products and by-products and the industrial servicing sold to other concerns; and input as the sum total of the value of fuel, raw materials and chemicals, energy and industrial servicing purchased from other concerns. From the year 1954 onwards, as the current SSMI data were not available in time the estimates of net output were being derived for national income purposes from certain preliminary data relating to 1953 as made available by the Indian Statistical Institute even before the draft report of SSMI 1953 was ready. Such provisional estimates of output relating to 1953 were being adjusted for subsequent years on the basis of index numbers

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of industrial production and prices of selected manufactured commodities for as many of the individual industries as possible (about 28 industries covering approximately 70 per cent² by value of output) and the estimates of value added were obtained therefrom by applying the proportion of value added to output in the base year (1953). The SSMI data in respect of electricity generation and transmission were considered underestimates upto the year 1951 and as such the estimates pertaining to this industry were being derived upto that year on the basis of data contained in 'Public Electricity Supply—All India Statistics', issued by the Central Water and Power Commission. Similarly estimates relating to input of raw cotton in the cotton textile industry were considered defective in the light of other available data and some adjustments were being made on this account. On further detailed examination, it is now considered that this adjustment for raw cotton input was really necessary only for the years 1949 and 1950.

3.1. The method of estimating output and value added by manufacture as described in the preceding paragraph is defective in the following respects :

- (i) it depended upon 1953 preliminary data;
- (ii) the 1953 preliminary data (which formed the basis for subsequent estimates) are different from the final figures received subsequently;
- (iii) the individual index numbers of output or prices were available for some of the industries only and for the rest of the industries the combined (all industries) index of output and prices were used;
- (iv) no adjustment for changes in prices of industrial raw materials was made;
- (v) the use of 1953 proportion of value added to output resulted in overestimation as it was found that this proportion was highest in the year 1953 and had moved significantly downwards in subsequent years (which is corroborated by the CMI, the SSMI and company balance sheet analysis) and
- (vi) adjustment for raw cotton input though really not necessary for years other than 1949 and 1950 was implicitly made in all the years as the proportion of value added to output in 1953 was obtained after making this adjustment.

It could not, however, be revised in the past in view of the non-availability of industry-wise details regarding output, value added, employment etc. according to the SSMI for any year later than 1953.

3.2. The ISI has subsequently made available industry-wise estimates of output and value added from 1953 to 1957 and employment from 1953 to 1955 only in respect of 2m(i) industries and aggregate figures for 2m(ii) industries along with corresponding summary totals for all industries taken together for the year 1958. These estimates (from 1955 onwards) are still provisional and subject to revision.

² For the remaining industries the general index of industrial production and the index of wholesale prices of manufactured articles were being used.

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The results for 1958 are provisional and furnished by way of advance information. Those SSMI results have been scrutinised to the extent possible by comparing them with the corresponding CMI results. In the absence of quantity figures of items of output or input or their unit value, the statistics could not be compared or subjected to more detailed scrutiny. However, a detailed industry-wise comparison with the CMI has been made and it is found that the SSMI estimates, by and large, compare well with the CMI estimates, though there are a few discrepancies where the SSMI estimates of output or value added happen to be lower than the corresponding CMI estimates in spite of their larger coverage. Thus in respect of sewing machine industry in the year 1954 the SSMI coverage is clearly much less compared to the CMI and hence the estimate of the value added in this industry according to the CMI has been preferred. The geographical coverage and extent of non-response of the CMI has not been strictly uniform from year to year. The main difference in this regard is on account of non-inclusion of Cochin state in 1952 and 1953 and inclusion of Mysore and Travancore from 1954 onwards. These States together may account for about 4 per cent increase in 1954 over 1953 as far as value added in the CMI is concerned. Similarly, the percentage of non-response in the CMI decreased in 1954 to 6 p.c. compared to 10 p.c. in 1952 and 1953. The census in 1957 suffered from larger non-response (16 p.c.). These facts should be borne in mind while examining the table given below comparing the value added according to the CMI and the SSMI.

**TABLE 7.1: COMPARISON OF VALUE ADDED (GROSS OF DEPRECIATION)
ACCORDING TO CMI AND SSMI**

(Rs. crores)						
years	CMI	SSMI	Col. (3)	SSMI	SSMI	SSMI
	1-29 2j	1-29 2m(i)	Col. (2)	30-63 2m(i)	1-63 2m(ii)	1-63 2m(i) and 2m(ii)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1949	289(92)*	327*	113	—	—	—
1950	302(93)	331*	110	—	—	—
1951	366(92)	439	120	154	28	621
1952	336(90)	384	115	200	29	613
1953	356(90)	417	117	233	31	682
1954	398(94)	395	99	229	32	655
1955	448(93)	455	102	235	33	723
1956	502(93)	487	97	272	39	798
1957	482(84)	522	108	301	38	861
1958	509(78)	—	—	—	—	917

* figures in brackets indicate percentage coverage of factories in the CMI.

• 2j factories only.

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Keeping in view the extent of non-response and exclusion of certain geographical areas (primarily Mysore and Travancore-Cochin upto 1953) in the CMI, it may appear that the SSMI has been possibly underestimating the value added in 1954 and all the subsequent years for 2m(i) factories in the 1-29 industries groups (see Table 7.2 also). However, in the absence of further details, no adjustment has been made at present. Similar comparison of employment and output has also been made and the results given in Appendix 7.1.

3.3. The trend in value added as exhibited by the SSMI has been compared with that indicated by other sources, namely, the CMI, the index number of industrial production (adjusted for price changes) and company balance sheet analysis. For purposes of this comparison the estimate of value added according to the CMI has been approximately adjusted for non-inclusion of Mysore and Travancore-Cochin in 1951, 1952 and 1953 and then inflated for non-response on pro-rata basis². Some mark-up for power using factories employing 10-19 workers has also been made. The trend indicated by the index number of industrial production and company balance sheet analysis also are presented in Table 7.2.

TABLE 7.2: COMPARISON OF THE TREND OF VALUE ADDED BY MANUFACTURE ACCORDING TO DIFFERENT SOURCES

year	value added (Rs. crores) ^a			index numbers (1951 = 100)				
	CMI (adjusted) 2j factories	SSMI 1-29 2m(i) factories	SSMI all factories	CMI (adjusted) 2j factories	SSMI 1-29 2m(i) factories	SSMI all factories	index of industrial production adjusted for prices of manufactured articles ^b	company balance sheet analysis
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1951	416	439	621	100.0	100.0	100.0	100.0	100.0
1952	393	384	613	94.5	87.5	98.7	90.4	80.9
1953	416	417	682	100.0	95.0	109.8	87.6	85.4
1954	426	395	655	102.4	90.0	105.5	95.6	95.1
1955	486	455	723	116.8	103.6	116.4	103.0	108.3
1956	544	487	798	130.8	110.9	128.5	118.2	128.3
1957	578	522	861	138.9	118.9	138.6	123.3	119.7
1958	—	—	917	—	—	147.7	127.5	—

^a Gross of depreciation.
^b Excluding mining and quarrying.

² This adjustment on a pro-rata basis is admittedly unsatisfactory. On the basis of some unpublished information received from the Industrial Statistics Wing relating to employment in non-reporting factories for the year 1957 a better estimate of the value added by the non-reporting factories on the basis of employment has been attempted for the years 1957 and 1956. The estimate of value added on this basis amounted to Rs. 503 crores in 1957 and Rs. 511 crores in 1956 as compared to Rs. 578 crores and Rs. 544 crores for the same years respectively obtained on the basis of pro-rata adjustment. This clearly indicates that the pro-rata adjustment overestimates the value added in the non-reporting factories.

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From cols. 2 and 3 of Table 7.2 it may appear that the SSMI has possibly been under-estimating the value added in 1-29 2m(i) industries from 1954 onwards. This conclusion is not fully justified as the pro-rata adjustment made for non-reporting factories has unduly pushed up the estimates of value added according to the CMI. According to the SSMI the growth or increase in value added in 1-29 2m(i) industries has been much smaller compared to that indicated by the CMI though the trend indicated by the SSMI for all the 63 industries taken together and the CMI compare well. Further the trend exhibited by the index number of industrial production adjusted for price changes with the help of the index of wholesale prices of manufactured articles and also the trend exhibited by the estimates obtained from the company balance sheet analysis are also largely in conformity with those indicated by CMI and SSMI. Thus taking all the 63 industries together the results of the SSMI have been considered reasonably accurate and have been adopted here for the years 1954 to 1958 also in place of the estimates obtained from projection of the 1953 SSMI data adopted so far.

3.4. For cotton textile industry as has been stated in para 2.138 (ii) on page 68 of the Final Report of the NIC, the 'inputs of raw cotton as estimated in the SSMI for 1949 and 1950 gave obviously inconsistent results; input of raw cotton is estimated at 63 lakhs of bales in 1949 and 38 lakhs of bales in 1950, i.e. a drop of about 40 p.c. in the input of the industry. Moreover, the price per bale in 1950 is abnormally high in comparison with the 1949 prices. On the other hand, the total value of input of raw cotton and output of cloth given are more or less the same in the two years. The total availability of stock and the requirement of raw cotton have, therefore, been taken from the 'Bombay Cotton Annual (1951-52)' which gives figures comparable with those given in the 'Indian Cotton Industry (Annual) 1951'. Evaluation has been done at the weighted average price per bale used in the agricultural sector. The value added by this industry has been adjusted by substituting this value of input of raw cotton for the value as estimated by the SSMI. The adjustment on this account was being continued for subsequent years as well. However, this has been examined in detail in the light of data available for subsequent years and the relevant tables are given in Appendix II. It will be seen from this appendix that the price per unit of cotton input according to the SSMI was markedly low only in the year 1949 and to some extent in 1950. For the other years the price of raw cotton input is quite comparable with that obtained from the CMI. Similarly, it may be observed that the quantity of cotton input as obtained from the SSMI is markedly different from that indicated by the CMI and Bombay Cotton Annual only in respect of the year 1949 and to a lesser extent in 1950. The production of cloth as also the estimates of cotton input based on employment have been examined which again gives corroborative evidence that the estimates of cotton input according to the SSMI require adjustment only for the year 1949 and to a lesser extent in 1950 and not for any of the subsequent years. Even in these two years for making any adjustment in value of cotton input the average price per unit of raw cotton input according to the CMI should be considered much more appropriate for evaluation rather than the average price per unit at which raw cotton was evaluated in the agricultural sector. The latter price being net of trade

and transport margins will be much less and should be considered unsatisfactory for the purpose of evaluation in the industry sector. Thus the adjustment for raw cotton input has now been made only for the years 1949 and 1950 and the quantity of mill consumption of raw cotton for the calendar years 1949 and 1950 have been taken from the publication 'Bombay Cotton Annual' and evaluated using the CMI price per bale of cotton for 1949 and 1950. The value of total input of raw cotton so obtained has been used and the value added in this industry during these two years as given by the SSMI has been adjusted accordingly. As a result, the SSMI estimate of value added in cotton textile industry is now adjusted downwards to the extent of Rs. 7.86 crores in 1949 and Rs. 2.58 crores in 1950 as against an upward adjustment of Rs. 66.94 crores in 1949 and Rs. 64.52 crores in 1950 made originally. Thus on account of this revision alone the estimate of contribution to national income from this sector goes down to the extent of Rs. 60 crores in almost all the years for which estimates have been published so far.

3.5. The SSMI in the year 1949 and 1950 covered only the 2j factories, namely, factories using power and employing 20 or more workers and hence some estimates of the value added by the 2m(ii) factories during the period will have to be built up for these two years. The value added by the 2m(ii) factories in 1951 according to the SSMI has been Rs. 28 crores and this estimate without any adjustment has been accepted for the year 1950 also. A mark-up is still necessary for power using factories employing 10 to 19 workers to make the coverage uniform. The employment in such small factories with an average daily employment of less than 20 workers amounted to 3.7 per cent of total employment in power using factories in 1953 as per data available in the publication 'Large Industrial Establishments in India 1953'. The corresponding percentage in 1954 has been found to be about 4.0 per cent and it could not be readily worked out for any of the earlier years. It is further found from the CMI 1953 that of the total employment in 2j factories about 1.0 per cent of the employment is accounted for by small factories with an average daily employment of less than 20 workers (though employing 20 or more on any day during the year). Hence the percentage of employment in power using factories which employed between 10 to 19 persons on any day during the year to total employment in 2m(i) factories has been taken roughly as 2.7 per cent. On the basis of CMI (1953) the value added per person employed in factories with an average daily employment of less than 20 workers has been only about 27 per cent⁴ of all 2j factories taken together. Thus the estimate of value added in all power using factories employing 10 to 19 persons has been estimated roughly at 0.75 p.c. of the value added in 2j factories which works out at Rs. 3.7 crores in 1950. In spite of the small magnitude involved, this adjustment has been made to make the coverage uniform.

3.6. The estimates of value added obtained from the SSMI have to be adjusted for depreciation, certain minor operational costs, imputed bank and insurance charges and electricity generation. The SSMI gives no estimate of depreciation and

⁴ This percentage has been found to be much higher in 1956 and 1957.

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as such it has been worked out on the basis of the ratio of depreciation to gross value added as obtained from the CMI.

3.7. Certain minor operational costs such as printing, advertisement, postage etc. have not been allowed for in the SSMI in estimating the value added by manufacture. An allowance for these was being made arbitrarily (based upon some scattered information available in the Tariff Board Reports) at one-half per cent of the value added. From the survey year 1955 onwards the SSMI has, however, allowed for services like printing, auditing, advertisement, warehousing, insurance services etc. in arriving at the value added and as such the deduction of one-half per cent for such miscellaneous costs has been discontinued from that year onwards. The ISI has been requested to make available details about the cost on account of such services for improving the adjustment on this account further. The deductions made on account of imputed bank and insurance charges are discussed in the section relating to banks and insurance.

3.8. Another adjustment which was being made to the estimate of value added obtained from the SSMI related to motion picture production. The estimates of value added under the industry sector on account of movie film production was being built up on the basis of data on production and distribution of films as given in the report of the Film Inquiry Committee, the Hand Book of Indian Film Industry, Journal of Film Industry and information on the number of films produced, the total gate collections etc. obtained from the Ministry of Information and Broadcasting. The contribution to national income on account of film production (excluding that due to distribution and exhibition) so estimated was being added in the end to the net value added according to the SSMI. However, it has recently been clarified that movie film production is also covered by the SSMI in the 63rd group, viz. unspecified industries and as such separate treatment accorded to this industry has now been discontinued.

3.9. As stated earlier, census and sample survey from the survey year 1959 are being conducted on a unified basis designated as the Annual Survey of Industries, under the Collection of Statistics (Central) Rules, 1959 framed under the Collection of Statistics Act, 1953. The census portion of the Annual Survey of Industries will cover all the factories employing 50 or more workers with power and 100 or more workers without power. The sample survey portion will cover on a sample basis (of about 25 p.c.) of the factories not covered by the census, i.e. factories employing 10 to 49 workers with the aid of power and 20 to 99 workers without the aid of power. Thus when the results of the Annual Survey of Industries become available the value added by the factories covered by the census portion and the sample survey portion would be combined in order to obtain the total value added by this sector. However, for the present, the provisional estimate for 1959-60 has been built up from the estimate relating to the year 1958-59 with the help of the general index of industrial production (excluding coal and electricity generation) and the index of wholesale prices of manufactured articles.

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4. *Electricity* : Till recently, the procedure was to treat 'electricity' as a constituent of factory establishment sector like other industry groups and estimates of its contribution to national income were being prepared on the basis of data collected by the SSMI. But, due to its peculiar nature it is but proper to distinguish 'electricity' from other industries and to treat it separately. Unlike other industries, in electricity it is difficult to separate 'distribution' and 'transmission' from 'generation' and to estimate the net value added by 'generation' separately. Also, it is not quite clear how far income from 'electricity distribution' was included in the earlier estimate of national income. Thus it has been considered desirable to put electricity generation, transmission, distribution and consumer servicing together and present the same separately under this sector. Consequently the scope of the factory establishments sector will have to be elaborated to that extent. According to the U.N. classification, 'electricity' has been treated as a separate item along with gas, water and sanitary services. The method for estimating contribution of electricity to national income at current prices is described in the next paragraph. The value added by electricity generation and transformation included under the SSMI has, therefore, been left out in order to avoid double counting.

4.1. The Public Electricity Supply (All-India Statistics), an annual publication of the Central Water and Power Commission (Power Wing), gives consolidated accounts (revenue, capital and balance sheet of all public electricity undertakings in India. By analysing the consolidated accounts for the years 1955-56 to 1958-59 estimates of electricity's contribution to national income have been prepared for the respective years, as the sum total of wages and salaries and 50 p.c. of the management expenses falling under generation, transmission, distribution and consumer servicing along with the surplus and the estimated⁵ wages and salaries component of capital works in progress (including increase in assets). By adjusting the 1958-59 estimate of net income from electricity with the help of index number of wholesale prices of electricity and index number of electricity generation, the preliminary estimate of net income from electricity for 1959-60 at current prices has been obtained.

5. *The Estimates* : The estimates of net output of the factory establishments (including electricity) worked out on these lines for the years 1955-56 to 1959-60 have been presented in Table 7.3. Table 7.4 compares the revised estimates with the conventional estimates based on the method followed by the NIC. Almost the entire difference between the two estimates is due to (1) use of current SSMI data in place of provisional data relating to 1953 and (2) revision in respect of adjustment relating to value of cotton input (use of the CMI price per unit).

⁵ Estimated at 5 p.c. This is rather arbitrary and will be modified when more data become available. The figure of 5 p.c. has been taken as the major portion of the increase in assets will be on account of plant and machinery and it is believed that the overhead wages and salaries are already included under the head wages and salaries.

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TABLE 7.3: ESTIMATES OF NET OUTPUT OF FACTORY ESTABLISHMENT SECTOR

(Rs. crores)

items	1955-56	1956-57	1957-58	1958-59	1959-60
(1)	(2)	(3)	(4)	(5)	(6)
1. value added as per SSMI* (excluding electricity)					
a) using power	648	723	803	—	—
b) not using power	24	39	38	—	—
c) total (a + b)	672	762	841	886	992
2. deductions					
a) depreciation (based on CMI rate)	42	50	65	79	88
b) imputed bank charges and insurance premia	16	19	20	22	23
c) total (a + b)	58	69	85	101	111
3. net value added by manufacture (1 - 2c)	614	693	756	785	881
4. net income from electricity	30	35	40	46	55
5. contribution to national income (3 + 4)	644	728	796	831	936

* Operational costs for the years 1955-56 to 1959-60 have already been allowed for.

TABLE 7.4: COMPARISON OF REVISED ESTIMATES WITH THE CONVENTIONAL ESTIMATES

(Rs. crores)

years	conventional estimates	revised estimates
(1)	(2)	(3)
1955-56	782	644
1956-57	901	728
1957-58	977	796
1958-59	997	831
1959-60	1122	936