

CAPITAL COEFFICIENTS MATRIX BASED ON COMPANY DATA (1960)

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I. *Introduction*

1. In this paper an attempt is made towards computing the matrix of average capital coefficients for large-scale manufacturing sectors of the Indian economy for the year 1960 using balance sheet data.

The Company Balance Sheets contain data regarding the net and the purchase value of fixed assets owned by the company concerned.

II. *Classification*

2. Our classification will have to be the same as that adopted for obtaining the Flow matrix. Obviously, the degree of disaggregation depends on the availability of data. The basic detailed data are available in the Annual Survey of Industries (ASI) which has its own classification based largely on the International Standard Industrial Classification. But this cannot be adopted for our purpose because the information available in the Annual Reports and Accounts of Joint Stock Companies (ARA) is inadequate for classifying them in such details. The Planning Commission has classified the whole economy into 106 sectors (See Appendix A). Of these, there are 65 sectors corresponding to manufacturing (26th to 87th and 90th) and electricity (88th and 89th) divisions of the economy, each sector being an aggregate of certain ASI industrial sub-groups. Moreover, the Planning Commission has prepared a Flow Table for these 65 sectors. Hence, this classification is adopted for our purpose, though no serious effort is made to screen it from the view point of input-output technique.

3. Selection of Companies : The next step is to select companies such that they correspond to the ASI (census) coverage in the aggregate, preferably in each P.C. sector. Table 1 shows the distribution of factories according to fixed assets. There are only 2,418 big factories each owning fixed assets of more than Rs. 5 lakhs net worth, which together account for 94.4% of the net value of fixed assets