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THE NATIONAL SAMPLE SURVEY

SEVENTH ROUND : OCTOBER 1953—MARCH 1954

NUMBER 19

REPORT ON
SMALL SCALE MANUFACTURE

(HOUSEHOLD ENTERPRISES SMALLER THAN REGISTERED FACTORIES)



सत्यमेव जयते

Handwritten stamp: NSDP 19
48/91

Issued by

The Cabinet Secretariat : Government of India

Printed by the Eka Press, Calcutta in 1959 and published
by the Manager of Publications, Civil Lines, Delhi-5

MS-19

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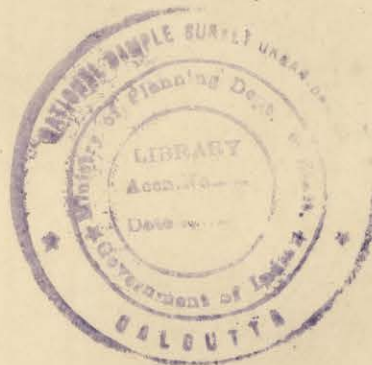
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ACKNOWLEDGEMENT

The data were collected by the Directorate of the National Sample Survey and processed by the Indian Statistical Institute. The report was prepared under the direction of Satyabrata Sen by S. K. Goswami, P. B. Nair, B. M. Das Gupta and others in the National Sample Survey section of the Indian Statistical Institute.

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THE NATIONAL SAMPLE SURVEY

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REPORT ON
SMALL SCALE MANUFACTURE
(HOUSEHOLD ENTERPRISES SMALLER THAN REGISTERED FACTORIES)

*This report on Sample Survey of Small Scale Manufacture (Household Enterprises smaller than Registered Factories) was prepared by the Indian Statistical Institute, Calcutta and is being published in the form in which it was submitted to the Government of India. The views contained in this report are not necessarily those of the Government of India.**

CHAPTER ONE

SCOPE, COVERAGE AND DESIGN OF THE SURVEY

INTRODUCTION

1.1. This report is based on data collected in the seventh round of National Sample Survey carried out from October 1953 to March 1954. More than 10,000 sample households engaged in small scale manufacture and handicrafts were interviewed for completing the schedules. The present report gives the all-India rural and urban estimates of all industries taken together and relates to the States prior to reorganisation.

1.2. Information regarding small scale manufacture was also collected in the earlier rounds but the number of sample households was small. In these rounds, the samples were selected from a common frame for all types of enterprises and sizes of samples for different types of enterprises were proportional to the relative distribution of these enterprises existing in villages and urban blocks. The sample sizes for manufacturing were consequently small. In order to get a fairly large number of sample households, the procedure of selection was changed in the seventh round. A large number of households engaged in small scale manufacture was selected irrespective of the relative proportions existing in the localities. A very small number of non-households engaged in small scale manufacture came from sample villages and blocks. As a result it was not worthwhile to present estimates on the basis of such small number of samples. The multipliers of the seventh round, naturally, were suitably adjusted to arrive at the final estimates. This ensured

* The draft report (No. D. 20) was submitted to the Government of India in June 1958.

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comparatively more reliable estimates only for all the industry types taken together. The number of sample households for each industry type was not adequately large to justify the presentation of the estimates for each industry type.

SCOPE OF THE SURVEY

1.3. The approach of investigation was through household. The household was such that at least one of its members was self-employed (employer or own account worker), that it possessed fully or partly capital equipments and usually engaged in entrepreneurial activity. But the households which were not actually engaged in any entrepreneurial activity and hired out the establishments were out of the scope of the survey, these having been considered as rentier households. All particulars regarding manufacturing operated by a sample household were collected. These households might have worked or not during the reference period. Manufacturing carried on by proprietary and partnership enterprises was covered but all non-household enterprises such as those placed under co-operatives, joint stock companies or public bodies were outside the scope of this survey. These were industries like handloom, khadi, bidi manufacture which are mainly carried on co-operative basis. For these limitations the figures are not strictly comparable with census.

1.4. The expression manufacture here means all activities concerned with the transformation of material objects as well as all types of repair and constructional services rendered on own account by artisans like carpenters, masons, cobblers etc. Activities in respect of hotels, restaurants and laundry services have also been included by taking a wider definition of the term manufacture, namely, all activities connected with the transformation of materials. In contrast, these latter occupations have been classified in division 9 e. g., services, in the reports of Population Census of India, 1951.¹

1.5. In view of this difference, two separate sets of tables have been prepared, one including figures regarding activities such as restaurants and hotel keeping, laundry services, preparation of pan, bidi etc. (Appendix II) and the other excluding these figures (Appendix III).

1.6. The figures of this report do not overlap with those of the sample survey of manufacturing industries which covers all establishments registered under the Factories Act 1948. All household establishments registered under Factories Act have also been excluded.

1.7. The figures refer to values of fixed assets, materials consumed and of production and also to employment, mandays engaged, hired labour charges and other miscellaneous expenditures. Details on current items were ascertained for two reference periods, namely, for week and month preceding the date of investigation, but only the estimates for months have been analysed. No attempts have

¹The Census of India 1951, Vol. I, Part IIB, Economic Tables

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been made to calculate annual estimates as the seasonal variations are not known yet.

1.8. The values of fixed assets represent their costs of acquisition or installation as current book values of these in any form were not available. In many cases, particularly in the case of land and buildings, the assets were inherited and hence, no figure of cost of acquisition could be collected. Thus, fixed capital values represent the cost of acquisition of non-inherited assets only. The values include fixed capital of non-operating households as well and are also gross of depreciation.

1.9. In regard to the question of comparing these figures with other available published data, the limitations of the scope of this survey should be remembered. As already stated, small scale non-household enterprises have been excluded. Again, this enquiry was restricted only to those manufacturing households which undertook work as a business proposition, and the households producing entirely for their own consumption were excluded. It should also be noted that the households did not keep accounts and all the data were furnished from memory. The figures given for costs of production were possibly high in comparison to values of products; but if it were so, there is no evidence as to its extent. In spite of all these shortcomings it is hoped that the figures will be useful because most of the particulars on small scale manufactures hitherto published were built on still less satisfactory foundations.

1.10. *Coverage*: The geographical coverage of the survey was the whole of rural and urban areas of the Indian Union excluding Jammu and Kashmir and Andaman and Nicobar Islands.

DESIGN OF THE SURVEY

1.11. *Sample design—Rural*: The sampling was done in three stages. In the first stage sample tehsils were selected after suitably stratifying all the tehsils into 240 strata. In the second stage, sample villages were selected from each selected tehsil and in the third stage sample households were selected from each of the sample villages.

1.12. India was first divided into 'Natural Divisions' (N.D.) as defined by the Registrar General, Ministry of Home Affairs, Government of India. The total consumer expenditure for each N.D. was then calculated on the basis of data collected in the first round of NSS and the allocation of the number of tehsils to be sampled from the different N.D. was proportional to these total consumer expenditures. Stratification of tehsils within each natural division was on the basis of density of population keeping in view the requirement that total consumer expenditure of each stratum within the N.D. would be more or less equal. The number of strata so formed in each N.D. was such that two sample tehsils could be selected from each stratum. The number of strata, so constituted, was 240.

1.13. From each stratum 2 sample tehsils were selected with probability proportional to areas or populations of the tehsils and within each selected tehsil two sample

villages were then selected again with probability proportional to areas or populations of the villages. Thus, in all, 959 sample villages were selected for the survey.

1.14. All the households in a sample village were listed and at the same time their productive activities, arranged into a number of broad activity groups, were noted. All households engaged in manufacturing were then listed separately and using this as frame, 10 sample households were selected for detailed investigation. In the case where there were less than 10 households engaged in manufacturing in a sample village, all such households were taken up for detailed investigation. The total number of households so selected was 7,013.

1.15. *Sample design—Urban*: The sampling in urban areas was also done in three stages. In the first stage, sample towns were selected after suitable stratification of all towns. In the second stage, sample blocks were selected and in the third, sample households were selected.

1.16. All the towns in India, excluding the four big cities of Bombay, Calcutta, Delhi and Madras, were first grouped by four broad regions constituting India and then divided into four strata based on the population of the towns. Sample towns were selected from each stratum with probability proportional to their population. The number of towns so selected was 53 of which 14 were with population of 100,000 and above; 9 with population between 50,000 and 100,000; 14 with population between 15,000 and 50,000; and 16 with population below 15,000. In addition, the four big cities of Bombay, Calcutta, Delhi and Madras were included.

1.17. From each of these 57 urban units a number of blocks (the number depending upon the size class) were selected with probability proportional to the number of households in the blocks. The total number of blocks selected was 443. The procedure of selection of sample households was the same as in villages. 3,667 households were selected from the urban blocks thus making a total of 10,680 households in all for the whole of India. All the selected households were investigated.

1.18. *Procedure of estimation—Rural*: Let X_{ijkl} represent the observed value of any item of the l th household of the k th village of the j th tehsil of the i th stratum. Then the all-India total of the item has been estimated by

$$\hat{X} = \sum_i \frac{1}{n_i} \sum_{j=1}^{n_i} \frac{1}{\pi_{ij}} \times \frac{1}{n_{ij}} \sum_{k=1}^{n_{ij}} \frac{1}{\pi_{ijk}} \times \frac{N_{ijk}}{n_{ijk}} \sum_{l=1}^{n_{ijk}} X_{ijkl}$$

where N_{ijk} and n_{ijk} represent the total number of households (as per frame) and number of sample households respectively of the k th village of the j th tehsil of the i th stratum; π_{ijk} is the probability of selection of k th village of the j th tehsil of the i th stratum; n_{ij} is the number of sample villages of the j th tehsil of the i th

stratum; π_{ij} is the probability of selection of the j th tehsil of the i th stratum; n_i is the number of sample tehsils of the i th stratum.

1.19. *Procedure of estimation—Urban*: Similarly if X_{ijkl} be the observed value of any item of the l th household of the k th block of the j th town of the i th stratum; then the all-India total of the item excluding the four big cities has been estimated by

$$\hat{X} = \sum_i \frac{1}{n_i} \sum_{j=1}^{n_i} \frac{1}{\pi_{ij}} \times \frac{1}{n_{ij}} \sum_{k=1}^{n_{ij}} \frac{1}{\pi_{ijk}} \times \frac{N_{ijk}}{n_{ijk}} \sum_{l=1}^{n_{ijk}} X_{ijkl}$$

where N_{ijk} and n_{ijk} represent the total number of households (as per frame) and number of sample households respectively of the k th block of the j th town of the i th stratum; π_{ijk} is the probability of selection of the k th block of the j th town of the i th stratum; n_{ij} is the number of sample blocks of the j th town of the i th stratum; π_{ij} is the probability of selection of j th town of the i th stratum; n_i is the number of sample towns of the i th stratum.

1.20. As regards the four cities the procedure of estimation was the same as above considering that the four big cities e.g., Calcutta, Delhi, Bombay and Madras together constituted a stratum.

1.21. The summary of results is presented in chapter two, and chapter three contains a discussion on employment in small scale industries. The position of small scale industries in regard to fixed capital and costs and earnings is discussed in chapters four and five. The last chapter gives a description of the appended tables. Two sets of tables, one with pan, bidi manufacture, restaurant, hotel keeping etc. and other without these enterprises are given in Appendices II and III.

1.22. In passing, it may be mentioned that estimates based on a similar survey of household manufacturing units, but with a comparatively wider coverage than ours namely households employing less than 50 workers and with power and those employing less than 100 workers and without power will be presented in another report. The two sets of estimates as presented in the two reports are thus not comparable.

CHAPTER TWO

SUMMARY OF RESULTS

2.1. *Employment*: It is estimated that 98.86 lakhs¹ of households were engaged in small scale manufacture including pan and bidi manufacturing, laundry services and hotel keeping, of which 82.16 lakhs were in rural areas and 16.70 lakhs in urban areas. In terms of proportions, about 13.96 per cent of rural households and 13.93 per cent of urban households were engaged in small scale manufacture.

2.2. The number of working persons per household was more than one and altogether 126.42 lakhs of persons were engaged in small scale manufacture for their principal or subsidiary means of livelihood. Of them 94.26 lakhs of persons were living in rural areas and 32.16 lakhs of persons in urban areas. In India 17.79 lakhs of persons are employed in small scale manufacture as hired labour, of whom 8.37 lakhs of persons are in rural areas and 9.42 lakhs in urban areas. The hired labour constitutes about 8.88 per cent and 22.29 per cent of the working persons in rural and urban areas respectively. On the average, for a household, the monthly charge for hiring a worker came to Rs.17 in rural areas and to Rs.31 in urban areas.

2.3. *Fixed capital*: Fixed capital in household small scale manufacture with the breakdowns in different constituents such as land, buildings, machinery etc., has been discussed in chapter four. Fixed capital per household came to about Rs.128.83 in rural areas and Rs.476.23 in urban areas.

2.4. Per household investment on land on which the establishment was situated came to nearly Rs.6.37 in rural areas and Rs.13.42 in urban areas. The total sum thus invested was about 5 per cent in rural and 3 per cent in urban areas of the total fixed capital.

2.5. Per household investments on buildings were Rs.43.67 and Rs.202.12 respectively in the two sectors. The investment on buildings constituted nearly 34 per cent in rural and 42 per cent in urban areas of the total fixed capital.

2.6. The value of power equipments, plant and machinery was 39.70 per cent in rural areas and 47.93 per cent in urban areas of the total fixed capital. The per household investments on this item in the two sectors were Rs.51.15 and Rs.228.26 respectively.

2.7. The value of furniture and fittings per household came to Rs.2.40 and Rs.29.40 respectively in the two sectors. This item constituted 2 per cent and 6 per cent of the total fixed capital in rural and urban areas respectively.

2.8. The relative importance of power animals in the two sectors can be seen from its percentage relation to total fixed capital which were 20 per cent in

¹ 1 lakh = 100,000

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rural and 0.64 per cent in urban areas. Per household investments on this item were Rs.25.22 in rural areas and Rs.3.03 in urban areas.

2.9. *Costs and earnings*: The details regarding materials such as fuel, lubricant, raw material, auxiliary material, cattle feed consumed in the process of manufacture and similar other items, the charges paid for repair and maintenance of fixed capital etc., and output of small scale manufacture which is made up of products, by-products and services rendered by the households have been discussed in chapter five. Some summary figures are given below. All are monthly figures. The per household material costs came to Rs.21.32 in rural areas and to Rs.124.71 in urban areas.

2.10. The per household consumption of fuel came to Rs.1.64 and Rs.5.45 in rural and urban areas respectively.

2.11. Total values of raw materials consumed in the process of manufacture constituted 81 and 87 per cent of the total material costs respectively for rural and urban areas. The per household value of raw material consumed came to Rs.17.26 and Rs.108.72 in rural and urban areas respectively.

2.12. The per household value of cattle feed came to Re.0.83 and Re.0.30 in rural and urban areas respectively.

2.13. The per household repair and maintenance charges were Re.0.80 in rural and Rs.2.59 in urban areas.

2.14. The per household expenditure on 'other expenses' came to Re.0.36 and Rs.5.26 in rural and urban areas respectively.

2.15. The value of output per household was Rs.35.58 per month in rural areas and Rs.186.49 per month in urban areas. Thus the per household value of output for an urban household was over five times more than that of a rural one. The monthly value of output per employed person was Rs.96.84 in urban and Rs.31.02 in rural areas.

2.16. The monthly charges for hired labour per household in rural areas was Rs.1.52 and Rs.17.03 in urban area. The rent, taxes, levies etc., per household were Re.0.47 and Rs.5.80 in rural and urban areas respectively. The net earnings per household came, after deducting the values of input and these expenses from the values of output, to Rs.12.27 and Rs.38.95 in rural and urban areas respectively.

CHAPTER THREE

EMPLOYMENT

3.1. The total number of households engaged in small scale manufacture either as principal or as subsidiary means of livelihood was estimated at 82.16 lakhs in rural and 16.70 lakhs in urban areas. These estimates include all households irrespective of whether they were actually operating at the time of survey or not.

3.2. The estimated number of households engaged in small scale manufacture as well as the total number of households according to census 1951 arranged by two sectors are given in Table (3.1).

TABLE (3.1): NUMBER OF HOUSEHOLDS ENGAGED IN SMALL SCALE MANUFACTURE
IN RURAL AND URBAN AREAS: OCTOBER 1953-MARCH 1954

area	number of sample households	number of house- holds engaged in small scale manufacture (in lakhs)	total number of households census 1951 (in lakhs)	column (3) as percentage of column (4)
(1)	(2)	(3)	(4)	(5)
1. rural	7013	82.16	588.64	13.96
2. urban	3667	16.70	119.86	13.93
3. India	10680	98.86	708.50	13.95

3.3. According to the census of 1951, the number of households were 588.64 and 119.86 lakhs for the two sectors. The households engaged in small scale manufacture expressed as percentage of total households were 13.96 and 13.93 per cent respectively for rural and urban areas. Although the interval between the census and the sample survey is about two years, the proportions shown above will still approximately show the relative position of small scale manufacture.

3.4. The Table (3.2) presents how these households engaged in small scale manufacturing are geographically distributed.

TABLE (3.2): DISTRIBUTION OF HOUSEHOLDS ENGAGED IN SMALL SCALE
MANUFACTURE BY ZONES

zones	number of sample households	number of house- holds engaged in small scale manufacture (in lakhs)	total number of households census 1951 (in lakhs)	column (3) as percentage of column (4)
(1)	(2)	(3)	(4)	(5)
1. North and North- West India	3102	35.86	191.64	18.71
2. East India	2249	25.28	170.94	14.79
3. Central India	1727	14.59	111.75	13.06
4. South and West India	3602	23.13	234.17	9.88
5. India	10680	98.86	708.50	13.95

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3.5. It will be seen that the total manufacturing households were about 14 per cent of the total households in India. It has already been seen in Table (3.1) that the same percentage exists in the rural and urban areas. But the zonewise distribution of households shows that the highest percentage viz., 18.71 exists in North and North-West India. The lowest percentage 9.88 exists in South and West India.

3.6. Table (3.3) gives the number of persons engaged in small scale manufacture.

TABLE (3.3) : NUMBER OF PERSONS ENGAGED IN SMALL SCALE MANUFACTURE
IN RURAL AND URBAN AREAS : OCTOBER 1953-MARCH 1954

area	number of sample households	number of house- holds engaged in small scale manufacture (in lakhs)	number of working persons (in lakhs)		number of working persons per household
			household	hired	
(1)	(2)	(3)	(4)	(5)	(6)
1. rural	7013	82.16	85.89	8.37	1.15
2. urban	3667	16.70	22.74	9.42	1.92
3. India	10680	98.86	108.63	17.79	1.28

3.7. The total number of persons in small scale manufacture was 126.42 lakhs for the country as a whole. They are defined as persons of either sex who worked in the enterprise as household or hired workers, whole time or part time, paid or unpaid. Their number in rural area was 94.26 lakhs and in urban areas 32.16 lakhs. The average number of employed persons per manufacturing household was 1.15 and 1.92 for the rural and urban areas respectively.

3.8. An attempt has been made to compare NSS estimates regarding employment in small scale manufacture and handicrafts with that from Census 1951. As it is not possible to get comparable data directly from Census 1951 two methods have been adopted which are discussed below.

3.9. *First method* : The number of persons engaged in production other than cultivation by various classifications have been shown in the occupational tables of the 1951 population census. These figures refer to all kinds of industrial activities such as primary industry, mining and quarrying, processing and manufacturing etc., and to persons of all occupational status in both large and small scale enterprises. The census data collected in March 1951 are based on usual occupation whereas NSS data of this survey collected during the period of October 1953 to March 1954 are affected by seasonal fluctuation. Furthermore, the census figures refer to 1951 whereas the figures of the present survey refer to the period October 1953 to March 1954. The figures of the census and this survey are thus not strictly comparable. Nevertheless, if the number of self-supporting and earning dependants engaged in small scale manufacture are separated from the total census figures, the comparison of these with the figures of the present survey will be of interest.

3.10. The number of persons deriving their principal means of livelihood from production other than cultivation were 73.30 lakhs in rural and 48.06 lakhs in urban areas as given in Table BIII in 1951 Census Report, Vol. I, Part IIC.

3.11. Any person who had an income which was not sufficient to support him was termed there as an earning dependant. In the case of an earning dependant, there were two means of livelihood which were combined. One was the principal means of livelihood of the person on whom he was dependent. The other was the source from where he secured his own income. The former was always treated as the principal means of livelihood of the earning dependant and the latter as his secondary means of livelihood. Hence the figures for the earning dependant are irrelevant for purposes of our comparison.

3.12. The number of persons deriving their secondary means of livelihood from production other than cultivation are given in Table BII in 1951 Census Report, Vol. I, Part IIB. Breakdowns by sub-classes (self-supporting and earning dependant) are given. Some adjustments are made in getting the number of earning dependants, as shown in column (3) of the Table (3.4), deriving their secondary means of livelihood from production other than cultivation, as census enumerators had recorded persons as earning dependants without indicating the particular occupation which provided the secondary means of livelihood in Hyderabad and Vindhya Pradesh. A summary of these figures is given below.

TABLE (3.4): NUMBER OF PERSONS DERIVING THEIR SECONDARY MEANS OF LIVELIHOOD FROM PRODUCTION OTHER THAN CULTIVATION : CENSUS 1951

items	self-supporting persons (in lakhs)	earning dependants (in lakhs)	total (in lakhs)
(1)	(2)	(3)	(4)
1. persons with agriculture as principal means	27.45	23.11	50.56
2. persons with occupation other than agriculture as principal means	2.07	4.82	6.89
3. total	29.52	27.93	57.45

3.13. Since the breakdown of these figures for rural and urban areas has not been given, an allocation between the two areas can be made on the basis of some reasonable assumptions. It may be assumed that those people who derive their principal means of livelihood from agriculture are living in villages and the persons with occupation other than agriculture as principal means of livelihood are allocated in rural and urban areas in the same proportion as the persons with commerce, transport and other occupations as their principal means of livelihood are distributed in rural and urban areas. Though this assumption to allocate persons in the two sectors is not fully valid as towns having population of less than 20,000 may resemble

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villages in occupation pattern, yet it would be worthwhile to make a rough comparison of NSS estimates with census figures on the basis of this assumption. Thus these persons may be allocated between rural and urban areas as follows : rural area 54.06 lakhs of persons and urban area 2.86 lakhs of persons.

3.14. The number of self-supporting and earning dependants engaged in primary industry, mining and quarrying etc., as principal and secondary means of livelihood should be separated as these are not coming in the employment figure of large or small scale manufacturing.

3.15. The allocation under the above-mentioned group may be made as follows : according to Census 1951, the number of self-supporting persons engaged in primary industry, mining and quarrying etc., as principal means of livelihood was 29.67 lakhs in India. This was about 24.45 per cent of total self-supporting persons (121.36 lakhs) engaged in production other than cultivation as principal means of livelihood. It may be assumed that 24.45 per cent of the total of self-supporting persons and earning dependants (57.45 lakhs), whose secondary means of livelihood was production other than cultivation, are engaged in primary industry, mining and quarrying etc., which are shown in Table (3.5).

TABLE (3.5) : ESTIMATED NUMBER OF PERSONS ENGAGED IN PRIMARY INDUSTRY, MINING AND QUARRYING ETC.

	principal means of livelihood	secondary means of livelihood		total (in lakhs)
	self-supporting (in lakhs)	self-supporting (in lakhs)	earning dependant (in lakhs)	
(1)	(2)	(3)	(4)	(5)
1. total	121.36	29.52	27.93	178.81
2. primary industry, mining and quarry- ing etc. (24.45 per- cent of total)	29.67	7.22	6.83	43.72
	91.69	22.30	21.10	135.09

3.16. Thus the number of persons engaged in large and small scale manufacturing enterprise comes to 135.09 lakhs which does not include persons engaged in some minor industries as principal and subsidiary occupation e.g., clay and sand pits, mica, salt, saltpetre and saline substances, laundry, hotel, restaurant and eating house, but these categories are included in the present survey which came to 28.72 lakhs. Thus the number of persons engaged in large and small scale manufacturing enterprise comes to 163.81 lakhs (135.09+28.72).

3.17. According to sample survey of manufacturing industries of 1953, the usual number of persons engaged was 32.84 lakhs after adjusting for absenteeism. This figure refers to the year 1953 while census figure refers to 1951 and the concepts and definitions used in SSMI are not strictly comparable with those used in census.

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Taking principal and subsidiary means of livelihood together, the number of persons engaged in small scale manufacture in India is 130.97 (163.81—32.84) lakhs.

3.18. *Second method*: Self-supporting persons, further classified into employers, employees, and independent workers, engaged in processing and manufacturing as their principal means of livelihood were shown in Table BIII in 1951 Census Report, Vol. I, Part IIC. A summary of these figures is given in Table (3.6).

TABLE (3.6): NUMBER OF SELF-SUPPORTING PERSONS ENGAGED IN PROCESSING AND MANUFACTURING AS PRINCIPAL MEANS OF LIVELIHOOD

name	employers (in lakhs)	employees (in lakhs)	independent workers (in lakhs)	total (in lakhs)
(1)	(2)	(3)	(4)	(5)
1. processing and manufacturing (rural)	1.29	10.03	36.38	47.70
2. processing and manufacturing (urban)	1.74	24.77	17.56	44.07
3. total	3.03	34.80	53.94	91.77

3.19. In keeping with the definition of small scale manufacturing enterprise in the sample survey under discussion, the figures of independent workers and employers of the above table will roughly show the number of persons engaged in small scale manufacturing enterprise as principal means of livelihood. This figure is not strictly comparable as the extent to which it includes employers engaged in large scale industries and excludes employees engaged in small scale industries is not known. The number of self-supporting persons and earning dependants engaged in processing and manufacturing as secondary means of livelihood were 22.30 and 21.10 lakhs. The number of employers and independent workers of some minor industries (e.g., hotel keeping, restaurant etc.), came to 20.32 lakhs. When the relevant figures of Table (3.6) are added to the figures mentioned above, the number of persons engaged in small scale manufacture comes to 120.69 lakhs.

TABLE (3.7): A COMPARISON OF NUMBER OF PERSONS ENGAGED IN SMALL SCALE MANUFACTURE AS OBTAINED IN 1951 CENSUS AND NATIONAL SAMPLE SURVEY SEVENTH ROUND: OCTOBER 1953-MARCH 1954

area	number of persons engaged (in lakhs)		
	census 1951		survey October 1953- March 1954
	first method	second method	
(1)	(2)	(3)	(4)
India	130.97	120.69	126.42

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3.20. It will be seen that the figures arrived at from 1951 Census data by different methods do not agree. This may be due to the fact that too many assumptions have been made. The figures obtained from the sample survey are again different from the census figures. However, it lies between two figures from census. The difference may be due to either sampling fluctuations or change of situation after an interval of about two years, or partly both. However, it may be noted that broadly the figures are similar and the number of persons engaged in small scale manufacturing was around 12.5 million. Their proportion to total working population (142.2 millions) was a little above 8 per cent.

3.21. Total number of persons employed in household small scale manufacture and handicrafts is made up of household and hired labour. Table (3.8) shows the distribution of hired and household labour in the two sectors.

TABLE (3.8): NUMBER OF HOUSEHOLD AND HIRED PERSONS PER WORKING DAY ENGAGED IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS: OCTOBER 1953-MARCH 1954

area	number of employed persons (in lakhs)			percentage of hired to total workers	number of household workers per household engaged in small scale manufacturing enterprises
	household	hired	total		
(1)	(2)	(3)	(4)	(5)	(6)
1. rural	85.89	8.37	94.26	8.88	1.04
2. urban	22.74	9.42	32.16	29.29	1.36
3. India	108.63	17.79	126.42	14.07	1.10

3.22. From the above table, it will be seen that 85.89 lakhs of persons were employed from the households as against 8.37 lakhs of persons whose services were hired in rural areas. The number of hired persons expressed as percentage of total workers is estimated at 8.88 for the rural and 29.29 for the urban sector. The interpretation is not far to seek. While only about 9 persons are hired per 100 workers in rural areas, in the urban sector a little over 29 persons are hired for each 100 workers. A look into per household estimate of household workers shows that on an average one worker comes from the household itself. The balance i. e., 0.11 and 0.56 respectively for the two sectors, rural and urban, go to the credit of hired workers. This result has an important bearing on the comparative position of the two sectors.

3.23. The picture of employment in terms of mandays utilised by small scale industry is also interesting. One manday has been defined as the work of one man working whole time for one day, the number of working hours having been left to be decided at the time of investigation on the basis of local customs and practice.

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Table (3.9) gives the number of household mandays and hired mandays arranged by rural and urban sectors.

TABLE (3.9): HOUSEHOLD AND HIRED MANDAYS PER WORKING DAY IN RURAL AND URBAN AREAS

area	household mandays (in lakhs)	hired mandays (in lakhs)	monthly hired labour charges (Rs. in lakhs)	monthly hired labour charges per worker (in rupees)
(1)	(2)	(3)	(4)	(5)
1. rural	75.36	7.34	124.83	17.01
2. urban	22.17	9.19	284.46	30.95
3. India	97.53	16.53	409.29	24.76

3.24. Tables (3.8) and (3.9), read together, will show that in urban area there is full intensity of employment for household workers whereas in rural area it is much less than that. The monthly charges for a hired labourer is Rs.17.01 for the rural area and Rs.30.95 for the urban sector. The estimate of wages per worker for the country as a whole is, however, Rs.24.76

3.25. Table (3.10) shows the proportion of household members who are engaged in small scale manufacture in rural and urban areas.

TABLE (3.10): TOTAL NUMBER OF HOUSEHOLD MEMBERS AND HOUSEHOLD WORKERS IN RURAL AND URBAN AREAS

area	household members (in lakhs)	household workers (in lakhs)	column (3) as percentage of column (2)
(1)	(2)	(3)	(4)
1. rural	440.01	85.89	19.52
2. urban	85.17	22.74	26.70
3. India	525.18	108.63	20.68

3.26. It would be seen that 20 household members per 100 persons belong to the manufacturing household in rural area i.e., one-fifth of household members are employed in this occupation. In the urban area, the figure is 27 approximately. The all-India figure of employed persons per manufacturing household is nearly 21 per cent.

CHAPTER FOUR

FIXED CAPITAL

4.1. The fixed capital constitutes the money paid for purchase of land, building, machinery etc., at the time of installation and for further construction for expansion, but not their present value. Adequate information on loss due to wear and tear was not available and hence the value of fixed capital given here is gross of depreciation. Also, it should be noted that the different items of fixed capital were acquired by the household in different points of time. In addition, about 20 per cent of the households engaged in small scale manufacture were having inherited buildings and as such, in those cases, the value of buildings could not be given by the informants. This difficulty coupled with the previous one makes the interpretation of the total fixed capital difficult.

4.2. The estimates of the per household fixed capital in the two sectors are given in Table (4.1).

TABLE (4.1): VALUE OF FIXED CAPITAL PER HOUSEHOLD IN
SMALL SCALE MANUFACTURING IN RURAL AND
URBAN AREAS

area	number of sample households	number of manufacturing households (in lakhs)	per household fixed capital (in rupees)
(1)	(2)	(3)	(4)
1. rural	7013	82.16	128.83
2. urban	3667	16.70	476.23
3. India	10680	98.86	187.51

4.3. It will be seen that the amount of investment per household was greater in the urban than in the rural areas. The figures are Rs.129 for rural and Rs.476 for urban areas. The overall per household figure for the country was Rs.188.

4.4. The number of persons employed in small scale manufacturing with the fixed capital per person is given in Table (4.2).

TABLE (4.2): NUMBER OF WORKING PERSONS AND FIXED CAPITAL PER
PERSON IN RURAL AND URBAN AREAS

area	number of sample households	number of working persons (in lakhs)	fixed capital	
			per household (in rupees)	per working person (in rupees)
(1)	(2)	(3)	(4)	(5)
1. rural	7013	94.26	128.83	112.29
2. urban	3667	32.16	476.23	247.29
3. India	10680	126.42	187.51	146.63

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4.5. The fixed capital per working person was Rs.112.29 in rural areas as against Rs.247.29 for urban areas.

4.6. Table (4.3) shows the different constituents of fixed capital. In both the sectors the value of land and buildings constituted a substantial portion of the total fixed capital. The proportion of power equipment was 8.18 per cent in rural areas as compared with 14.78 per cent in urban areas. Plant and machinery accounted for more or less the same proportion of investment in both the sectors. The proportion for power animals was much higher in rural areas. It was not perhaps possible for the rural manufactures to make a large mono-purpose investment in power equipments and a composite purpose investment in power animals seemed more convenient to them, as in slack or idle seasons they can use these power animals for other productive purposes.

TABLE (4.3): BREAKDOWNS PER HOUSEHOLD OF FIXED CAPITAL IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS

items	rural		urban		India	
	per household value (in rupees)	percentage	per household value (in rupees)	percentage	per household value (in rupees)	percentage
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. land	6.37	4.95	13.42	2.82	7.56	4.03
2. buildings	43.67	33.90	202.12	42.44	70.44	37.56
3. power equipments	10.54	8.18	70.37	14.78	20.65	11.01
4. plant and machinery	40.61	31.52	157.89	33.15	60.42	32.23
5. furniture and fittings	2.40	1.87	29.40	6.17	6.96	3.71
6. power animals	25.22	19.58	3.03	0.64	21.47	11.46
7. fixed capital	128.83	100.00	476.23	100.00	187.51	100.00

4.7. *Land*: Land in use in the small scale industries means the site on which the establishment was situated together with its surrounding area which was used for the purpose of the enterprise. Any portion of residential land which was utilised was also taken into account. It may also be mentioned that the data

TABLE (4.4): VALUE PER HOUSEHOLD OF LAND USED IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS

area	value of land per household (in rupees)	percentage of total fixed capital
(1)	(2)	(3)
1. rural	6.37	4.95
2. urban	13.42	2.82
3. India	7.56	4.03

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collected in respect of land pertained to cost of acquisition of non-inherited land only. Figures in this connection are given in Table (4.4). The value of land per household was Rs.6.37 in the rural sector and Rs.13.42 in the urban. The difference is partly due to difference in value of land and it is well known that the value of land in village is much less than the value of urban sites. The total value of investment on land for the country as a whole constituted 4.03 per cent of investment on fixed capital. The investment per household was Rs.7.56.

4.8. *Buildings*: Buildings form an important constituent of fixed capital. The Table (4.5) shows particulars of investment on buildings.

TABLE (4.5): VALUE OF BUILDINGS PER HOUSEHOLD IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS

area	value of buildings per household (in rupees)	percentage of total fixed capital
(1)	(2)	(3)
1. rural	43.67	33.90
2. urban	202.12	42.44
3. India	70.44	37.56

4.9. The value of the buildings used in the enterprise was based on purchase value of non-inherited buildings. The values of the buildings which were inherited by the households could not, however, be obtained in most cases; moreover, these values are gross of depreciation. If the buildings or parts thereof have been constructed by the household, the cost of such construction was taken into account. The total investment on buildings in the country was 37.56 per cent of total fixed capital of which 33.90 per cent were in the rural sector and 42.44 per cent in the urban. The investment per household in rural areas was much less than that in urban areas and the figures respectively were Rs.43.67 and Rs.202.12.

4.10. *Power equipments, tools and machinery*: A good part of the investment of fixed capital is found on power equipments, plant and machinery. Table (4.6) reflects the position of these investments.

TABLE (4.6): VALUE OF POWER EQUIPMENT, TOOLS AND MACHINERY USED PER HOUSEHOLD IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS

area	value of equipment and machinery per household (in rupees)	percentage of total fixed capital
(1)	(2)	(3)
1. rural	51.15	39.70
2. urban	228.26	47.93
3. India	81.07	43.24



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4.11. The values of equipments referred to the values at the time of their installation whether purchased or constructed. The investment per household was Rs.51.15 in the rural and Rs.228.26 in the urban sector.

4.12. *Furniture and fittings*: Furniture and fittings accounted for a small proportion of the fixed capital. The figures are given in Table (4.7).

TABLE (4.7): VALUE OF FURNITURE AND FITTINGS PER HOUSEHOLD USED IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS

area	value of furniture and fittings per household (in rupees)	percentage of total fixed capital
(1)	(2)	(3)
1. rural	2.40	1.87
2. urban	29.40	6.17
3. India	6.96	3.71

4.13. The per household investments on furniture and fittings were Rs.2.40 and Rs.29.40 respectively for rural and urban sectors. For the whole country, the value of furniture and fittings used in small scale manufacture was 3.71 per cent of total fixed capital and the investment per household on this account was Rs.6.96.

4.14. *Power animals*: Power animals had little or no importance in the urban area while in the rural area it was an important item of fixed capital. Table (4.8) shows the investment in respect of power animals.

TABLE (4.8): VALUE OF ANIMALS USED AS POWER PER HOUSEHOLD IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS

area	value of power animals per household (in rupees)	percentage of total fixed capital
(1)	(2)	(3)
1. rural	25.22	19.58
2. urban	3.03	0.64
3. India	21.47	11.46

4.15. Investment in power animals in villages constituted 19.58 per cent of total fixed capital while it was only 0.64 per cent in the urban sector. This investment in power animals relate to only those which were partly or fully used for the small scale industry. The value of investment per household was Rs.25.22 in villages and Rs.3.03 in towns.

CHAPTER FIVE

COSTS AND EARNINGS

5.1. Table (5.1) shows the estimates of monthly input per household for rural and urban areas. The costs included in input related to fuel, lubricant, raw materials, auxiliary materials, cattle feed, repair and maintenance and other expenses such as those on packing materials, other consumable stores and services purchased from other concerns. It excluded depreciation of fixed assets, labour charges, rents and taxes. The values of monthly input per manufacturing household in rural and urban areas were respectively Rs.21.32 and Rs.124.71.

TABLE (5.1): VALUE OF MONTHLY INPUT PER HOUSEHOLD IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS

area	number of sample households	total number of manufacturing households (in lakhs)	value of input per household (in rupees)
(1)	(2)	(3)	(4)
1. rural	7013	82.16	21.32
2. urban	3667	16.70	124.71
3. India	10680	98.86	38.78

5.2. The figures regarding the different constituents of input are shown in Table (5.2)

TABLE (5.2): MONTHLY VALUES OF DIFFERENT ITEMS OF INPUT PER HOUSEHOLD IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS

items	rural		urban		India	
	value per household (in rupees)	percen- tage	value per household (in rupees)	percen- tage	value per household (in rupees)	percen- tage
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. fuel	1.64	7.70	5.45	4.37	2.28	5.89
2. lubricant	0.11	0.53	0.26	0.20	0.14	0.35
3. raw materials	17.26	80.93	108.72	87.18	32.71	84.33
4. auxiliary materials	0.32	1.52	2.13	1.72	0.63	1.62
5. cattle feed	0.83	3.86	0.30	0.24	0.73	1.90
6. repair and maintenance	0.80	3.74	2.59	2.07	1.10	2.83
7. other expenses	0.36	1.72	5.26	4.22	1.19	3.08
8. total input	21.32	100.00	124.71	100.00	38.78	100.00

5.3. It will be seen that costs of raw materials constituted 81 per cent of the total input in rural areas and 87 per cent in urban areas. The divergence was much wider in terms of per household costs of raw material, namely for rural areas

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the figure was Rs.17.26 whereas for urban areas it was as high as Rs.108.72 that is, over six times. The other items in regard to which the costs per household were very different were fuel, auxiliary materials, repair and maintenance, and other expenses. Regarding cattle feed it was Re.0.83 in rural and Re.0.30 in urban areas. It may be noted that these costs refer only to those cattle which were used partly or fully for the small scale industry. The total input costs per household also varied widely between rural and urban areas. The types of manufacturing carried on in the two areas were somewhat different, processing of agricultural products taking an important position in the rural areas. On the whole, however, the larger input costs in urban areas were due to more intensive working of these households as compared with those living in villages.

5.4. The total monthly earning of the small scale manufacture is made up of the value of the products, by-products and the services rendered by the manufacturing household. The value of output per household is given in Table (5.3).

TABLE (5.3) : VALUE OF MONTHLY OUTPUT PER HOUSEHOLD IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS

area	number of sample households	total number of manufacturing households (in lakhs)	value of output	
			per household (in rupees)	per working person (in rupees)
(1)	(2)	(3)	(4)	(5)
1. rural	7013	82.16	35.58	31.02
2. urban	3667	16.70	186.49	96.84
3. India	10680	98.86	61.07	47.76

The value of output per household was Rs.35.58 in the rural areas and Rs.186.49 in the urban areas. The per capita monthly value of output was Rs.31.02 in the rural areas and in the urban areas it was Rs.96.84.

5.5. Table (5.4) shows the figures of value added by manufacture.

TABLE (5.4) : MONTHLY VALUE ADDED BY MANUFACTURE PER HOUSEHOLD AND PER CAPITA IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS¹

items	rural		urban		India	
	per household (in rupees)	per working person (in rupees)	per household (in rupees)	per working person (in rupees)	per household (in rupees)	per working person (in rupees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. output	35.58	31.02	186.49	96.84	61.07	47.76
2. input	21.32	18.58	124.71	64.76	38.78	30.33
3. value added	14.26	12.44	61.78	32.08	22.29	17.43

¹ The figures mentioned in the table are gross of depreciation. A general tendency on the part of the producers to over-estimate their costs and to under-estimate their value of products, was noticed and this tended to give rise to a considerable under-estimation of the value added by manufacture.

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5.6. The monthly values added, gross of depreciation, per manufacturing household in rural and urban areas were Rs.14.26 and Rs.61.78 respectively while the per capita estimates came to Rs.12.44 and Rs.32.08 in the two sectors. In calculating input rent and taxes were excluded.

5.7. By multiplying the monthly figure by 12, the annual figure for value added by manufacture for the country would come to Rs.264.41 crores. This figure should, however, be taken with due care and reservation. As already discussed in chapter one the scope of the present enquiry was restricted. It is in the light of these limitations that this estimate has to be compared with the estimate of value added in small scale manufacture furnished by the National Income Committee which also includes constructional works etc. It has also to be noted that while the N.I.C. estimate is a yearly one, our estimate is monthly. As the extent of seasonal effect is different in different parts of the year, it is not known to what extent a yearly figure, arrived at by inflating the monthly figure by 12, will be a representative one. National Income Unit arrived at a composite whole for the year by piecing together a series of regional estimates which were "adjusted on some arbitrary basis". As a result, this introduced considerable error in their final estimates. Also, the data used varied in respect of reliability and coverage. (*Final Report of the National Income Committee*, February 1954, p. 69, 70)

5.8. The monthly value of net earning per household is presented in Table (5.5).

TABLE (5.5): MONTHLY VALUE OF NET EARNING PER HOUSEHOLD IN RURAL AND URBAN AREAS

area	number of sample households	number of manufacturing households (in lakhs)	value per household			
			value added (in Rs.)	hired labour charges (in Rs.)	rent, taxes, levies (in Rs.)	net earning (in Rs.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. rural	7013	82.16	14.26	1.52	0.47	12.27
2. urban	3667	16.70	61.78	17.03	5.80	38.95
3. India	10680	98.86	22.29	4.14	1.36	16.78

5.9. The charges for hired labour per household in rural and urban sectors were respectively Rs.1.52 and Rs.17.03. The rent, taxes and levies per household were Re.0.74 in the rural areas and Rs.5.80 in the urban areas. The net earnings of the two sectors were calculated by deducting hired labour charges and rent, taxes and levies from value added and these were Rs.12.27 and Rs.38.95 in rural and urban areas respectively.

CHAPTER SIX

DESCRIPTION OF TABLES

6.1. Appendix I presents three tables giving only the distribution of sample villages and towns in different states. All the villages selected (or allotted) in the different states for survey were not actually surveyed i.e. some of the villages were rejected. Schedule 2.2 could, however, be filled up only from villages having manufacturing households. The number of villages allotted, surveyed and effective are shown in columns (2), (3) and (4) respectively.

6.2. Appendix II presents altogether nine tables bringing out different features of household small scale manufacture and handicrafts in rural and urban areas. Estimates shown in these tables pertain to all manufacturing households irrespective of whether these households were operative or not during the reference period of the survey. The figures refer to the period October 1953 to March 1954 which was the reference period of the survey.

6.3. It may be noted in this connection that actually two sets of tables have been enclosed in this report. One set covers all industries coming under the scope of the schedule 2.2 of the seventh round operations of the National Sample Survey. Tables in the other set, which have been shown in Appendix III, are, however, based on all the industries except pan and bidi manufacture, laundry services and hotel keeping. The second set of tables therefore may be said to relate to all small scale manufacturing activity in the strict sense, as there is no material transformation involved in pan, bidi manufacture, laundry services and hotel keeping. These industries cannot, truly speaking, be said to be small scale manufacturing enterprises.

6.4. In numbering the tables decimal notation has been used. The digit 1 on the left-hand side represents all industries including pan and bidi manufacture etc., while 2 stands for all manufactures excluding pan and bidi manufacture etc. The digit 7 represents the round. The last digit denotes the serial number of each table. Thus Table (1.7.1) refers to the first table of the first set of the seventh round of NSS which, as may be noted, covers all industries including pan and bidi manufacture and the Table (2.7.1) covers all industries in the same round but excludes pan and bidi manufacture, laundry services and hotel keeping.

6.5. Table (1.7.1) gives the different features of household small scale manufacture and handicrafts from employment point of view. The table deals with items like (i) number of households engaged in manufacture, (ii) number of household members, (iii) number of working persons engaged per working day and (iv) total mandays per working day by breakdown into household and hired mandays. Estimates for each item for rural, urban and all India are presented in

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column (2), column (3) and column (4) respectively. In column (5) and column (6) are shown the per household estimates in each sector, rural and urban, for each item. It can be seen from these columns that the household size in the rural sector is a little greater than that in the urban sector. For working persons the per household contribution of the urban sector is 1.92 and the corresponding figure for the rural is 1.15.

6.6. Interpretation of Table (2.7.1.) is similar. It may be observed from this table that the household size in rural area is greater than that in the urban area and the per household contribution of the working person in the urban is greater than that in the rural area. It can therefore be said that the comparative picture of the two sectors is more or less similar irrespective of whether the three industries as mentioned earlier are excluded or not.

6.7. Table (1.7.2) and (2.7.2) show the investment on fixed capital arranged by two sectors and also the whole of India. It may be noted that estimates for the constituents comprising total fixed capital are also shown in these tables. Per household and per employed person estimates are shown in columns (5) to (7) and columns (8) to (10) respectively.

6.8. Tables (1.7.3) and (2.7.3) also pertain to fixed capital but they are different from Tables (1.7.2) and (2.7.2). Here the percentage breakdown of total fixed capital has been attempted.

6.9. Tables (1.7.4) and (2.7.4) are worked out for showing the total value of monthly input by breakdowns. It may be seen that the estimates are presented for the different constituents of input. Per household and per employed person estimates are shown. It may be observed that materials consumed are typified as (1) fuel, (2) lubricant, (3) raw materials, (4) auxiliary materials and (5) cattle feed. It may be seen from Table (1.7.4) that per household expenditure on these items was Rs.116.86 in the urban as against Rs.20.16 for the rural sector. The corresponding figures for the two sectors, as collected from Table (2.7.2), are Rs.120.22 and Rs.18.34 respectively.

6.10. Tables (1.7.5) and (2.7.5) are worked out for showing the per household estimates for the value of monthly input by breakdowns and the percentage distribution of the different constituents of the input. It may be noted that the maximum contribution to total input is on account of raw materials. This is true of both the sectors.

6.11. Tables (1.7.6) and (2.7.6) show the monthly value added by manufacture in household small scale manufacture and handicrafts in rural and urban areas and the whole of India. Per household estimates and percentage distribution are also shown here.

6.12. Line 7 of Tables (1.7.7) and (2.7.7) shows the monthly value of net earnings together with the estimates per household and per employed person. In

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lines 2 to 6 are given the expenditure under different heads like (i) monthly value of input, (ii) hired labour charges, (iii) rent and hire charges for capital items and (iv) interests, levies and taxes.

6.13. Tables (1.7.8) and (2.7.8) are extension of Tables (1.7.7) and (2.7.7) in the sense that they present the percentage distribution of the different items as discussed above comprising net earnings.

6.14. Tables (1.7.9) and (2.7.9) are somewhat different from the preceding ones. In these two tables some technological ratios are shown. The ratios are (1) capital investment per working person, (2) monthly output per working person etc.

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APPENDIX I

TABLE (0.7.1): DISTRIBUTION OF SAMPLE VILLAGES AND SAMPLE HOUSEHOLDS BY STATES IN RURAL AREAS: OCTOBER 1953—MARCH 1954

states	number of villages			number of sample households
	allotted	surveyed	effective*	
(1)	(2)	(3)	(4)	(5)
1. Punjab	36	36	36	331
2. Himachal Pradesh	4	4	3	22
3. PEPSU	12	12	12	104
4. Delhi	4	4	4	27
5. Rajasthan	60	60	53	402
6. Ajmer	4	4	4	35
7. Assam	24	24	17	134
8. Manipur	2	2	2	20
9. Tripura	2	2	2	8
10. Uttar Pradesh	148	148	136	1141
11. Vindhya Pradesh	8	8	8	68
12. Bihar	120	120	95	726
13. Orissa	32	32	28	223
14. Madras	100	100	95	846
15. Hyderabad	56	56	54	465
16. Mysore	26	26	19	115
17. Coorg	2	2	2	4
18. Travancore-Cochin	36	36	35	338
19. Madhya Bharat	20	20	18	119
20. Bhopal	4	4	4	36
21. Saurashtra	20	20	18	151
22. Kutch	4	4	4	40
23. Bombay	104	103	98	756
24. Madhya Pradesh	60	60	54	410
25. West Bengal	72	72	65	492
26. India	960	959	866	7013

*villages from which 2.2 schedules were filled in

National Sample Survey

TABLE (0.7.2): DISTRIBUTION OF SAMPLE BLOCKS AND SAMPLE HOUSEHOLDS BY STATES EXCLUDING 4 BIG CITIES IN URBAN AREAS: OCTOBER 1953—MARCH 1954

states	number of sample blocks			number of sample households
	allotted	surveyed	effective*	
(1)	(2)	(3)	(4)	(5)
1. Punjab	20	20	19	182
2. Rajasthan	8	8	8	79
3. Ajmer	10	10	9	62
4. Assam	6	6	6	57
5. Uttar Pradesh	66	66	63	595
6. Bihar	10	10	10	92
7. Madras	100	100	97	777
8. Hyderabad	32	32	32	314
9. Madhya Bharat	10	10	10	86
10. Bhopal	10	10	10	93
11. Bombay	34	33	28	277
12. Madhya Pradesh	14	14	14	136
13. West Bengal	40	40	38	333
14. India	360	359	344	3083

TABLE (0.7.3): DISTRIBUTION OF SAMPLE BLOCKS AND SAMPLE HOUSEHOLDS BY 4 BIG CITIES IN URBAN AREAS: OCTOBER 1953—MARCH 1954

cities	number of sample blocks			number of sample households
	allotted	surveyed	effective*	
(1)	(2)	(3)	(4)	(5)
1. Delhi	18	18	14	122
2. Madras	18	18	18	150
3. Bombay	24	24	22	148
4. Calcutta	24	24	24	164
5. total	84	84	78	584

*blocks from which 2.2 schedules were filled in

APPENDIX II

TABLE (1.7.1) : NUMBER OF HOUSEHOLDS ENGAGED IN SMALL SCALE MANUFACTURE AND HIRED AND HOUSEHOLD MANDAYS IN RURAL AND URBAN AREAS : OCTOBER 1953—MARCH 1954

items	total number (in lakhs)			number per household		
	rural	urban	India	rural	urban	India
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. number of households engaged in manufacture	82.16	16.70	98.86	—	—	—
2. total number of members	440.01	85.17	525.18	5.36	5.10	5.31
3. number of working persons	94.26	32.16	126.42	1.15	1.92	1.28
4. total mandays worked per working day	82.70	31.36	114.06	1.01	1.88	1.15
5. hired mandays per working day	7.34	9.19	16.53	0.09	0.55	0.17
6. household mandays per working day	75.36	22.17	97.53	0.92	1.33	0.99

TABLE (1.7.2) : VALUE OF FIXED CAPITAL WITH BREAKDOWNS IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS : OCTOBER 1953—MARCH 1954

items	total value (in lakh rupees)			value per household (in rupees)			value per employed person (in rupees)		
	rural	urban	India	rural	urban	India	rural	urban	India
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. land	523.61	224.05	747.66	6.37	13.42	7.56	5.55	6.96	5.91
2. buildings	3588.25	3375.48	6963.73	43.67	202.12	70.44	38.07	104.96	55.08
3. power equipments	866.23	1175.17	2041.40	10.54	70.37	20.65	9.19	36.54	16.15
4. other machinery and tools	3336.61	2636.72	5973.33	40.61	157.89	60.42	35.40	81.99	47.25
5. furniture and fittings	197.46	490.94	688.40	2.40	29.40	6.96	2.09	15.26	5.45
6. power animal	2072.21	50.66	2122.87	25.22	3.03	21.47	21.98	1.58	16.79
7. total fixed capital	10584.37	7953.02	18537.39	128.83	476.23	187.51	112.29	247.29	146.63

	rural	urban	India
number of sample villages	959	—	959
number of sample blocks	—	443	443
number of sample households	7013	3667	10680

National Sample Survey

TABLE (1.7.3): PERCENTAGE BREAKDOWN BY DIFFERENT ITEMS OF FIXED CAPITAL IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS: OCTOBER 1953—MARCH 1954

items	value per household (in rupees)			percentage to total		
	rural	urban	India	rural	urban	India
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. land	6.37	13.42	7.56	4.95	2.82	4.03
2. buildings	43.67	202.12	70.44	33.90	42.44	37.56
3. power equipments	10.54	70.37	20.65	8.18	14.78	11.01
4. other machinery and tools	40.61	157.89	60.42	31.52	33.15	32.23
5. furniture and fittings	2.40	29.40	6.96	1.87	6.17	3.71
6. power animals	25.22	3.03	21.47	19.58	0.64	11.46
7. total fixed capital	128.83	476.23	187.51	100.00	100.00	100.00

TABLE (1.7.4): MONTHLY VALUES OF MATERIALS CONSUMED IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS: OCTOBER 1953—MARCH 1954

items	total expenditure (in lakh rupees)			expenditure per household (in rupees)			expenditure per employed person (in rupees)		
	rural	urban	India	rural	urban	India	rural	urban	India
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. fuel	134.89	91.03	225.92	1.64	5.45	2.28	1.43	2.83	1.79
2. lubricants	9.27	4.25	13.52	0.11	0.26	0.14	0.10	0.13	0.11
3. raw materials	1417.89	1815.69	3233.58	17.26	108.72	32.71	15.04	56.45	25.58
4. auxiliary materials	26.54	35.57	62.11	0.32	2.13	0.63	0.28	1.11	0.49
5. cattle feed	67.72	4.99	72.71	0.83	0.30	0.73	0.72	0.16	0.57
6. packing materials	2.59	23.36	25.95	0.03	1.40	0.26	0.03	0.73	0.20
7. other consumable stores	6.44	16.21	22.65	0.08	0.97	0.23	0.07	0.51	0.18
8. service from other concerns	21.02	48.33	69.35	0.25	2.89	0.70	0.22	1.50	0.55
9. repair and maintenance	65.51	43.19	108.70	0.80	2.59	1.10	0.69	1.34	0.86
10. total input	1751.87	2082.62	3834.49	21.32	124.71	38.78	18.58	64.76	30.33

	rural	urban	India
number of sample villages	959	—	959
number of sample blocks	—	443	443
number of sample households	7013	3667	10680

Small Scale Manufacture

TABLE (1.7.5): PERCENTAGE BREAKDOWN BY DIFFERENT ITEMS OF INPUT IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS: OCTOBER 1953—MARCH 1954

items (1)	expenditure per household (in rupees)			percentage to total		
	rural (2)	urban (3)	India (4)	rural (5)	urban (6)	India (7)
1. fuel	1.64	5.45	2.28	7.70	4.37	5.89
2. lubricants	0.11	0.26	0.14	0.53	0.20	0.35
3. raw materials	17.26	108.72	32.71	80.93	87.18	84.33
4. auxiliary materials	0.32	2.13	0.63	1.52	1.72	1.62
5. cattle feed	0.83	0.30	0.73	3.86	0.24	1.90
6. packing materials	0.03	1.40	0.26	0.15	1.12	0.68
7. other consumable stores	0.08	0.97	0.23	0.38	0.78	0.59
8. service from other concerns	0.25	2.89	0.70	1.19	2.32	1.81
9. repair and maintenance	0.80	2.59	1.10	3.74	2.07	2.83
10. total input	21.32	124.71	38.78	100.00	100.00	100.00

TABLE (1.7.6): MONTHLY VALUE ADDED BY SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS: OCTOBER 1953—MARCH 1954¹

items (1)	total value (in lakh Rs.)			per household (in Rs.)			percentage to total		
	rural (2)	urban (3)	India (4)	rural (5)	urban (6)	India (7)	rural (8)	urban (9)	India (10)
1. products and by-products	2262.17	2369.96	4632.13	27.53	141.91	46.85	77.38	76.10	76.72
2. industrial servicing	661.31	744.44	1405.75	8.05	44.58	14.22	22.62	23.90	23.28
3. total output	2923.48	3114.40	6037.88	35.58	186.49	61.07	100.00	100.00	100.00
4. materials consumed	1656.31	1951.53	3607.84	20.16	116.86	36.49	94.54	93.71	94.09
5. other expenses	30.05	87.90	117.95	0.36	5.26	1.19	1.72	4.22	3.08
6. repair and maintenance charges	65.51	43.19	108.70	0.80	2.59	1.10	3.74	2.07	2.83
7. total input	1751.87	2082.62	3834.49	21.32	124.71	38.78	100.00	100.00	100.00
8. value added by manufacture	1171.61	1031.78	2203.39	14.26	61.78	22.29	—	—	—

¹ the figures are gross of depreciation

	rural	urban	India
number of sample villages	959	—	959
number of sample blocks	—	443	443
number of sample households	7013	3667	10680

National Sample Survey

TABLE (1.7.7) : MONTHLY VALUE OF NET EARNINGS IN SMALL SCALE MANUFACTURE
IN RURAL AND URBAN AREAS : OCTOBER 1953—MARCH 1954¹

items	total value (in lakh rupees)			value per household (in rupees)			value per employed person (in rupees)		
	rural	urban	India	rural	urban	India	rural	urban	India
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. total output	2923.48	3114.40	6037.88	35.58	186.49	61.07	31.02	96.84	47.76
2. total input	1751.87	2082.62	3834.49	21.32	124.71	38.78	18.58	64.76	30.33
3. value added by manu- facture	1171.61	1031.78	2203.39	14.26	61.78	22.29	12.44	32.08	17.43
4. hired labour charges	124.83	284.46	409.29	1.52	17.03	4.14	1.32	8.84	3.24
5. rent and hire charges for capital item	24.47	61.13	85.60	0.30	3.66	0.86	0.26	1.90	0.68
6. interest, levies, taxes	14.17	35.67	49.84	0.17	2.14	0.50	0.15	1.11	0.39
7. net earnings	1008.14	650.52	1658.66	12.27	38.95	16.78	10.71	20.23	13.12

¹ the figures are gross of depreciation

TABLE (1.7.8) : PERCENTAGE DISTRIBUTION OF VALUE OF NET EARNINGS IN SMALL
SCALE MANUFACTURE IN RURAL AND URBAN AREAS : OCTOBER 1953—
MARCH 1954²

items	value per household (in rupees)			percentage to total		
	rural	urban	India	rural	urban	India
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. total output	35.58	186.49	61.07	100.00	100.00	100.00
2. total input	21.32	124.71	38.78	59.92	66.87	63.51
3. value added by manufacture	14.26	61.78	22.29	40.08	33.13	36.49
4. hired labour charges	1.52	17.03	4.14	4.27	9.13	6.78
5. rent and hire charges for capital items	0.30	3.66	0.86	0.84	1.96	1.42
6. interest, levies, taxes	0.17	2.14	0.50	0.48	1.15	0.83
7. net earnings	12.27	38.95	16.78	34.49	20.89	27.46

² the figures are gross of depreciation

	rural	urban	India
number of sample villages	959	—	959
number of sample blocks	—	443	443
number of sample households	7013	3667	10680

Small Scale Manufacture

TABLE (1.7.9) : A SUMMARY STATEMENT OF SOME INTERESTING ITEMS AND RATIOS
IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS :
OCTOBER 1953—MARCH 1954

items	unit	rural	urban	India
(1)	(2)	(3)	(4)	(5)
1. capital investment	lakh rupees	10584.37	7953.02	18537.39
2. number of working persons	lakh	94.26	32.16	126.42
3. monthly value of output	lakh rupees	2923.48	3114.40	6037.88
4. value added by manufacture	lakh rupees	1171.61	1031.78	2203.39
5. capital investment per working person	rupees	112.29	247.30	146.63
6. value of output per month per working person	rupees	31.02	96.84	47.76
7. ratio of capital investment to monthly value of output		3.62	2.55	3.07

	rural	urban	India
number of sample villages	959	—	959
number of sample blocks	—	443	443
number of sample households	7013	3667	10680

APPENDIX III

TABLE (2.7.1): NUMBER OF HOUSEHOLDS ENGAGED IN SMALL SCALE MANUFACTURE AND HIRED AND HOUSEHOLD MANDAYS IN RURAL AND URBAN AREAS: OCTOBER 1953—MARCH 1954

items	total number (in lakhs)			number per household		
	rural	urban	India	rural	urban	India
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. number of household engaged in manufacture	79.15	14.84	93.99	—	—	—
2. total number of members	424.96	76.00	500.96	5.37	5.12	5.33
3. number of working persons	89.62	28.98	118.60	1.13	1.95	1.26
4. total mandays worked per working day	78.36	28.27	106.63	0.99	1.90	1.13
5. hired mandays per working day	6.71	8.61	15.32	0.08	0.58	0.16
6. household mandays per working day	71.65	19.66	91.31	0.91	1.32	0.97

TABLE (2.7.2): VALUE OF FIXED CAPITAL WITH BREAKDOWNS IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS: OCTOBER 1953—MARCH 1954

items	total value (in lakh rupees)			value per household (in rupees)			value per employed person (in rupees)		
	rural	urban	India	rural	urban	India	rural	urban	India
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. land	510.17	221.22	731.39	6.44	14.90	7.78	5.69	7.63	6.17
2. buildings	3478.97	3287.34	6766.31	43.95	221.52	71.99	38.82	113.43	57.05
3. power equipments	866.23	1169.10	2035.33	10.94	78.78	21.65	9.66	40.34	17.16
4. other machinery and tools	3279.15	2548.84	5827.99	41.43	171.75	62.01	36.59	87.95	49.14
5. furniture and fittings	152.76	412.52	565.28	1.93	27.80	6.01	1.70	14.23	4.77
6. power animal	2057.16	48.01	2105.17	25.99	3.24	22.40	22.95	1.66	17.75
7. total fixed capital	10344.44	7687.03	18031.47	130.69	517.99	191.84	115.42	265.25	152.04

	rural	urban	India
number of sample villages	959	—	959
number of sample blocks	—	443	443
number of sample households	7013	3667	10680

Small Scale Manufacture

TABLE (2.7.3): PERCENTAGE BREAKDOWN BY DIFFERENT ITEMS OF FIXED CAPITAL
IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS:
OCTOBER 1953—MARCH 1954

items	value per household (in rupees)			percentage to total		
	rural	urban	India	rural	urban	India
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. land	6.44	14.90	7.78	4.93	2.88	4.06
2. buildings	43.95	221.52	71.99	33.63	42.76	37.52
3. power equipments	10.94	78.78	21.65	8.37	15.21	11.29
4. other machinery and tools	41.43	171.75	62.01	31.70	33.16	32.32
5. furniture and fittings	1.93	27.80	6.01	1.48	5.37	3.14
6. power animal	25.99	3.24	22.40	19.89	0.62	11.67
7. total fixed capital	130.69	517.99	191.84	100.00	100.00	100.00

TABLE (2.7.4): MONTHLY VALUE OF MATERIALS CONSUMED IN SMALL SCALE MANU-
FACTURE IN RURAL AND URBAN AREAS: OCTOBER 1953—MARCH 1954

items	total expenditure (in lakh rupees)			expenditure per household (in rupees)			expenditure per employed person (in rupees)		
	rural	urban	India	rural	urban	India	rural	urban	India
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. fuel	116.26	78.11	194.37	1.47	5.26	2.07	1.30	2.70	1.64
2. lubricants	9.11	4.25	13.36	0.12	0.29	0.14	0.10	0.15	0.11
3. raw materials	1242.23	1666.12	2908.35	15.69	112.27	30.94	13.86	57.49	24.52
4. auxiliary materials	18.42	31.16	49.58	0.23	2.10	0.53	0.21	1.08	0.42
5. cattle feed	65.51	4.45	69.96	0.83	0.30	0.74	0.73	0.15	0.59
6. packing materials	1.72	20.62	22.34	0.02	1.39	0.24	0.02	0.71	0.19
7. other consumable stores	5.88	14.70	20.58	0.07	0.99	0.22	0.06	0.51	0.17
8. service from other concerns	20.31	44.93	65.24	0.26	3.03	0.69	0.23	1.55	0.55
9. repair and maintenance	65.02	42.04	107.06	0.82	2.83	1.14	0.72	1.45	0.90
10. total input	1544.46	1906.38	3450.84	19.51	128.46	36.71	17.23	65.78	29.09

	rural	urban	India
number of sample villages	959	—	959
number of sample blocks	—	443	443
number of sample households	7013	3667	10680

National Sample Survey

TABLE (2.7.5): PERCENTAGE BREAKDOWN BY DIFFERENT ITEMS OF INPUT IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS: OCTOBER 1953—MARCH 1954

items	expenditure per household (in rupees)			percentage to total		
	rural	urban	India	rural	urban	India
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. fuel	1.47	5.26	2.07	7.53	4.10	5.63
2. lubricants	0.12	0.29	0.14	0.59	0.22	0.39
3. raw materials	15.69	112.27	30.94	80.43	87.40	84.28
4. auxiliary materials	0.23	2.10	0.53	1.19	1.63	1.44
5. cattle feed	0.83	0.30	0.74	4.24	0.23	2.03
6. packing materials	0.02	1.39	0.24	0.11	1.08	0.65
7. other consumable stores	0.07	0.99	0.22	0.36	0.77	0.60
8. service from other concerns	0.26	3.03	0.69	1.33	2.36	1.88
9. repair and maintenance	0.82	2.83	1.14	4.22	2.21	3.10
10. total input	19.51	128.46	36.71	100.00	100.00	100.00

TABLE (2.7.6): MONTHLY VALUE ADDED BY SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS: OCTOBER 1953—MARCH 1954¹

items	total value (in lakh rupees)			per household (in rupees)			percentage to total		
	rural	urban	India	rural	urban	India	rural	urban	India
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. products and by-products	1971.16	2138.01	4109.17	24.90	144.07	43.72	75.70	75.36	75.52
2. industrial servicing	632.64	699.07	1331.71	7.99	47.11	14.17	24.30	24.64	24.48
3. total output	2603.80	2837.08	5440.88	32.90	191.18	57.89	100.00	100.00	100.00
4. materials consumed	1451.53	1784.09	3235.62	18.34	120.22	34.42	93.98	93.59	93.76
5. other expenses	27.91	80.25	108.16	0.35	5.41	1.15	1.81	4.21	3.14
6. repair and maintenance	65.02	42.04	107.06	0.82	2.83	1.14	4.21	2.20	3.10
7. total input	1544.46	1906.38	3450.84	19.51	128.46	36.71	100.00	100.00	100.00
8. value added by manufacture	1059.34	930.70	1990.04	13.39	62.72	21.18	—	—	—

¹ the figures are gross of depreciation

	rural	urban	India
number of sample villages	959	—	959
number of sample blocks	—	443	443
number of sample households	7013	3667	10680

Small Scale Manufacture

TABLE (2.7.7) : MONTHLY VALUE OF NET EARNINGS IN SMALL SCALE MANUFACTURE
IN RURAL AND URBAN AREAS : OCTOBER 1953—MARCH 1954¹

items	total value (in lakh rupees)			value per household (in rupees)			value per employed person (in rupees)		
	rural	urban	India	rural	urban	India	rural	urban	India
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. total output	2603.80	2837.08	5440.88	32.90	191.18	57.89	29.05	97.90	45.88
2. total input	1544.46	1906.38	3450.84	19.51	128.46	36.71	17.23	65.78	29.10
3. value added by manu- facture	1059.34	930.70	1990.04	13.39	62.72	21.18	11.82	32.12	16.78
4. hired labour charges	103.97	257.84	361.81	1.31	17.37	3.85	1.16	8.90	3.05
5. rent and hire charges for capital item	20.67	53.47	74.14	0.26	3.60	0.79	0.23	1.84	0.62
6. interest, levies, taxes	13.22	32.16	45.38	0.17	2.17	0.48	0.15	1.11	0.38
7. net earnings	921.48	587.23	1508.71	11.65	39.58	16.06	10.28	20.27	12.73

¹ the figures are gross of depreciation

TABLE (2.7.8) : PERCENTAGE DISTRIBUTION OF VALUE OF NET EARNINGS IN SMALL
SCALE MANUFACTURE IN RURAL AND URBAN AREAS : OCTOBER 1953—
MARCH 1954²

items	value per household (in rupees)			percentage to total		
	rural	urban	India	rural	urban	India
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. total output	32.90	191.18	57.89	100.00	100.00	100.00
2. total input	19.51	128.46	36.71	59.30	67.19	63.41
3. value added by manufacture	13.39	62.72	21.18	40.70	32.81	36.59
4. hired labour charges	1.31	17.37	3.85	3.98	9.08	6.65
5. rent and hire charges for capital items	0.26	3.60	0.79	0.79	1.88	1.36
6. interest, levies, taxes	0.17	2.17	0.48	0.52	1.14	0.83
7. net earnings	11.65	39.58	16.06	35.41	20.71	27.75

² the figures are gross of depreciation

	rural	urban	India
number of sample villages	959	—	959
number of sample blocks	—	443	443
number of sample households	7013	3667	10680

National Sample Survey

TABLE (2.7.9) : A SUMMARY STATEMENT OF SOME INTERESTING ITEMS AND RATIOS IN SMALL SCALE MANUFACTURE IN RURAL AND URBAN AREAS : OCTOBER 1953—MARCH 1954

items	unit	rural	urban	India
(1)	(2)	(3)	(4)	(5)
1. capital investments	lakh rupees	10344.44	7687.03	18031.47
2. number of working persons	lakh	89.62	28.98	118.60
3. monthly value of output	lakh rupees	2603.80	2837.08	5440.88
4. value added by manufacture	lakh rupees	1059.34	930.70	1990.04
5. capital investment per working person	rupees	115.43	265.25	152.04
6. value of output per month per working person	rupees	29.05	97.90	45.88
7. ratio of capital investment to monthly value of output		3.97	2.71	3.31

	rural	urban	India
number of sample villages	959	—	959
number of sample blocks	—	443	443
number of sample households	7013	3667	10680

APPENDIX IV

INTERNAL CONSISTENCY OF RESULTS

1. Assessment of data obtained from the sample survey of small scale manufacturing industries is made by observing the degree of agreement between independent interpenetrating sub-sample estimates.

2. In the Seventh Round of the National Sample Survey total sample was divided into two independent half samples. In the rural sector, each of the two selected tehsils constituted one half sample giving an estimate of the stratum. In the urban sector, all the sample towns of a stratum were divided more or less into two equal halves and on the basis of each half an estimate was obtained for that stratum. The combined estimate for the rural sector is the arithmetic mean of the two half-sample estimates. The same for the urban sector is, however, calculated from all sample units of a particular stratum.

3. Table (1) presents estimates of some items in two half samples for rural areas.

TABLE 1: HALF-SAMPLE ESTIMATES OF NUMBER OF HOUSEHOLDS, WORKERS, GROSS EARNINGS AND VALUE ADDED BY MANUFACTURE IN RURAL AREAS : OCTOBER 1953—MARCH 1954

items	unit	half-sample I	half-sample II	combined estimate
(1)	(2)	(3)	(4)	(5)
1. number of workers in small scale manufacture	lakh	105.10	83.42	94.26
2. number of households engaged in small scale manufacture	lakh	93.18	71.13	82.16
3. monthly gross earnings	lakh rupees	2981.43	2865.48	2923.48
4. monthly value added by manufacture	lakh rupees	1226.63	1116.94	1171.61
5. number of sample villages		479	480	959
6. number of sample households		3478	3535	7013

National Sample Survey

4. The half-sample estimates of the same items for urban areas are given in Table (2).

TABLE 2: HALF-SAMPLE ESTIMATES FOR NUMBER OF HOUSEHOLDS, WORKERS, GROSS EARNINGS AND VALUE ADDED BY MANUFACTURE IN URBAN AREAS : OCTOBER 1953—MARCH 1954

items	unit	half- sample I	half- sample II	combined estimate
(1)	(2)	(3)	(4)	(5)
1. number of workers in small scale manufacture	lakh	35.47	29.79	32.17
2. number of households engaged in small scale manufacture	lakh	17.26	16.73	16.70
3. monthly gross earnings	lakh rupees	3284.60	2915.50	3114.40
4. monthly value added by manufacture	lakh rupees	1116.22	932.36	1031.78
5. number of sample blocks		226	217	443
6. number of sample households		1870	1797	3667

APPENDIX V

CONCEPTS AND DEFINITIONS

1. Household : A group of persons normally living together and ordinarily taking food from the same kitchen is said to constitute a household.

2. Household member : Those persons who take principal meals from the common kitchen for at least 16 days — any 16 days — during 30 days preceding the date of survey are regarded as household members.

3. Manufacturing household : A household is said to be manufacturing if at least one of the members of the household is usually self-employed (employer or own account worker) in manufacturing activity. By manufacture is meant transformation of material inclusive of repair work. By small scale manufacturing household will be understood one which employs less than 10 or 20 workers according as it uses and does not use power respectively.

4. Average number of persons per working day : It is the total of the number of persons working on each of all the working days of the 30-day period divided by the number of working days. Persons considered for this purpose are anybody participating in the work either whole time or part time, paid or unpaid and of any sex.

5. Fixed capital : Fixed capital as presented in the report is gross of depreciation and refers mainly to non-inherited assets only. In small scale manufacturing activity fixed capital is composed of (i) land, (ii) building, (iii) power equipments, (iv) plant and machinery, (v) tools and implements, (vi) power animals. Land means the land on which the factory stands together with its surrounding area which is used for the purpose of the industry. It also means any portion of residential land or building utilised for the purpose of the productive enterprise. In arriving at the value on account of building only the value of floor space which is used for the industry is considered.

6. Lubricants, raw materials, auxiliary materials : Lubricants include only those articles which are used for lubricating the machinery and power equipment and are not used as ingredients going into the composition of the product of the enterprise. Raw materials are those articles which are used up and enter into the product through the process of production. Auxiliary materials are sometimes used to help transformation of the raw materials without themselves entering into the product as ingredients.

7. Rent : It means rent paid for hiring any items of fixed capital for the enterprise during the reference period. It may be for one month, or more or for even less or nil.

8. Repair and maintenance : It is the expenditure incurred by the household for repair and maintenance of any item of fixed capital during the reference period. The expenditure on repair by the owner in the case of hired items of fixed capital is not considered.

APPENDIX VI

FACSIMILE OF THE SCHEDULES OF INVESTIGATION

RURAL*
URBAN

ORIGINAL*
DUPLICATE

GOVERNMENT OF INDIA NATIONAL SAMPLE SURVEY : 1953-54

Household Schedule 2.2*
Non-household Schedule 2.21: Smallscale manufacture & handicrafts

(Seventh Round)

[1] identification : sample village			[2] identification: sample block		[3] classificatory characters			
1. zone-State-natural division	9. district		1. district		1. household size			
2. stratum	10. sub-division		2. town		2. ,, land possessed (acres 00.00)			
3. scheme	11. tehsil/taluk/thana		3. zone-State		3. ,, industry-occupation code			
4. sample unit I	12. police station		4. stratum		4. ,, expenditure ,,			
5. sample unit II	13. village		5. sample town		5. ,, religion ,,			
6. sub-sample	14. hamlet		6. sample block		6. ,, group ,,			
7. fraction code	15. census house no.		7. sub-sample		7. ,, mother tongue ,,			
8. sample unit III			8. fraction code					
			9. sample household					
[4] informant's response and ability			[5] investigator: 1. name					
1. head of household			2. roll no.	3. signature				
2. informant's relation to head			4. date: (i) survey	(ii) despatch of schedules				
3. if head not available, why ?			[6] inspector: 1. name					
4. informant's willingness			2. signature					
5. informant's ability			3. date (i) inspection	(ii) scrutiny	(iii) despatch			
6. if any second informant, why ?			[6A] zonal scrutiny: 1. name of scrutiniser					
7. second informant's relation to head			2. signature	3. date (i) receipt	(ii) scrutiny			
			(iii) despatch to I.S.I. 4. no. of sheets of scrutiny notes attached					
[7] general description and particulars					[8] land used in industry			
1. name of industry or craft	3. year of foundation				(1)	(2)		
2. name of establishment, if any	4. no. of branches, if any				1. area (acres 00.00)			
5. household-1/non-household-2. 6. if household, proprietary-1/partnership-2. 7. if 2, percent share					2. purchase value (Rs. 00.00)			
8. if non-household, jt.-stock-1/co-operative-2/other institutional-3. 9. power operated: yes-1/no-2.					3. rent paid during month ended on	(Rs. 00.00)		
10. maximum no. of workers on any day in 1952	11. registered under Factories Act: yes-1/no-2.				4. improvement during month ended on	(Rs. 00.00)		
12. average no. of persons per working day	during month ended on							
[9] buildings used in industry					[10] details of power equipments			
sr. no.	items	whole	part	total	sr. no.	items	no. of machines	total horse power
(0.1)	(0.2)	(1)	(2)	(3)	(0.1)	(0.2)	(1)	(2)
1.	number				1.	electricity		
2.	floor space (sq.ft. 00)				2.	steam		
3.	if purchased, value (Rs. 00.00)				3.	gas		
4.	if constructed, cost (Rs. 00.00)				4.	diesel oil		
5.	expected years of life since construction or purchase (00)				5.	other oil		
6.	rent paid during month ended on				6.	water wheel		
7.	repair and maintenance charges during month ended on				7.			
	(Rs. 00.00)				8.	total	x	

* delete whichever is inapplicable

Small Scale Manufacture

2-(2-2)

[11] power equipments, other machinery, tools, furniture and fittings												
serial no.	items	foreign-1 indige-2	no. as on date of survey	value at ins- tallation (Rs.00.00)		expected years of life since installa- tion (00)	col.(3)or col.(4) ÷ col (5) (00.00)	during month ended on.....				
				purchase	cons- truction			rent paid Rs (00.00)	repair and mainte- nance Rs (00.00)	broken or discarded no.	imputed value Rs (00.00)	
(0.1)	(0.2)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
power equipment	1.											
	2.											
	3.											
	4.											
	5.											
	6.	sub-total-1	x	x							x	
other machinery & tools	7.											
	8.											
	9.											
	10.											
	11.											
	12.											
	13.											
	14.											
	15.											
	16.	sub-total-2	x	x							x	
furniture & fittings	17.											
	18.											
	19.											
	20.											
	21.											
	22.	sub-total-3	x	x							x	
power animals	23.											
	24.											
	25.											
	26.											
	27.											
	28.	sub-total-4	x	x							x	
	29.	total	x	x							x	

[12] consumption of fuel, lubricants & raw materials

serial number	items	specification of local and standard units			consumed during week ended on.....						consumed during month ended on.....					
		stan- dard	local	ratio (00.00)	by purchase		by home supply		total		by purchase		by home supply		total	
					quan- tity (local) (00.00)	value Rs. (00.00)	quan- tity (local) (00.00)	value Rs. (00.00)	quan- tity (local) (00.00)	value Rs. (00.00)	quan- tity (local) (00.00)	value Rs. (00.00)	quan- tity (local) (00.00)	value Rs. (00.00)	quan- tity (local) (00.00)	value Rs. (00.00)
(0.1)	(0.2)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
fuel	1.	coal, coke	sr.													
	2.	charcoal	sr.													
	3.	fire wood	sr.													
	4.	kerosene and other oils	sr.													
	5.	diesel oil	gallon													
	6.	gas	std. unit													
	7.	electricity	std. unit													
	8.	sub-total-1		x	x	x	x	x	x	x	x	x	x	x	x	x
lubricants	9.															
	10.															
	11.															
12.	sub-total-2		x	x	x	x	x	x	x	x	x	x	x	x	x	

National Sample Survey

(2.2)-3

[12] consumption of fuel, lubricant & raw materials—contd.																
(0-1)	(0-2)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(15)	
raw materials	13.															
	14.															
	15.															
	16.															
	17.															
	18.															
	19.															
	20.															
	21.															
	22.															
23.	sub-total-3	x	x	x	x		x		x		x		x		x	
auxiliary materials	24.															
	25.															
	26.															
	27.	sub-total-4	x	x	x	x		x		x		x		x		
cattle feed	28.															
	29.															
	30.															
	31.	sub-total-5	x	x	x	x		x		x		x		x		
32.	total	x	x	x	x		x		x		x		x			

[13] products, bye-products and subsidiary products													
sr no	items	specification of local & standard unit			during week ended on				during month ended on				
		tan- dard	local	ratio (00.00)	produced		consumed by household		produced		consumed by household		
					quantity local (00.00)	value (00.00)	quantity local (00.00)	value (00.00)	quantity local (00.00)	value (00.00)	quantity local (00.00)	value (00.00)	
(0.1)	(0.2)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
products	1.												
	2.												
	3.												
	4.												
	5.												
	6.												
	7.												
	8.												
	9.												
	10.												
	11.												
	12.												
	13.												
	14.												
15.	sub-total-1	x	x	x	x		x		x		x		
bye-products	16.												
	17.												
	18.												
	19.												
	20.												
21.	sub-total-2	x	x	x	x		x		x		x		
subsidiary products	22.												
	23.												
	24.												
	25.												
	26.												
	27.	sub-total-3	x	x	x	x		x		x		x	
	28.	total (sub-totals 1-3)	x	x	x	x		x		x		x	

