

CHAPTER 14

INDUSTRY

Annual Survey of Industries: The Annual Survey of Industries (ASI) is the principal source of industrial statistics in India. It provides statistical information to assess and evaluate, objectively and realistically, the changes in the growth, composition and structure of organised manufacturing sector comprising activities related to manufacturing processes, repair services, gas and water supply and cold storage. The Survey is conducted annually under the statutory provisions of the Collection of Statistics Act 1953, and the Rules framed there-under in 1959, except in the State of Jammu & Kashmir where it is conducted under the State Collection of Statistics Act, 1961 and the rules framed there-under in 1964. The ASI extends to the entire country except the States of Arunachal Pradesh, Mizoram, Sikkim and Union Territory of Lakshadweep. It covers all factories registered under sections 2m (i) and 2m (ii) of the Factory Act, 1948. The survey also covers bidi and cigar manufacturing establishments registered under Bidi and Cigar Workers (Condition of Employment) Act, 1966 and employing 10 or more workers using power and 20 or more workers not using power. Although the scope of the ASI was extended to all registered manufacturing establishments in the country, establishments under the control of the Defence Ministry, oil storage and distribution units, restaurants and cafes and technical training institutions not producing anything for sale or exchange were kept outside the coverage of the ASI. The concept and definition followed in ASI are as under:

Industrial Classification: From ASI 2004-05, NIC-2004 has been introduced, which classify all the factories in the ASI frame in their appropriate industry groups on the basis of the principal product manufactured. This way a unit gets classified in one and only one industry group even though it might be manufacturing products belonging to different industries. The estimates for different aggregates presented in this report at three or four digit level of industry correspond to the NIC- 2004.

Reference Year: Reference period of data given in subsequent pages relates to the accounting year of the factories on any day between 1st April to 31st March of the next year.

Factory: is one, which is registered under sections 2m (i) and 2m (ii) of the Factory Act, 1948. The sections 2m (i) and 2m (ii) refer to any premises including the precincts thereof (a) 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 (b) 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.

Fixed Capital: represents the depreciated value of fixed assets owned by the factory as on the closing day of the accounting year. Fixed assets are those that have a normal productive life of more than one year. Fixed capital includes land including lease- hold land, buildings, plant and machinery, furniture and fixtures, transport equipment, water system and roadways and other fixed assets such as hospitals, schools etc. used for the benefit of factory personnel.

Physical Working Capital: Are the total inventories comprising of raw materials and components, fuels and lubricants, spares, stores and others, semi-finished goods and finished goods as on the closing day of the accounting year. However, it does not include the stock of the materials, fuels, stores etc. supplied by others to the factory for processing and finished goods processed by the factory from raw materials supplied by others.

Working Capital: Are the sum total of the physical working capital as already defined above and the cash deposits in hand and at bank and the net balance receivable over amounts payable at the end of the accounting year. working capital, however, excludes unused overdraft facility, fixed deposits irrespective of duration, advances for acquisition of fixed assets, loans and advances by proprietors and partners irrespective of their purpose and duration, long-term loans including interest thereon and investments.

Productive Capital: is the total of fixed capital and working capital as defined above.

Invested Capital: is the total of fixed capital and physical working capital as defined above.

Gross Value of Plant of Machinery: represents the total original (undepreciated) value of installed plant and machinery at the end of the accounting year. It includes the book value of the newly installed plants and machinery and the approximate value of rented in plants and machinery at the time of renting-in but exclude the value of rented-out plants and machinery. Total value of all the plants and machinery acquired on hire - purchase basis is also included.

Outstanding Loans: represent all loans whether short term or long term, whether interest bearing or not, outstanding according to the books of the factory as on the closing day of the accounting year.

Rent Paid: represents the amount of royalty paid in the nature of rent for the use of the fixed assets in the factory.

Interest Paid: includes all interest paid on factory account on loans, whether short term or long term, irrespective of the duration and the nature of agency from which the loan was taken. Interest paid to partners and proprietors on capital or loan are excluded.

Rent Received: represents the amount of royalty received in the nature of rent for the use of the fixed assets in the factory.

Interest Received: includes all interest received on factory account on loans, whether short term or long term, irrespective of the duration and the nature of agency to which the loan was given. Interest received from partners and proprietors on capital or loan are excluded.

Workers are defined to include all persons employed directly or through any agency whether for wages or not and engaged in any manufacturing process or in cleaning any part of the machinery or premises used for manufacturing process or in any other kind of work incidental to or connected with the manufacturing process or the subject of the manufacturing process. Labour engaged in the repair and maintenance or production of fixed assets for factory's own use or labour employed for generating electricity or producing coal, gas etc. are included.

Employees: include all workers defined above and persons receiving wages and holding supervisory or managerial positions engaged in administrative office, store keeping section and welfare section, sales department as also those engaged in purchase of raw materials etc. or purchase of fixed assets for the factory and watch and ward staff.

Total Persons Engaged: include the employees as defined above and all working proprietors and their family members who are actively engaged in the work of the factory even without any pay and the unpaid members of the co-operative societies who worked in or for the factory in any direct and productive capacity. The number of workers or employees is an average number obtained by dividing mandays worked by the number of days the factory had worked during the reference year.

Mandays: represent the total number of days worked and the number of days paid for during the accounting year .it is obtained by summing-up the number of persons of specified categories attending in each shift over all the shifts worked on all days.

Wages and Salaries: are defined to include all remuneration in monetary terms and also payable more or less regularly in each pay period to workers as compensation for work done during the accounting year. it includes (a) direct wages and salary (i.e., basic wages/salaries, payment of overtime, dearness, compensatory, house rent and other allowances) (b) remuneration for the period not worked (i.e., basic wages, salaries and allowances payable for leave period, paid holiday, lay- off payments and compensation for unemployment, if not paid from sources other than employers) (c) bonus and ex-gratia payment paid both at regular and less frequent intervals (i.e., incentive bonuses, productive bonuses, profit sharing bonuses, festival or year-end bonuses etc.) it excludes lay off payments which are made from trust or other special funds set up exclusively for this purpose i.e., payments not made by the employer. It also excludes imputed value of benefits in kind; employer's contribution to old age benefits and other social security charges, direct expenditure on maternity benefits creches and other group benefits traveling and other expenditure incurred for business purposes and reimbursed by the employer are excluded. The wages are expressed in terms of gross value i.e., before deduction for fines, damages, taxes, provident fund, employee's state insurance contribution etc.

Contribution to Provident Fund and Other Funds: includes old age benefits like provident fund pension, gratuity etc. and employers contribution towards other social security charges such as employees state insurance, compensation for work injuries and occupational diseases, provident fund- linked insurance, retrenchment and lay off benefits.

Workmen and Staff Welfare Expenses: include group benefits like direct expenditure on maternity, creches, canteen facilities, educational, cultural recreational facilities, and grants to trade unions, co-operative stores etc. meant for employees.

Total Emoluments: is defined as the sum of wages and salaries, employers' contribution as provident fund and other funds and workmen and staff welfare expenses as defined above.

Fuels Consumed: represents total purchase value of all items of fuels such as coal, liquified petroleum gas, petrol, diesel, electricity, lubricants, water etc. consumed by the factory during the accounting year but excluding the items which directly enter into the manufacturing process.

Materials Consumed: represents the total delivered value of all items of raw materials, components, chemicals, packing materials and stores which actually enter into the production process of the factory during the accounting year. It also includes the cost of all materials used for the construction of building etc. for the factory's own use .it, however, excludes all intermediate products consumed during the accounting year. Intermediate products are those products, which are produced by the factory but are subject to further manufacturing.

Ex-factory Value: of all products and by-products manufactured is attained at the rate of net sale-value (inclusive of subsidies etc.) with respect to each of the items.

Products: include the ex-factory value (i.e. exclusive of taxes, duties etc. on sale and inclusive of subsidies etc., if any) of all products and by-products excluding intermediate products that have been completed during the accounting year for sale whether actually sold during the accounting year or not. Also include fixed assets produced by the factory for its use. It also includes the net value of change in the stock of semi-finished goods representing the excess of change in the stock of semi-finished goods at the end of accounting year that at the beginning of the year.

Total Input: comprises total value of fuels, materials consumed as well as expenditures such as cost of contract and commission work done by others on materials supplied by the factory, cost of materials consumed for repair and maintenance work done by others to the factory's fixed assets, inward freight and transport charges, rate and taxes (excluding income tax), postage, telephone and telex expenses, insurance charges, banking charges, cost of printing and stationery and purchase value of goods sold in the same condition as purchased. Rent paid and interest paid is not included.

Total Output: comprises total ex-factory value of products and by-products manufactured as well as other receipts from non industrial services rendered to others, work done for others on material supplied by them, value of electricity produced and sold, sale value of goods sold in the same conditions purchased, addition in stock of semi- finished goods and value of own construction. Rent received and interest received is not being included from ASI 2001-02.

Depreciation: is consumption of fixed capital due to wear and tear and obsolescence during the accounting year and is taken as provided by the factory owner or is estimated on the basis of cost of installation and working life of the fixed assets.

Net Value Added: is the increment to the value of goods and services that is contributed by the factory and is obtained by deducting the value of total inputs and depreciations from value of output.

Components and Accessories Consumed: are the portion of materials consumed and shown separately to represent as a special type of consumption.

Imported Materials Consumed on Actual Use: comprise the portion of materials consumed that are imported from other countries. It may be raw materials or fuels or components and accessories of the input basket.

Semi-finished Goods: refer to the imputed value of all materials which have been partially processed by the factory but which are not usually sold without further processing. It includes the work in progress for materials supplied by others, but excludes the value of semi- finished fixed assets produced for factory's own use.

Finished Goods: of the factory are the ultimate products ready for sale. It does not require further processing but needs packaging and labeling etc.

Net Fixed Capital Formation: represents the excess of net fixed capital at the end of accounting year over that at the beginning of the year.

Gross Fixed Capital Formation: is obtained by adding depreciation to net fixed capital formation as mentioned above.

Industrial Production: The industrial Production data reported in the tables are collected for preparation of All India Index of Industrial Production, and thus may not necessarily be the total of All India Production of the respective items. The basic sources of such data are Department of Industrial Policy & Promotion, Office of the Textile Commissioner, Office of Development Commissioner Small Scale Industries (DCSSI), Ministry of Petroleum, Joint Plant Committee etc.

Index Number of Industrial Production: The present Index has been calculated with 1993-94 as base year. The index is a simple weighted arithmetic mean of production relatives, the weights being proportional to gross value of output as available from ASI-1993-94 factory sector. At the industry indicator levels, the weights were allocated in proportion to their gross value of output. The index is calculated by the formula:

$$I = \frac{\sum R_i W_i}{\sum W_i}$$

Where I is the index, R_i is the production relative for the item 'i' for the month in question and with weight allotted to it. The index has been revised from time to time to reflect adequately the industrial growth by shifting the comparison base to a recent period by covering larger number of items and industries and by improving, as far as practicable, the technique of construction.

Highlights:

- In the Annual Survey of Industries 2007-08, a total of 146385 factories were surveyed.
- The number of workers and total persons engaged were 8.20 million and 10.45 million respectively. The wages paid to the workers was ₹ 51030 crore, whereas, total emoluments was ₹ 105443 crore during 2007-08.
- The fixed capital of ASI factories during 2007-08 was ₹ 845132 crore, whereas, working capital, productive capital and Invested capital were ₹ 316953 crore, ₹ 1162085 crore and ₹ 1280126 crore respectively.
- The total inputs of ASI factories during 2007-08 was worth of ₹ 2222953 crore, whereas, Total output was ₹ 2775709 crore. Depreciation was ₹ 71164 crore and net value added ₹ 481593 crore. The gross fixed capital formation amounted to ₹ 177791 crore during 2007-08.
- The total value addition in stock was ₹ 84508 crore, whereas, value addition in stock of finished goods was ₹ 24379 crore.
- The mill production of cotton yarn during 2009-10 was 3073 million Kilograms (prov.), whereas, the cotton cloth produced was 28577 million square meters (prov.). The production of Man-made fibre fabrics was 22411 million square meters (prov.).
- The General Index of Industrial Production (IIP) increased to 304.1 in 2009-10 over 275.4 in 2008-09. IIP in mining and quarrying sector increased from 176.0 in 2008-09 to 193.1 in 2009-10, whereas, it increased from 295.1 and 223.7 in 2008-09 to 327.3 and 237.1 in 2009-10 in manufacturing sector and electricity respectively.
- The Number of micro, small, medium enterprises (MSMEs) increased to 28.52 million in 2008-09 from 27.28 million in 2007-08, whereas, number of persons employed in these sectors increased to 65.94 million in 2008-09 from 62.63 million in 2007-08. The production in these sectors has increased to ₹ 880805 crore in 2008-09 from ₹ 790759 crore in 2007-08.

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This chapter contains the following tables:

Table 14.1 & 14.2: These two tables present data regarding Annual Survey of Industries (ASI).

Table 14.3: Presents data on Mill Production of Cotton Yarn by Weight and state wise for 2009-10.

Table 14.4: Presents cotton cloth production data by length/area. The data regarding total cloth produced by the decentralized sector of the cotton textile industry have also been shown in this table.

Table 14.5: Presents data on man-made fiber fabrics refers to production by mill (including weaving unit), handloom, power looms and hosiery sectors. Man-made fiber fabrics comprise art silk, synthetic fabrics and staple fiber fabrics.

Table 14.6: This table presents data on production of selected items in India. Data are based on the monthly production data obtained from different Administrative Departments/ Ministries for preparation of All India Index of Industrial Production, which may not necessarily be the total production of the respective items in the country.

Table 14.7: This table presents the index numbers of industrial production with base 1993-94=100. The table presents Annual Averages of IIP at one and two digit codes of industries.

Table 14.8: This table presents the performances of micro, small, medium enterprises.