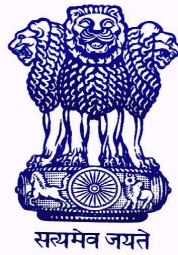


For Official Use



Instructions to Field Staff

Volume-I

Design, Concepts, Definitions and Procedures

SOCIO-ECONOMIC SURVEY

NSS 67th ROUND
(JULY 2010 - JUNE 2011)



National Sample Survey Office

National Statistical Organisation

Ministry of Statistics and Programme Implementation
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Chapter Three

Schedule 2.34: Unincorporated Non-agricultural (excluding construction) Enterprises

1. Introduction: In this chapter detailed instructions for filling up schedule 2.34 are given. The enterprise survey of the 67th round principally covers all unincorporated enterprises in the non-agricultural sector of the economy, excluding those engaged in construction and electricity, gas & water supply. **NIC 2008** codes will be used to classify the enterprises in this round. Some concepts and definitions relating to unincorporated non-agricultural enterprises have already been discussed in Chapter One. However, concepts specific to the schedule have been discussed in this chapter whenever necessary. The enterprises to be covered in NSS 67th round have been divided into three broad industry groups, viz. (i) manufacturing, (ii) trade and (iii) other service sector enterprises. Under the above sectoral coverage, enterprises are categorised into two types, the first type being Own Account Enterprises (OAE) i.e. those enterprises that do not employ hired workers on a fairly regular basis in the reference year and the second type being Establishments employing at least one hired worker on a fairly regular basis in the reference year. The term “enterprise” has been used in this chapter in a general sense and will refer to either an “own account enterprise” or an “establishment” which will be clear from the context. The eligibility criteria for an enterprise to be covered in the survey is at least 30 days of operation (15 days of operation for seasonal enterprises / SHGs) in the reference year i.e. “last 365 days preceding the date of survey”.

1.1 Own-account enterprises and establishments in the informal sector are the target units for the enterprise survey. In addition, self-help groups, trusts, associations, charitable institutions etc. are covered under the survey as they do have the dominant share in certain service sector activities like educational enterprises, health service enterprises and other community, social and personal service enterprises. Detailed activities under survey coverage are given in Chapter One (para 1.2.1).

2. A few important concepts and definitions:-

2.1 Mixed Activity: There are enterprises that carry out a number of activities simultaneously. For example, a bakery may also sell cold drinks, a rice mill may sell sugar, a factory may run a hospital in its premises, etc. Each such activity is treated as a separate enterprise if information for them is separately available. If the accounts are not separable then the data pertaining to the enterprise as a whole will be collected and the enterprise is classified as having mixed activities and the activities of such enterprises are a mixture of NIC's. The activities may be mixed at any level of NIC, but for the present survey an enterprise will be considered to have mixed activities if its activities are different at 2-digit level of NIC-2008. The appropriate NIC in such cases will be determined on the basis of major activity. Major activity refers to the activity which yields maximum income/turnover/employment. The above criteria are applied in the given order, i.e., income first, then turnover and then employment, to determine the major activity.

2.2 Multiple Activity: Since many of the entrepreneurs belonging to the unorganised and informal sector operate at small or marginal levels, the phenomenon of carrying out more than one activity simultaneously or at different points of time is quite prevalent. If the activities are carried out at one point of time at the same location and the information is not

separately available, then it will be taken as “mixed activity”. Carrying out of more than one economic activity by the entrepreneur during the reference year is called multiple activities. It differs from mixed activities in the sense that former is with respect to the entrepreneur whereas the latter is with respect to the enterprise. However, an entrepreneur of a manufacturing enterprise manufacturing woollen garments before winter and cotton clothes before summer will not be considered as carrying out multiple activities. Some examples of multiple activities are: i) a person providing computer services during day-time as an own account worker and also providing tuition in the evening, ii) A household servant is making paper envelopes in free time iii) a person carrying out agricultural activity at sowing / harvesting season and doing carpentry at the same time or at other times ,etc.

2.3 Reference Period: *Last 30 days preceding the date of survey* or *last month* has been used as the reference period to collect most of the data. Various items of receipts and expenses as well as data on employment, emoluments, rent, interest, net surplus and value added for the enterprises will be collected for the above reference period only. However, for seasonal enterprises the reference period will refer the last 30 days (preceding the date of survey), if they have worked continuously for last 30 days or more (including scheduled holidays) in the current season. For seasonal enterprises which have worked for less than 30 days in the current season, last month will refer to an average month in the last working season.

2.3.1 If some enterprise is unable to give information for the last 30 days and is able to give information for the latest calendar month from their books, figures for the latest calendar month may be taken. Month will refer to a period of 30 days. For some of the items like value of fixed assets, amount of loan outstanding etc., the reference period is ‘as on the date of survey’. For some other items like net additions to fixed assets, number of months operated, number of other economic activities taken up etc., the period of reference is the ‘last 365 days preceding the date of survey’. For enterprises maintaining accounts and giving information from their books of accounts, reference year, ‘last 30 days/ last month’ and ‘last date of the reference year’ would respectively relate to ‘last accounting year for which information is available’, ‘last month of the said accounting year’ and ‘last date of the accounting year’.

2.4 Subsidy: Subsidies are current unrequited payments that government units, including non-resident government units, make to enterprises on the basis of the levels of their production activities or the quantities or values of the goods and services which they produce, sell, import or export. Subsidies can also be received by an enterprise for achieving a particular type of efficiency in production (e.g., getting ISO certification, implementing pollution control measures, repaying interests in time, etc.). Subsidies are equivalent to negative taxes on production in so far as the impact on the operating surplus is in the opposite direction to that of taxes on production. Subsidies can be on production or on interest. Various types of subsidies are back-end subsidies on interest, export subsidies, duty drawback, etc. Subsidies do not include grants that governments may make to enterprises in order to finance their capital formation, or compensate them for damage to their capital assets, such grant being treated as capital transfers.

2.5 Taxes on Products: Taxes are compulsory, unrequited payments, in cash or in kind, made by institutional units to government units. *A tax on a product is a tax that is payable per unit of some good or service.* Tax on product may be a specific amount of money per unit of quantity of a good or service, the quantity being measured either in terms of discrete units or continuous physical variables such as volume, weight, strength, distance, time, etc. or

it may be calculated *ad valorem* as a specified percentage of the price per unit or value of the goods and services transacted. Some examples of taxes on products are VAT, excise duties, general sales tax, service tax, export duties, turnover tax, taxes on financial and capital transactions (mainly inheritances and gifts), etc.

2.6 Taxes on Production: *Taxes on production consist of all taxes that the enterprise incurs as a result of engaging in production.* It is payable irrespective of the profitability of the enterprise and consists of all taxes except those included under ‘Taxes on Products’. Some examples of taxes on production are recurrent taxes on land, buildings or other structures, business or professional licence fees, road tax and registration fee of vehicles, taxes on pollution, taxes on international transactions such as travel abroad, foreign remittances, etc. Stamp taxes on sale of specified products, which relate to per unit of product sold (e.g., per unit of alcoholic beverages) will be considered as taxes on products, but other stamp taxes (e.g., stamps on legal documents or cheques) will be considered as taxes on production.

3. Coverage of survey: All unincorporated non-agricultural activities as discussed in Chapter One will be covered in the survey.

4. Structure of the schedule: NSS 67th round enterprise survey will be covering diverse domain of non-agricultural activities. The detailed enquiry schedule is structured accordingly. Schedule 2.34 consists of 17 blocks (blocks 0 to 16). Blocks 0 and 1 are meant to record identification details of the enterprise; Blocks 14, 15 and 16 are for reporting particulars of field operation, remarks by the investigator and comments by the supervisory officers. In the remaining 13 blocks, data are to be collected from the enterprises.

4.1 Some operational characteristics of the enterprises will be collected in block 2. Block 2.1 will record the different activities pursued by the enterprise. Blocks 3, 4 and 5, 6 are the main blocks of the schedule where operating expenses and various receipts of the enterprises will be recorded. Blocks 3 and 5 will record the principal expenses and receipts whereas blocks 4 and 6 will record the other expenses and other receipts. Schedule 2.34 has been designed in such a way that the different types of receipts and expenses for different types of enterprises can be accommodated within the framework of blocks 3 to 6. To meet this objective and facilitate reporting of activity-specific items of principal operating expenses and principal receipts, two blocks namely, blocks 3 and 5 have been subdivided into 11 sub-blocks. While these sub-blocks are meant for specific types of enterprise, blocks 4 and 6 are common for all enterprises. It may be noted that for an enterprise which runs a mixed activity, more than one of the sub-blocks of blocks 3 & 5 may have entries and this may be in consonance with the activities recorded in block 2.1.

4.2 Block 7 is kept for calculation of gross value added. The employment particulars of the enterprises will be recorded in block 8. Blocks 9, 10 and 11 are meant to collect information on emoluments, fixed assets and loan position of the enterprises respectively. The factor incomes of the enterprise will be recorded in block 12. It may be noted that from this block also, value added can be generated. So, blocks 7 and 12 together provide an added check in the schedule for assessing the consistency of the data. Block 13 has been introduced to collect data on use of information and communication technology (ICT) by the enterprises.

4.3 Block 0: Descriptive Identification of Sample Enterprise: This block has been designed to collect the descriptive identification of the sample enterprise. The items are mostly self-explanatory. There are 9 items in the block. For urban sample, village name and

serial number of hamlet will remain blank. Similarly, for a rural sample, ward/inv.unit/UFS block is not applicable. For a rural/ urban sample or for a state/ central sample tick-marks are to be given in appropriate boxes provided at the top of the schedule.

4.4 Block 1: Identification of Sample Enterprise/ Establishment: Block 1 has 19 items. Appropriate codes have to be provided against the relevant items.

4.41 Items 1 to 12: Except items 2 and 3 which are already printed in the schedule, these items will be copied from schedule 0.0.

4.42 Item 13: Segment number: Entry against this item will be either 1 or 2 or 9. Segment number 1 will refer to the area of concentration. Segment number 2 is the union of the other two hamlet-groups/ sub-blocks selected. If there is no hg/sb formation, **record 1** against this item, unless the enterprise belongs to segment 9.

4.43 Item 14: Second Stage Stratum: SSS number will be copied from col. 14 of block 4 or col. 3 of block 5b of the listing schedule.

4.44 Item 15: sample enterprise number: Sample enterprise number will be copied from cols 4 to 22 of block 5b or col. 10 of block 4 of the listing schedule 0.0.

4.45 Item 16: Response code: This item will be filled in as per the assessment of the Investigator about the quality of response he has received from the respondent. The codes are: informant co-operative and capable - 1, informant co-operative but not capable - 2, informant busy but responded - 3, informant reluctant - 4, others - 9.

4.46 Item 17: informant code: This item will give information on the type of informant from whom the data are being collected. The relevant codes are: owner - 1, manager - 2, others - 9. For a partnership enterprise, any of the partners will qualify as 'owner'.

4.47 Item 18: survey code: If the original enterprise is surveyed, code against this item will be 1. If the original enterprise could not be surveyed for some reason or other and some substitute enterprise had to be surveyed, code will be 2. If the substitute enterprise also could not be surveyed, code will be 3. In such cases, only blocks 0, 1, 14, 15 and 16 are to be filled in and the word 'CASUALTY' may be written on the top of the schedule.

4.48 Item 19: reason for original sample not surveyed: This item will be filled in for substitute enterprise only. For survey code 1 (original enterprise surveyed), this item will remain blank. If the enterprise is substituted more than once, the code for first substitution will be recorded. The relevant codes are: informant busy - 1, informant not available - 2, informant non-cooperative - 3, others - 9. This item will be filled in when item 18 is either 2 or 3.

4.5 Block 2: particulars of operation and background information:

4.51 In this block some basic information about the nature and working of the enterprises will be recorded in terms of codes.

4.52 Item 201: Mixed activity: Code will be 1 for mixed activity (as per instructions in

paragraph 2.1 above) and 2 otherwise. If the response is 1, care may be taken to fill up item 203.

4.53 Item 202: Major activity code (5-digit as per NIC 2008): NIC codes as per the 2008 classification may be put at **5-digit level**. Each box will contain one digit and no box will remain empty. The description of the entrepreneurial activity may be recorded in the space provided under this item. The description should be as per the NIC booklet (as far as practicable).

4.54 Item 203: Principal minor activity code (5-digit as per NIC 2008): This is applicable for enterprises pursuing mixed activity. If the enterprise pursues more than activity, major activity will be recorded in item 202 and minor activity as per the 2008 classification at **5-digit level** will be recorded in item 203. If the enterprise pursues more than two activities, principal minor activity code will be recorded here. Care should be taken that first two digits of item 203 are different from that of item 202.

4.55 Item 204: Type of ownership: Proprietary enterprises are those where an individual is the sole owner of the enterprise. If the owner is a male, code will be 1; for a female owner, code will be 2. **Partnership** is defined as the 'relation between persons who have agreed to share the profits of a business carried on by all or any one of them acting for all'. Partners may be from the same household or they may be from different households. In the former case, ownership code will be 3 and in the case of the latter, code will be 4. Partnership may be based either on formal registration or on the basis of tacit understanding.. If ownership is with a Hindu Undivided Family (HUF), the treatment will be the same as proprietary enterprises, i.e., if the head of HUF is a male, code will be 1; for a female head, code will be 2. Code 5 will be recorded for self-help group and code 6 for trust. All other types of enterprises under survey coverage will get code 9. It is to be noted that **enterprises registered under Factories Act, 1948 will be outside the coverage.**

4.56 Item 205: Whether private non-profit institution: Non-profit institutions are legal or social entities created for the purpose of producing goods and services whose status does not permit them to be a source of income, profit or other financial gain for the units that establish, control or finance them. In practice, their productive activities are bound to generate either surpluses or deficits but the units that establish, control or finance them cannot appropriate surpluses. The articles of association by which they are established are drawn up in such a way that the institutional units which control or manage them are not entitled to a share in any profits or other income which the NPI's receive. For this reason, they are frequently exempted from various kinds of taxes.

4.56.1 NPIs are principally market producers but they may engage in non-market production also. It is important to distinguish between NPI's engaged in market and non-market production as this affects the sector of the economy to which an NPI is allocated.

4.56.2 Most market NPI's serving businesses are created by associations of the businesses whose interests they are designed to promote. They consist of chambers of commerce, agricultural, manufacturing or trade associations, employers' organisations, research or testing laboratories or other organisations or institutes which engage in activities which are of mutual interest or benefit to the group of businesses that control and finance them.

4.56.3 If the enterprise under survey is a private NPI, code 1 will be recorded; otherwise code 2 will be recorded.

4.57 Item 206: Whether private non-profit institution serving households (NPISH): NPISHs are necessarily non-government non-market NPIs. Non-market producers are producers that provide most of their output to others free or at prices which are not economically significant, i.e., at prices which do not have a significant influence on the amounts the producers are willing to supply or on the amounts purchasers wish to buy. **NPISHs provide non-market good and services to households financed mainly by transfers from non-governmental sources - households, corporations or non-residents.**

4.57.1 NPISHs may be distinguished not only by the fact that they are incapable of providing financial gain to the units which control or manage them, but also by the fact that **they must rely principally on funds other than receipts from sales to cover their costs of production or other activities.**

4.57.2 Code 1 or 2 may be recorded against this item depending upon whether the enterprise is an NPISH or not.

4.58 Item 207: Social group of the working owner/major partner: For the proprietary or partnership enterprises, the social group of the working owner/major partner should be entered through following codes:

ST-1, SC – 2, OBC – 3, others – 4, not known-9

4.58.1 ‘Major partner’ in case of partnership enterprises will be the major working owner, the criterion for determining ‘major’ will be the partner getting maximum share of the profit of the enterprise, or bearing the maximum part of the loss. If all the partners share the profit/loss of the enterprise equally, the partner taking major decisions of the enterprise will be the major partner. If the decisions are taken collectively, major partner will be the senior most partner by age.

4.59 Item 208: Number of other economic activities taken up by the entrepreneur during last 365 days: Since many of the enterprises in the informal sector are very small, due to necessity or otherwise, the phenomenon of carrying out multiple activities simultaneously or at different points of time by the entrepreneurs may be quite prevalent. The number of such activities **other than the major activity** of the current enterprise is to be recorded. It may be noted that the owner need not operate his other activities from the present location.

4.60 Item 209: Location of the enterprise: Six codes have been provided for this item. The codes and some corresponding explanations are:

Within household premises		1
outside household premises:		
with fixed premises and with permanent structure	Any structure made out of bricks, mud, bamboos etc. will be treated as a permanent structure if it cannot be removed as a whole without dismantling	2
with fixed premises and	Temporary structures can be removed from its present	3

with temporary structure/kiosk/stall	location with some effort. Some examples are stalls, kiosks, etc.	
with fixed premises but without any structure	Fixed premises but with no structure (except for some makeshift arrangement for shade etc.)	4
mobile market	If the enterprise shifts from market to market but the owner (e.g. <i>hat</i> vendor) is allowed to sit in a particular place of the market, i.e. if the location of the enterprise inside each market is fixed	5
without fixed premises (street vendors, etc.)	Street vendors	6

4.61 Item 210: Enterprise type during the last 365 days: The actual enterprise type on the basis of total number of workers and number of hired workers normally worked during the last 365 days will be recorded here. If the enterprise normally ran without any hired worker during the last 365 days (irrespective of whether it had hired workers during the reference month or not) it will be considered as an OAE and the code will be '1'. If it normally ran with 1 or more hired workers (irrespective of whether it ran without any hired workers during the reference month or not), it will be considered as establishment and the code will be '2'.

At this stage it may be found that the enterprise type determined at the time of detailed enquiry now differs from the one recorded during the listing stage (e.g., an enterprise is actually an establishment although it was listed as an OAE). In such cases, no change/adjustment in any of the two schedules will be made.

4.62 Item 211: Year of initial operation: The year from which the enterprise commenced its operation may be recorded here. Each of the four boxes will contain one digit and no box will remain empty.

4.63 Item 212: Nature of operation: This item intends to capture the seasonality of the enterprise under survey. The guiding principle will be the duration of operation of the enterprise during the reference period. The different types are:

Nature of operation of the enterprise during the reference year	Nature of operation	code
➤ operated more or less regularly throughout the year	perennial	1
➤ enterprise operated only during particular season (s) of the year	seasonal	2
➤ carried out its activity only occasionally, but total number of days operated was 30 days or more	casual	3

4.64 Item 213: Number of months operated during the last 365 days: Number of months operated by the enterprise in the last 365 days will be recorded against this item. Entry against this item will be recorded **in whole numbers** only. An operating month does not mean a complete calendar month in which the enterprise has operated with full intensity. Suppose, in a particular month the enterprise has operated only for 5 days. Even then, that month will be counted as an operating month. It may also be ensured that the fractional months in the beginning or end of the reference period are not missed in calculation. The idea is that a month should mean a block of 30 days and not always a completed calendar

month.

4.65 Item 214: Number of hours the enterprise normally worked in a day during the last 30 days: In these items, normal working hours in a day within the reference month will be recorded. Days within the reference month will be considered to get the required number of hours. If data for the enterprise is recorded from books of accounts, 'month' means the last month of the accounting year.

4.66 Item 215: Whether accounts maintained? (yes –1, no –2): If the enterprise maintains books of accounts, code against this item will be 1, otherwise, code will be 2.

4.67 Item 216: Whether data collected from the books of accounts? (yes –1, no –2): If the owner makes available the books of accounts of the enterprise to the Investigator for use in filling in the schedule, code against this item will be 1, otherwise code will be 2.

4.68 Item 217: Did the enterprise face any problem in its operation during last 365 days? (yes-1, no-2): If the enterprise faced any problem in its operation during last 365 days, then code against this item will be 1, otherwise code will be 2.

4.69 Items 218-219: Nature of problems faced in its operation during the last 365 days: Different types of problems faced by the enterprises in their day-to-day operation during the last 365 days will be recorded against this item in terms of codes. At most two codes may be entered according to the severity of the problems. Codes are:

erratic power supply/ power cuts.....	01	non-recovery of financial dues ...	05
shortage of raw materials.....	02	non-availability of labour as and when needed	06
shrinkage /fall of demand	03	labour disputes and related problems	07
non-availability / high cost of credit	04	others (<i>specify in the space provided</i>).....	09

4.70 Item 220: did the enterprise receive any assistance from the government during last three years? (yes-1, no-2): If the enterprise received any assistance from the government during last three years, then code against this item will be 1, otherwise code will be 2.

4.71 Items 221-222: Types of assistance received from the government during the last three years (code): The enterprise might have received some assistance at some stage of its operation. An enterprise might have received more than one type of assistance. Two most important assistances received during the last 3 years are to be reported in codes in descending order of the importance of assistance in items 221 to 222. The codes are:

financial loan	1	marketing	5
subsidy	2	raw material.....	6
machinery/ equipment.....	3		
training	4	others	9

4.71.1 It may be mentioned that code 2 i.e. subsidies will include only subsidies other than those, which are passed on to the consumers. Examples of such subsidies are: 1) subsidy received from the government for employing disabled workers 2) subsidy received from the government for using pollution control equipments etc.

4.72 Item 223: Status of the enterprise over the last 3 years: The objective of this item is to record the owner's impression about the growth of the enterprise. If the owner feels that the enterprise has expanded in the last three years, code will be 1. On the other hand, if the owner thinks that the enterprise has shrunk, code 3 will be recorded. Code 2 will be recorded in those cases where the enterprise has remained stagnant in the last 3 years. If an enterprise is running for less than 3 years, an additional code is provided to record the same: operated for less than three years – 9)

4.73 Item 224: whether registered under any act/authority? (yes-1, no-2)? If the enterprise is registered under one or more Acts/ Authorised agencies, code will be '1'; otherwise code will be '2'.

4.74 Items 225-229: types of registration of the enterprise: Information on types of registration will be recorded in items 225-229. The registration requirement is also specific to the goods and services produced by the enterprise. Code 1 or 2 may be recorded in each of these items depending upon whether the enterprise is registered under the Act or not.

4.74.1 Items 230-232: registration in any other industry-specific Act/ Authority: An enterprise may be registered under more than one agency. For such cases, provision is kept to record the codes for up to 3 agencies of registration. A list of such Acts and their corresponding codes are given below.

State directorate of industries	01	Technical Consultancy Services Organisations/Council for Technological Upgradation.....	11
Khadi and Village Industries Commission/ Board.....	02	Small Industries Development Bank of India (SIDBI).....	12
Development Commissioner of Handicraft /handloom.....	03	Small Industries Services Institutes/ other small industries registration agencies.....	13
Coir Board	04	District Supply and Marketing Society.....	14
Directorate of education /AICTE/NCTE	05	State Trading Corporation of India Limited (STC)	15
Silk Board	06	Indian Charitable Act	16
Jute Commissioner.....	07		
Pollution Control Board.....	08		

Directorate General of Foreign Trade/ other export promotion agencies.....	09	Cinematograph act	17
State Financial Corporation/Industrial Cooperative Banks/Industrial Development Banks.....	10	Money lender's Act	18
		Societies Registration Act, 1860 (including the State variants).....	19
		Public Trust Act	20
		Others.....	99

4.75 Type of agreement with other units: Items 233-239: The purpose of these items is to get information on the extent of inter-firm linkages. It is seen that the growth of big organised enterprises influences the growth of the micro and small enterprises in the sense that micro and small enterprises are set up to operate under subcontracting from the bigger enterprise. Subcontracting is defined as an industrial activity whereby one enterprise (big enterprise/ contractor) hires/contracts another enterprise (the smaller enterprise/ subcontractor) to produce parts, components, sub-assemblies or assemblies, **the product of which is marketed by the contractors or marketed to contractors for further value addition.** The subcontracting can be pursued at different stages of production process, such as in the processing, transformation or finishing of materials and parts. In some cases, sub-contracting is associated with 'job work' where a parent enterprise provides the necessary raw materials to small enterprises which return these materials after turning them into a required form (as per the technical specification).

4.75.1 Item 233: Whether the enterprise has any prior marketing agreement with other units? It is first assessed if the enterprise has prior marketing agreement with other units. Here the agreement is the forward one i.e. agreement providing market for goods and services produced or traded by the sample enterprise. The other party in the agreement may either use the received goods and services for their operation and further value addition or market it through its marketing channel. If such an agreement exists, code 1 will be recorded; otherwise code 2 will be recorded.

4.75.2 Item 234: If yes in item 233, supply out of the produce of enterprise covered in the agreement: If yes in item 233, it will be ascertained if the agreement covers whole produce/ services or part of the produce/ services produced by the sample enterprise.

4.75.3 Item 235: coverage of the agreement with other units: In this item the scope of the agreement is ascertained and the codes are:

a. Raw materials provided by the other unit	1	e. a & c	5
b. Technology/ designs/ specifications given by the other unit	2	f. b & c.....	6
c. Plant and machinery given by the other unit	3	g. a, b & c	7
d. a & b	4	h. none of the above.....	9

4.75.4 Item 236: does the agreement cover post agreement input price escalation? In order to assess the flexibility of the agreement in favour of the sampled enterprise, it is ascertained if the agreement covers post-agreement input price escalation (yes-1, no-2).

4.75.5 Item 237: percentage of payments generally received at the time of sale / delivery under the agreement: Sometimes, the business transaction in the agreement allow credit period of payment. Such credit period may not be specifically mentioned in the agreement but may be in vogue as normal market practice. This item only assesses the percentage of payments generally received by the sample enterprise at the time of delivery/sale to the other unit with which it has entered into the agreement. If the sample enterprise received full payment on delivery/sale, it is 100 percent otherwise it will be one or two digit as the case may be.

4.75.6 Item 238: whether supplying to a single parent unit ? This item also assesses the flexibility of the enterprise in the agreement by ascertaining whether the enterprise is supplying goods and services to a single parent unit (yes-1, no-2).

4.75.7 item 239: If yes in item 238, whether the parent unit has remained more or less the same in the past three years (only in case of enterprise existing for three or more years): Only in case of those enterprises existing for more than three years and with yes in item 238, it is ascertained if the parent unit has remained more or less the same in the past three years (yes-1, no-2).

5. Block 2.1: Activities pursued by the enterprise during the reference period:

5.1 items 241-251: It is possible that the sample enterprise is engaged in more than one activity (e.g. manufacturing and trading; hotel and transportation and so on) during the reference period. Eleven broad activities are listed against different items of this block. Against each item record 1 if the enterprise is pursuing the corresponding activity; else code 2 will be recorded. It may be noted that if code 1 is recorded against any particular activity, one should expect corresponding entries of operating expenses/ receipts in the related sub-blocks/blocks in blocks 3 to 6.

6. Block 3 & 4: Principal and other operating expenses

6.1 Schedule 2.34 covers almost the entire non-agricultural sector (excluding construction) of the economy. Because of the large number of activities being covered, it is possible that for enterprises of a particular activity, certain items of expenditure may be very high. But for the same item, for other activities this may be just an incidental expense. In order to capture the expenses, two blocks, Blocks 3 and 4 have been formed. Blocks 3 and 4 are the two blocks where operating expenses of the enterprises will be collected. The reference period for the blocks is last 30 days / last calendar month. **All expenditure in these blocks is to be recorded on payable basis..** If some expenses are made on a yearly or half-yearly basis, those are to be properly apportioned for the reference month and recorded. For items where payments are not yet made, payable amount may be obtained and recorded. For example, values payable for fuel consumed or electricity purchased during the reference month may not be readily available. Estimated charges will be recorded in such cases irrespective of whether full payment has been made or not.

6.2 Block 3 provides for recording the principal expenses and block 4 records all expenses not covered under block 3. There are, of course, some common items in blocks 3 and 4. It

must be noted that items will first be filled in block 3 and only those not covered in that block, will be filled in block 4. i.e. block 3 will get priority over block 4. For example, repair and maintenance charges of transport equipment for a transport enterprise will be recorded against item 323 and not against item 416 of block 4. For activities for which separate sub blocks are not provided in block 3, all expenses will be recorded in block 4 only. All operating expenses of the enterprise should get reflected in blocks 3 and 4 taken together.

6.3 Expenditures which are treated as part of operating expenses and not as part of compensation of employees:

6.4 Certain goods and services used by enterprises do not enter directly into the process of production itself but are consumed by employees working on that process. In such cases it is necessary to decide whether the goods and services are operating expenses (intermediate consumption) or, alternatively, remuneration in kind of employees. In general, when the goods or services are used by employees in their own time and at their own discretion for the direct satisfaction of their needs or wants, they constitute remuneration in kind. However, when employees are obliged to use the goods or services in order to enable them to carry out their work, they constitute intermediate consumption.

6.5 The following types of goods and services provided to employees must be treated as part of operating expenses:

- a. Tools or equipment used exclusively, or mainly, at work;*
- b. Clothing or footwear of a kind that ordinary consumers do not choose to purchase or wear and which are worn exclusively, or mainly, at work; for example, protective clothing, overalls or uniforms;*
- c. Accommodation services at the place of work of a kind that cannot be used by the households to which the employees belong: barracks, cabins, dormitories, huts, etc.;*
- d. Special meals or drinks necessitated by exceptional working conditions, or meals or drinks provided to servicemen or others while on active duty;*
- e. Transportation and hotel services including allowances for meals provided while the employee is travelling on business;*
- f. Changing facilities, washrooms, showers, baths, etc. necessitated by the nature of the work;*
- g. First aid facilities, medical examinations or other health checks required because of the nature of the work.*

6.6 Employees may sometimes be responsible for purchasing the kinds of goods or services listed above and be subsequently reimbursed in cash by the employer. Such cash reimbursements must be treated as intermediate expenditures by the employer and not as part of the employee's wages and salaries.

6.7 Expenditures which are treated as part of compensation of employees and not as part of operating expenses:

6.8 On the other hand, remuneration in kind, consists of goods and services that are not necessary for work and can be used by employees in their own time, and at their own discretion. Expenditures incurred by the employers for the following goods or services form part of remuneration in kind of the employees. They are provided either without charge, or at reduced prices, by employers to their employees:

a. meals and drinks provided on a regular basis including any subsidy element of an office canteen (for practical reasons, it is unnecessary to make estimates for meals and drinks consumed as part of official entertainment or during business travel);

b. housing services or accommodation of a type that can be used by all members of the household to which the employee belongs;

c. the services of vehicles or other durables provided for the personal use of employees;

d. goods and services produced as outputs from the employer's own processes of production, such as free travel for the employees of railways or airlines, or free coal for miners;

e. sports, recreation or holiday facilities for employees and their families;

f. transportation to and from work, free or subsidized car parking, when it would otherwise have to be paid for;

g. childcare for the children of employees.

6.9 First sub-block: manufacturing activity

6.9.1 Items 301 to 305: This sub-block will record the materials consumed in the manufacturing process. Four major raw materials may be recorded in items 301 to 304. Item 305 will record the combined value of the remaining raw materials consumed during the reference month. This block is intended to record value of raw materials consumed (excluding intermediate products) during the reference month. Since the objective is to record the actual value of various inputs, the amounts **actually consumed** of the various input items are to be recorded. Any material produced at home and used in the enterprise as raw material will be included in this sub-block. For raw materials collected free of cost, labour charges and/or transport charges incurred, if any, will be taken as the value of the raw materials. But if no expenditure is incurred for such free collection, no imputation need be made.

6.9.2 Item 306: Purchase value of goods sold in the same condition as purchased is to be reported against item 306. This will show the **trading** part of the manufacturing enterprises. The purchase value of all goods which are purchased and sold without any transformation will be recorded here. This will also include the purchase value of goods bought exclusively for sale.

Valuation: The value of consumption relates to all the materials utilised in the process of production. These may be purchased during the reference period or prior to the reference

period or these may be supplied by the household. The values of these materials are to be calculated by taking the purchase price, where purchase price will mean the delivered value of the goods at the enterprise, i.e., it will include agents' commissions and taxes/duties paid, if any. Evaluation of the materials supplied by the household will be done at the ex-farm price.

6.10 Second sub-block: trading activity

6.10.1 As already mentioned, trading is an act of purchase and sale of goods without any transformation. A grocery shop or a fruit vendor typifies a trading unit in the informal sector. The major four commodities of the trading enterprise will be recorded against items 311 to 314. The combined value of purchase of the remaining items will be reported against item 315. For credit purchase also **full value** of the commodities will be reported. Purchase price will include transport charge, sale tax, octroi and any other incidental charges mixed up with the cost of commodities. Barter trading **should not** be treated as trading activity. **Selling of own produce is also not covered under trade.**

6.11 Third sub-block: Transportation activities

6.11.1 The major items of transport enterprises will be recorded against items 321 to 325 of this sub-block.

6.11.2 Items 321 and 322: Value of petrol, diesel and lubricants consumed during the reference month will be entered in item 321. **Care should be taken that if item 321 is reported, the same is not recorded again in item 412.** Expenses incurred on changing batteries, tyres, tubes and retreading cost of the tyres will be reported against item 322.

6.11.3 Item 323: Repair and maintenance charges of the transport equipment will be entered in item 323. Expenditure on repair and maintenance should not include expenditure of a capital nature, which can enhance the longevity of the equipment. Replacement of some major part of the transport equipment (like reconditioning of engine, fitting of LPG/CNG unit, retreading of tyres, etc.) will not come under this item. If animals are used for drawing transport equipment, then fodder cost as well as medicines and service cost for herding the animal will also be incorporated in item 323. **Care should be taken that if item 323 is reported, the same is not recorded again in item 416.**

6.11.4 Item 324: This will contain the taxes, local fees, insurance charges paid for goods carried each time a vehicle is run.

6.11.5 Item 325: Charges paid towards storage of goods and parking of vehicles will be recorded in item 325.

6.12 Fourth sub-block: Warehousing and support activities for transportation

6.12.1 Items 331 to 333: All consumable stores used in the warehouses will be recorded in item 331 and not in item 425 of block 4. The warehousing enterprises are generally insured for some risk coverage. The insurance charges payable for the commodities stored will be reported in item 332. In case the insurance charges are paid for the whole year, monthly charges may be derived and reported against item 332. For enterprises engaged in providing support activities for transportation, all expenses incurred for providing such support

activities will be recorded in item 333.

6.13 Fifth sub-block: Postal and courier service activities

6.13.1 Item 341: This will include expenses incurred on stationeries, postal articles etc. by the enterprise. Care should be taken not to report again such expenditure in item 426.

6.13.2 Item 342: This will include insurance charges paid by the enterprise.

6.13.3 Item 343: All miscellaneous expenses will be reported here. Care should be taken so that there is no duplication of expenditure reported in block 4.

6.14 Sixth sub-block: Accommodation and food service activity

6.14.1 Item 351: Values of all articles consumed for preparation of food and drink will be recorded for the reference month. All spices, oil, vegetables, meat, eggs, curds, milk, sauce, squash, etc. will be taken into account. The articles consumed for both soft and alcoholic drinks are also to be considered. The value should include the credit purchases as well.

6.14.2 Item 352: Some articles like cold drinks, cakes, pastries, beer, wines etc. are traded by the hotels and restaurants. The purchase value of such goods may be recorded against this item.

6.14.3 Item 353: All such items like crockery, glassware, bedding and other consumables i.e. items which are of semi durable nature, will be recorded against this item. Care should be taken so that the fixed assets are not covered here. Furnishing materials like curtains, flower vases, etc. will also be reported here.

6.14.4 Item 354: Expenses on fuel used for cooking will be reported against this item. Note that cooking oil reported in item 351 will not be reported here. Whatever is reported here will not be reported again in item 412.

6.15 Seventh sub-block: Information and communication activities

6.15.1 Item 361: The communication expenses for local call/ STD / ISD, cyber café, radio paging, cellular etc. are collected in this item. The charges payable and the rent payable to the government / public / private corporate (original service providers) may be apportioned for the reference period (these charges are generally paid once in two months) and recorded in this item.

6.15.2 Item 362: All other expenses will be recorded in item 362.

6.16 Eighth sub-block: financial and insurance activities

6.16.1 item 371: interest payments: Interest payments made by the enterprise to its depositors as also interest payments on loans contracted by it will be recorded here. Interest paid to partners of a financial enterprise on capital deployed by the partners (which often appear as 'interest to partners', 'interest a/c of partners', etc.) will not be reported here.

6.16.2 Item 372: commission and brokerage: Commissions/ brokerages paid to agents

selling the financial instruments will be recorded here. Note that these agents will not be counted as workers of the enterprise. If the enterprise pays some amount to its workers for similar services, these will be a part of compensation to the workers and will not be reported here. Commission and brokerage will include items like 'National Stock Exchange (NSE)/ Bombay Stock Exchange (BSE) transaction charges', 'funds placement charges', 'NSDL charges', 'commission and procurement charges', etc.

6.16.3 Item 373: insurance claims paid: This is relevant for enterprises engaged in providing life insurance and non-life insurance. Total insurance claims paid by the enterprise apportioned for the reference month will be reported here. For pension funds, if any, under survey coverage, similar treatment is to be given. 'Insurance claims paid' will actually be 'benefits paid' to subscribers.

6.16.4 Item 374: net changes in life insurance technical reserves: This is relevant for enterprises engaged in providing life insurance. Net changes in life insurance technical reserves due addition to technical reserves on account of investment income minus withdrawal from technical reserves because of claims paid will be recorded here. For pension funds, similar treatment is to be given.

6.16.5 Item 375: service charge for work done by other concerns: This is similar to item 422 of block 4. Service charges will include 'rating fees', 'leasing and paying agent's fees', 'process agency fees', 'sitting fees', etc.

6.16.6 Item 376: others (e.g., electricity, communication, travelling, printing etc.):All other items of intermediate consumption, like expenses on electricity, communication like telephone, fax, VSAT charges, travelling, printing, stationary, etc. will be recorded here.

6.17 Ninth sub-block: real estate activities

6.17.1 Important operating expenses like maintenance of building, machinery and equipment, and all other expenses (travelling, hospitality, legal etc.) incurred by enterprises will be recorded in items 381 and 382. If the fuel charges incurred in travelling are reported against item 382, the same should not again be reported in item 412.

6.18 Tenth sub-block: educational activities

6.18.1 Major operational expenditure incurred in running the educational enterprises will be shown in this sub-block. The recurring expenses on laboratory consumables and library books will be noted against item 391. Recurring expenses on newspapers, journals, periodicals etc. will be recorded in item 392. Expenses on different festivals like annual day, teachers' day etc. will get recorded in item 393. Expenses on computer consumables, Xerox, cyclostyle etc. will be noted in item 394. Maintenance of furniture and fixtures like tables, chairs, projectors, laboratory equipment, computers etc. will be recorded in block 4 against the appropriate items (414-418).

6.19 Eleventh sub-block: human health and social work activities

6.19.1 Major expenses relating to the health and social work activity will be recorded in this sub-block. Expenses on diet are to be recorded in item 401 and expenses on medicines and drugs given to the patients will be reported against items 402. Expenses on Consumables

used in operation theatre, sophisticated equipments, pathological, radiological and other diagnostic tests will be recorded in item 403. Expenses on syringes, intra veins drip sets, cotton bandages, plastering materials and other disposables will be recorded against item 404. Expenditure on uniforms of staff, nurse, doctors, linen and laundry material is to be recorded in item 405. Expenditure on organising health camps, awareness programmes and other related social activities should be reported against item 406. Expenses on meeting, training, publication, nutrition (in crèches etc) will come in item 407. Diet expenses of patients will not again be reported in this item. Expenditure on repair and maintenance of building, professional equipment and other assets will be recorded in the appropriate places in block 4.

6.20 Block 4: Other operating expenses during last 30 days/ last month:

Block 4 will record the other operating expenses not covered in block 3 for the above 11 types of activities. **In general, for service enterprises not covered under block 3, this block will record the entire operating expenses.**

This block has 17 items. These will cover fuels, lubricants, electricity charges, packing materials, consumable stores, postal charges, stationery cost, taxes paid, etc. Expenditure on minor repair and maintenance of fixed assets and charges for work done by other concerns (whether paid or payable) are also to be taken care of. Cost of transportation of goods (raw materials) from the source of supply to the site of the enterprise and the commission paid to the purchasing agents for this purpose will also appear in this block.

6.20.1 Items 411 and 412: Electricity charges and fuel & lubricant:

- If the total amount of electricity consumed during the reference period is not paid, the amount payable pertaining to the period will be ascertained and recorded here. If the exact amount of the bill is not known for reference period, the value will be estimated based on the electric bills paid during the recent past.
- The value of coal/coke, other fuels, lubricants consumed will be recorded irrespective of whether full payment has been made or not. That part of fuel, which is produced and consumed in the process of production (*intermediate products*), wherever possible, is to be *excluded*.

6.20.2 While filling up item 412, duplication with item 321 has to be avoided.

6.20.3 Item 413: Raw materials consumed for own construction of building, furniture and fixtures (including labour charges): All materials consumed for own construction of passage, raising wall, digging well, etc. for the enterprise may be recorded here. Materials like cement, sand, stone chips will be treated as raw materials for own construction of building. Similarly, materials used for own construction of furniture and fixtures and for small machineries of the enterprise will also be recorded at purchase cost. The **labour cost** for such construction may also be included in this item while reporting.

6.20.4 Items 414 to 418: minor repair and maintenance: These items will show the expenses made for **minor** repair and maintenance. Both the value of materials used in repair and service charges paid for maintenance will be included. Replacement of some **major** parts of fixed assets, involving considerable expenditure, and which increases the life of the fixed asset **will not** be included here. Some examples of expenses not to be included here are major overhauling of motors of a machine, retreading of tyre of car, replacing hard disk of a

computer, changing roofing material of a room, etc. On the other hand, minor repairs such as whitewashing of rooms, routine maintenance of machinery, repair of punctures of transport equipment, etc. will be included here.

6.20.5 Item 421: rental payable on fixed assets (other than land and building): Rental on fixed assets other than land and building may be noted against this item. Hiring of machinery and equipment by the enterprise is a common phenomenon for many of the informal enterprises. Total monthly rental payable by the enterprise on account of hiring of fixed assets is to be recorded against this item. This item will correspond to total of col. 6 entries against items 1002-1006 in Block 10.

6.20.6 Item 422: service charges for work done by other concerns (contract, sub-contract, legal, audit, advertising and other accounting services, warehousing expenses, commission expenses, etc.): This item will include-

- Charges payable for work done by other concerns, i.e., commissions payable to agents and payment towards contract and sub-contract services availed by the enterprise,
- Payments which are made/ due to be made to other concerns for work done on materials supplied to them by the reporting enterprise,
- Charges paid to home-workers or sister concerns,
- Charges paid to other agencies for the services of night-watchman, driver, etc.,
- Charges paid to porters, sweepers, accountants, income/sales tax practitioner, etc., who generally work for many enterprises in a locality.

When payments made by the enterprise to some individuals are recorded in this item, *persons receiving these payments will not be counted as workers of the enterprise and payments received by them will not be considered as emoluments.*

6.20.7 Item 423: travelling, freight and cartage (transport) expenses: Expenses on transportation of materials will be entered against this item. If these are already included in the value of materials consumed, these items should not be filled in separately. It may be noted that expenditure proportionate to the materials consumed during the reference period is only to be recorded. The travelling expenses associated with the entrepreneurial activity will also be shown against this item. Care should be taken so that there is no duplication of this item with item 382.

6.20.8 Item 424: communication expenses (telephone, telegram, fax, postal, courier , e-mail etc.): Expenses on communication like telephone, telegram, fax, postal, courier, e-mail, voice-mail, etc. are to be recorded here. Care should be taken so that there is no duplication of this item with item 361.

6.20.9 Item 425: purchase of consumable stores, packing materials, etc.: Expenses on Consumable stores, packing materials etc. will be reported in this item. Care should be taken to exclude those materials consumed for the construction of fixed assets. Adhesive solution, rubber pieces, pins etc. used in the bicycle repairing shop will come under this item. The value of packing materials like paper, cloth etc. will also be recorded against this item. However, packing materials should not be confused with direct materials. The treatment of packing cost depends on the nature of products/ service sold. If the articles cannot be sold

without a package or a container e.g., medicines, perfumes, etc., the cost of packing forms part of the prime cost and the package will be treated as direct materials. Stock of tins, cartons, wrappers, cases, boxes etc. in such cases must be treated in the same manner as the stock of raw materials.

6.20.10 Item 426: paper, printing and stationery expenses: For any enterprise, some amount is paid for purchasing materials like paper, printing of bills or logos and other stationery articles. All such charges may be recorded against this item. It may be noted that the stationery may be purchased at one time and used for several months. In such cases, monthly consumption may be estimated and reported.

6.20.11 Item 427: insurance charges: Enterprises also insure its properties like building, machinery, transport equipment, etc. These charges will be recorded here. Insurance premiums paid for the employees of the organisation, however, are a part of compensation to the employees and this will not be recorded here.

6.20.12 Item 428: Other expenses: Any other intermediate consumption of the enterprises, which are not covered under any of the items 411 to 428, will be reported against this item. Expenses towards customer entertainment, working lunch, are some such expenses. Regular *puja* expenses should not be reported in this item.

6.20.13 Item 431: taxes on production (recurrent taxes on land, buildings or other structures, business or professional licence fees, road tax, registration fee of vehicles etc.

(excise duties and other indirect taxes are not to be included): This will include recurrent taxes on land, buildings or other structures, business or professional licence fees, road tax, registration fee of vehicles and any other cess or taxes for the reference month. These items are referred to as **taxes on production**. However, fines or penalties for any breach of contract or non-compliance of law relating to running of the enterprise will be shown against those items for which penalties have been demanded. Local subscriptions, if any, may also be included here. Subscription to business associations will be recorded against this item. Road tax, toll tax in respect of transport enterprises will also be recorded here. However, indirect taxes and excise duties are not to be recorded here since they form part of distributive expenses.

7. Block 5: Principal receipts

7.1 Block 5 will record the principal receipts in eleven sub-blocks corresponding to which the principal expenses have already been collected in block 3. The items are earmarked in the sub-blocks activity wise against which the principal receipts will appear. In the paragraphs given below, detailed instructions are provided to collect information on these items. As said earlier with regard to operating expenses, there will be some commonality in items between blocks 5 and 6. Precaution has to be taken that whenever an item has already been covered in block 5, receipts are not duplicated against a similar item in block 6. Examples of such items are: service charges (items 552, 561, of block 5) and receipts from services provided (item 641 of block 6). Again items 623 and 635 of block 4 and item 645 of block 6 relate to donations. In each such case, priority will be given to items of block 5 over block 6. The approach of data collection will be the amount receivable during the reference month.

7.2 Guidelines for valuation of non-market output: For enterprises engaged in non-market production (e.g. NPISHs, R & D units etc.), valuation of total receipts (output) will be made on the basis of sum of costs of production, as follows:

Total operating expenses (item 702)
 +
Compensation of employees (item 939)
 +
Consumption of fixed capital (not collected in the schedule)
 +
Taxes on production (item 431)
 -
subsidies on production (item 651).

7.3 The output calculated in the above manner for non-market producers may be entered in total receipts (item 701) in block 7. To ensure consistency between blocks 6 and 7 for such cases, total receipts calculated in the above manner may be entered in item 647 of block 6.

7.4 This procedure is to be followed for valuation of total output for enterprises engaged in production of goods for own use as well as own-account production of fixed assets. For enterprises selected as head office (NIC code 70100), output is to be evaluated in the above manner. For R & D units engaged in research on their own behalf as well as non-market research institutes, output is to be valued on the basis of sum of costs of production in the above manner. Research and Development undertaken by specialised commercial research laboratories or institutes is valued in the usual manner from the receipts from sales, contracts, commissions, fees etc.

7.5 First sub-block: manufacturing activity

7.5.1 The purpose of this block is to record the values of finished products and by-products produced in the enterprise during the reference month.

7.5.2 Items 501 to 505: Names of 4 major products/by-products manufactured and made ready for sale value along with corresponding value figures will be reported against these items. If the number of products and by-products exceeds 5, the value of remaining products will be added together and the total will be shown against item 505. The intermediate products (Intermediate products are used in the production of final products of the manufacturing unit. Intermediate products lose their identity in the final product) made by the enterprise and meant for further processing are generally not included here, but if they are sold as they are, they should be included.

7.5.3 Item 506: The sale values of all goods incidental to manufacturing which were sold in the reference month in the same condition as they were purchased will be recorded here. This will also include the sale value of goods bought exclusively for re-sale. This will correspond to item 306.

7.5.4 Valuation : The values of finished products and by-products which were produced and made ready for sale/use/free distribution/home consumption and the value of intermediate products, if any, that were produced and made ready for sale during the reference period, will be recorded in whole number of rupees. Value of manufactured products lost by

theft/damage/destroyed by fire etc. during the reference period will also be included. The market value of the products and by-products will be reported here. It **includes** excise duty paid or sales tax realised by the enterprise on behalf of the Government as also all other distributive expenses incurred such as discount or rebate, charges for carriage outward, commission to selling agents, etc.

7.5.5 Items 511 to 513 : For any manufacturing process, a stock of semi-finished goods (goods which are yet to get the shape of final product) remains at the beginning and at the end of the reference period. The net balance (item 512 – item 511) of such semi-finished goods forms a sort of notional output for that enterprise. The value of net balance of semi-finished goods will be recorded against item 513 with appropriate sign ('+' for increase and '-' for decrease).

7.5.6 Item 519: Total of items 509 and 513 will give the total principal receipts of the enterprise from the manufacturing activity.

7.6 Second sub-block: Trading activity

7.6.1 The total sale value of the commodities sold during the reference month will be recorded in this block. Provision has been kept to record sale value of four major commodities against items 521 to 524. If there are more than four items sold, the combined value of such commodities will be recorded against item 525. Item 529 will represent the sub-total of the commodities sold.

7.6.2 Items 531 to 533: In any trading unit generally some goods are left in stock at any point of time. Items 531 and 532 will record the opening and closing value of such stock at purchase price. The value of stock should include the credit purchases also. It is not easy to get the stock figures from the trading enterprise. As a proxy measure, capital locked up in stock may be collected. The estimates of the stock figures will be noted at the beginning and at the end of the reference month. The difference of items 532 and 531 will be noted with proper sign against item 533, which will refer to the change in stock of trading goods.

7.6.3 Item 539: This item is the total of items 529 and 533 and represents the total principal receipts of the enterprise from the trading activity.

7.6.4 Valuation: The valuation of trading goods will be done at sale price. Sale price will include excise duties and other incidental charges associated with sale. But this will be net of discount, rebate or allowances which are given by the suppliers to the traders or by the traders to the customers. However, the stock figures will always be at the purchase price.

7.7 Third sub-block: Transportation activities

7.7.1 Items 541 and 542: These two items will record the earnings from transport activity, from passenger traffic and from goods traffic, respectively. Charges received from the customers for contract/chartered service will also be noted as earning from passenger traffic (item 541). If the same vehicle is used for passenger as well as goods transport, the total earning may be recorded against the predominant activity, if separate accounts are not maintained.

7.8 Fourth sub-block: Warehousing and support activities for transportation

7.8.1 Item 551: This item is intended to collect the service charges received by the storage and warehousing enterprises. **Godowns used for storing of own produce are not to be considered.** No imputation is needed if commodities are stored in one's own warehouse.

7.8.2 Item 552: Charges received by enterprises providing services incidental to transport (operation of bridges, loading/unloading of vessels, travel agency, maintenance of docks, etc.) will be recorded in **item 552.**

7.9 Fifth sub-block: Postal and courier service activities

7.9.1 Item 561: Total charges realised from the customers by a courier concern will be noted against this item. The receipts for services provided during the reference month will only be recorded by receivable approach.

7.9.2 Item 562: All other receipts will be recorded in item 562.

7.10 Sixth sub-block: Accommodation and food service activities

7.10.1 Item 571: Lodging charges, rent receivable for hiring out rooms and halls for functions, conferences and receipts from services provided like transport / travel arrangements, laundry services, gym, spa, hair dressing, swimming pool, entertainment, etc. Charges receivable for hiring out rooms, rent for conference halls, charges receivable from services like transport, travel arrangements, laundry, gym, hair dressing, swimming pool, entertainment etc. will be recorded against this item. If lodging charges include the breakfast or meal charges, the combined value may be recorded here.

7.10.2 Item 572: Receipts from sale of prepared food, refreshment and drinks: The receipts from sale of prepared food, refreshments and drinks will be considered against this item when they are separately charged. If the hotels and lodging places sell prepared food to outsiders, the receipts will be noted here.

7.10.3 Items 573 and 574: Receipts from trading of purchased food, refreshment, drinks, etc. / receipts from catering services outside: Receipts from trading of purchased food like ice creams, pastries, patties, drinks, etc. will be recorded against item 573. This is the receipt part of traded goods. Drinks will mean soft drinks as well as hard drinks. If the enterprise does any catering business and serves to other concerns or individuals, the receipt will be noted against item 574.

7.11 Seventh sub-block: information and communications activities

7.11.1 Item 581: Total charges receivable from customers (STD/ ISD/ courier/ fax/ internet/ e-mail, etc.) services will be noted against item 581. The receipts for services provided during the reference period will only be recorded by receivable approach. Total receipts means both the payments made to service providers and the commissions.

7.11.2 Item 582: All other receipts will be recorded in item 582.

7.12 Eighth sub-block: financial and insurance activities

7.12.1 item 591: interest receipts :Interests received by the enterprise from investments made by them, from loans given to individuals and enterprises, etc., fixed deposits, bank savings accounts, from suppliers due to late supply, etc. will be recorded here. This is one of the principal receipts of a financial enterprise.

7.12.2 Item 592: dividend receipts: Dividends received by the enterprise for holding shares, units of mutual funds, etc. will be recorded here.

7.12.3 Item 593: lease income: This is the income earned from financial leasing. A Financial Lease is a means of financing capital equipments. It is a contract between the lessor (enterprise) and the lessee for the hire of specific capital equipment(s). The leased asset remains the property of the lessor for the duration of the lease agreement. The “leased property” is defined as any real property and movable durable property (including the accessory technologies) other than natural resources. Examples of “leased property” include (i) equipment, machinery and instruments; and (ii) vehicle, vessels, aircrafts etc. Interest paid by the lessee on the basis of agreed terms of the lease will constitute the lease income of the enterprise (the lessor). Monthly interest paid for the same will be recorded here.

7.12.4 Item 594: brokerage and commission: This will constitute the brokerage and commission received by the enterprise by selling financial instruments for the reference month.

7.12.5 Item 595: net profit in share dealing: Many financial enterprises buy and sell shares and gain (or lose) due to change in value of shares. This gain will be reported here. If the enterprise incurs a net loss, the figure will be reported with a negative sign. This will include net capital gain on investments, profit on sale of assets/investments, etc.

7.12.6 Item 596: income earned on chit funds: Net earnings from dealings with chit funds, if any, will be recorded here.

7.12.7 Item 597: net earnings from hire purchase finance: Financial companies finance purchases made by other enterprises. Net earnings of the financial company from such dealings will be recorded here.

7.12.8 Item 598: premium received: This is relevant for enterprises engaged in providing life insurance and non-life insurance. Premium is the amount payable to the insurer to secure insurance cover for a specific event over a stated time period. Premium received during the accounting period may be apportioned for the month and recorded here. For pension funds, if any, under survey coverage, similar treatment is to be given and ‘premium received’ will actually be ‘contribution received’.

7.12.9 Item 601: supplementary premium received: The insurance company accepts a premium from a client and holds it until a claim is made or the period of the insurance expires. In the meantime, the insurance company invests the premium and the property income is an extra source of funds from which to meet any claim due. The property income represents income foregone by the client and is notionally treated as supplementary premium received from the client. Supplementary premium received during the accounting period may be apportioned for the month and recorded here.

7.12.10 item 602: others (e.g. consultancy, receipts from non-financial activities, if any): This will include all the other receipts like receipts from consultancy activities, advisory services, finance charges earned, etc. This will also include entire receipts from non-financial activities, if any, of the enterprise during the reference period.

7.13 Ninth sub-block: real estate activities

7.13.1 Item 611: Receipts from services provided (including rent received by leasing land and building by the real estate owner) will be recorded here.

7.13.2 Item 612: Brokerage and commission charges received by agents who facilitate buying and selling of real estate will be recorded here.

7.14 Tenth sub-block: educational activity

7.14.1 The receipts include earnings from fees (tuition fee, transport fee, laboratory fee, library fee, development fee, etc), and donations/ grant from government as well as individual persons/ organisations. Receipts from students on account of sale of textbooks or uniforms will also be shown. **Lumpsum donation / grant received may be apportioned for the month and recorded.**

7.14.2 Item 621: tuition fees: Tuition fees receivable from the students will be entered here.

7.14.3 Item 622: other fees (including transport fees, laboratory fees, examination fees, fines, library fee etc.): Other fees such as library fee, laboratory fee, examinations fee, games fee, medical fee, bus fee, etc. will be recorded against item 622. This will not include hostel fee. Item 622 will also exclude fees collected on behalf of other authorities such as secondary board, university etc. This will also exclude refundable deposits such as library deposit, laboratory caution money, etc. collected from students. The developmental fee realised from students will be shown against this item. Receipts from sale of books, school uniform etc. will also be shown against item 622.

7.14.4 Item 623: donations/ grants from individuals and institutions: All recurring / non-recurring grants received from central, state and local governments will be recorded against item 623. Similarly, all recurring / non-recurring donations received from persons, national / international organizations will be entered against this item. Lumpsum donation / grant received may be apportioned for the month and recorded.

7.15 Eleventh sub-block: human health and social work activity:

7.15.1 Like educational enterprises, here also receipts include earnings from consultation fees, receipts for various services provided, government grants and donations from persons

and organizations. Many medical practitioners do not only charge consultation fee, but also makes the purchase of medicines against his prescription from his dispensary obligatory. In such cases, receipt against this prescription will also be shown as receipts of the doctor. In case of hospitals or nursing homes, receipts for service other than that rendered by doctor like OT charge, pathological tests, and expenditure on diet for patients, cabin, ICCU, etc. may be shown against respective items described below

7.15.2 Item 631: consultation fees and charges for medicines: This includes consultation fee for services rendered by doctors. The amount receivable will be inclusive of charges of medicines, if supplied by the doctor. The medicines provided to the patients by the nursing homes may also be recorded here.

7.15.3 Item 632: charges for operation theatre and other special procedures: This includes operation theatre charges and charges for other special procedures.

7.15.4 Item 633: charges for ward, cabin, pathological, radiological and other diagnostic tests, diet, nursing, physiotherapy and rehabilitation, etc.: All charges for ward, cabin, pathological, radiological and other diagnostic tests, diet, nursing, physiotherapy and rehabilitation, etc received during the reference month will be recorded here.

7.15.5 Item 634: fees for training (nurses, paraprofessionals, etc.): In this item, fee receivable for training of the nurses, para-professionals, etc. is to be recorded. Charges received by training programmes, counselling, etc. by social work organisations will also be recorded here.

7.15.6 Item 635: Donations / grants from individuals and institutions: All recurring/non-recurring grants received from central, state and local governments will be recorded against item 635. Similarly, all recurring/non-recurring donations received from persons, national organizations and international organizations will also be entered against this item. Lumpsum donation / grant received may be apportioned for the month and recorded.

8. Block 6: other receipts during last 30 days / last calendar month

8.1 This block is applicable to all enterprises. For the specific activities mentioned in the eleven sub-blocks of block 5, this block will record the receipts not covered there. But for all other service enterprises such as community, social and personal services, etc. this block will provide the principal and also the incidental expenses. There are 8 items in the block. Item 649 gives the total. Item-wise descriptions are given below:

8.2 Item 641: Receipts from services provided to others including commission charges: This is the main item of this block. Service provided to other concerns will mean work done for other concerns whether such services are rendered inside or outside the premises of the reporting enterprise. In rendering services, the materials for processing or repairing may be supplied by the reporting enterprise. In such cases, service charge should include the material cost. Even if the payment is not yet received, the amount receivable for job done during the reference period will be recorded here. If materials are purchased for the customer, who will reimburse the amount subsequently, price of the materials will be excluded while recording the service charges. If charges received for work done are already taken care of in block 5, duplication should be avoided. Service charges received in kind are to be imputed.

8.3 Item 642: change-in-stock of semi-finished goods (applicable for servicing enterprises engaged in software generation, motion picture production etc.): Certain service sector activities like software generation, motion picture production etc. consist of output that has not yet reached the stage (during the accounting period) in which it is normally supplied to others. But ownership of such products is nevertheless transferable, if necessary. Therefore, value of semi-finished goods must be recorded for any output that is not yet complete at the end of the accounting period. Value of such output for the accounting period may be apportioned for the month and recorded here.

8.4 Item 643: value of own construction of building, furniture and fixtures: This is the receipt item corresponding to the item 413 in block 4. Value of own construction of building, furniture and fixtures is usually derived on the basis of sum of costs of production.

8.5 Item 644: rental receivable on fixed assets (other than land and building): If an enterprise hires out fixed assets (machinery and equipment etc.) the receipts there from may be recorded against this item, since value added by this marginal activity will otherwise be missed. For enterprises basically engaged in renting out machinery and equipment etc. (i.e. enterprises engaged in operational leasing), this is the main item. In such cases, the rental received is their service charge. The earnings for such enterprises may be recorded against this item **and not against item 641.**

8.6 Item 645: funding/ donations from individuals and non-govt. Institutions: All recurring/non-recurring donations received from persons, national organizations and international organizations will also be entered against this item. **Lumpsum donation / grant received may be apportioned for the month and recorded.**

8.7 Item 646: Govt. grants (excluding capital transfers like building fund, etc.): All recurring/non-recurring grants received from central, state and local governments will be recorded against item 645. Note that government grants of current nature (like salary to teachers of a school) will only be recorded. **Government grants for capital formation will be excluded.**

8.8 Item 647: other receipts: All other receipts not covered above will be recorded here.

8.9 Item 651: production subsidy/ interest subsidy: Production subsidy/ interest subsidy received during the accounting period apportioned for the month will be recorded here. For details, please see para 2.4.

9. Block 7: Calculation of gross value added for the reference month

9.1 In the present enterprise survey the estimates of Gross Value Added (GVA) are attempted through two alternative approaches viz. product approach as well as factor income approach. Conceptually, GVA through both the approaches should converge. However, due to differences in data collection, the two may differ.

9.2 This block has only three items. The items 701 and 702 are transfer entries from blocks 5, 6, and 3, 4. Item 703 will be used to record the distributive expenses which include excise duty, sales tax, non-deductible VAT and all other taxes on products, commission to selling agents, outward freight and transport charges, etc. of the enterprise. The value added figure is obtained against item 709 with proper sign and in whole number of rupees. *In case of*

negative entry, further queries may be made and remarks may be recorded in blocks 15 and 16.

9.2.1 The value added figure obtained against item 709 with proper sign is expected to be comparable with the entry against item 1209 of block 12. If there is a large divergence between these two figures, further queries may be made and appropriate comments may be added in blocks 15 and 16.

10. Block 8: Employment particulars of the enterprise during the reference month :

10.1 Worker:

10.1.1 For this survey, a worker is defined as all persons working within the premises of the enterprise who are in the payroll of the enterprise as also the working owners and unpaid family workers. The worker may serve the enterprise in any capacity - primary or supervisory. He/she may or may not receive wages/salaries in return to his/her work incidental to or connected with the entrepreneurial activity. Salespersons appointed by an enterprise for selling its services and apprentices, *paid or unpaid* will also be treated as workers.

10.1.2 A worker need not mean that the same person will be working continuously; it will only refer to a position. i.e., if one person is terminated and another person is appointed in his place, it will be counted as 1 and not 2.

10.1.3 *Volunteers, who work without salary / honorarium, will not be considered as workers.* Voluntary participation without remuneration in production of goods and services in philanthropic organisation/ institutions or in any other organisation/ institution or even in the individual capacity will not render one to be counted as worker/enterprise. Voluntary participation will mean that the person has performed these activities without coercion or obligation but has participated in his/ her own volition. Moreover, the voluntary participation in the work should be without remuneration, which means that the person does not become entitled to receive, in respect of the work performed by him/ her, any compensation including honorarium from the institution/ organisation. For the purpose of the survey, minor contingencies/ honorarium received from the institution/ organization against the voluntary work done may not be considered as remuneration. To determine 'minor', average daily wage received by the lowest paid full-time/part-time worker of that enterprise may be used as a guiding tool.

10.1.4 Some enterprises do not hire individuals like porters, sweepers, accountants, etc., on a fairly regular basis. These individuals can **work in one or more enterprises** in a locality, has some autonomy to determine the charges receivable by him depending upon volume of job performed and usually receive service charges as and when they render such services to the enterprise. Such persons will not be considered as workers of the enterprise using their services. Instead, they will be considered as independent OAEs.

10.1.5 If an enterprise has some contract with some other agency (e.g. security, cleaning, nursing, midwife), or persons (like CA, lawyer, etc.), the employees of the agency (or persons) who are working within the premises of the enterprise under survey (e.g. sweeper,

guard, nurse, etc.) will not be counted as the employee of the enterprise. Rather they will be considered as the worker of the agency (or separate OAE, for persons).

10.2 Data recorded from books of accounts: In this case, consider only those persons whose salary and wage payments are available in the books of accounts of the enterprise. Note that salary payments are generally given to regular employees and wage payments are given to casual workers engaged directly by the enterprise. Also see that if one person is terminated and another joins in that position, it is counted as 1 and not 2. On the other hand, some enterprises may work in shifts. Suppose, in such an enterprise, 100 persons (positions) work in each of the 3 regular shifts. Then, total workers will be 300 (and not 100).

10.3 Data recorded through oral enquiry from an enterprise maintaining payroll: Here, consider only those persons who are in the payroll of the enterprise, i.e., all the regular and directly appointed casual workers will be considered as was done above (para 10.2).

10.4 Data recorded through oral enquiry from enterprises which do not maintain payroll: For such enterprises, to determine the number of working owners and other workers (i.e., excluding hired workers), the average number of such persons usually working on a working day during the reference month shall be considered. The method of computing average number of such workers for these enterprises is explained below:

10.5 Average number of working owners and other workers is to be given always in whole numbers.

10.6 Determining the number of hired workers **from enterprises which do not maintain payroll:** Here, hired worker will mean a person (may not be same individual) engaged for pay on a fairly regular basis. Persons who are paid only token allowance (e.g., tiffin, minor TA, etc.) in return for their services to the enterprise (e.g. such volunteers) *will not be* considered as hired workers. Fairly regular basis will mean more than half of the working days during the reference month, at least for an hour on each day.

10.7 Item 801: Working owner. In the case of proprietary enterprises, if the owner himself/herself works in the enterprise on a fairly regular basis, the entry should be made against item 1. In fact, in most of the own-account enterprises the owner himself/ herself manages all activities of the enterprise without help of anybody else (on fairly regular basis). For all such enterprises essentially the value '1' shall be recorded in the appropriate column against item 1. In the case of partnership enterprises, if only one partner or some of the partners or all the partners work in the enterprise on a fairly regular basis then information for them shall be recorded against this item.

10.8 Item 802: Formal hired worker: A formal hired worker is one having continuity of job and eligible for paid annual leave and also eligible for social security benefits like provident fund or insurance provided by the employer.

10.9 Item 803: Informal hired worker: An informal hired worker is not having continuity of job and/or not eligible for paid annual leave and/or not eligible for social security benefits like provident fund or insurance provided by the employer. Several small enterprises are expected to have informal hired workers. Informal hired workers are again split into full-time and part-time workers. Persons working for more than half of the period of normal working hours of the enterprise on a fairly regular basis will be full-time workers. Persons working for

less than or equal to half of the normal working hours of the enterprise on a fairly regular basis will be considered as part-time workers. Two part-time workers in an enterprise will be counted as 2 and not 1.

10.9.1 It may be noted that for the purpose of making entry against items 802 and 803, **paid** household workers, servants and resident workers of the proprietor (in the case of proprietary enterprise) or partners (in the case of partnership enterprise) working in an enterprise are also to be treated as **hired workers**. They will be treated as 'formal hired worker' or 'informal hired workers' depending upon the conditions of employment as mentioned above. It may be noted here that the information regarding working owner/ partner(s) shall be recorded against item 801 only and not against item 802, even if they take regular payment from the enterprise. It is possible that for an OAE also, hired workers may be found in some situations. This may happen when an enterprise is identified as OAE at the listing stage on the basis of one year reference period, but in the reference month there is a hired worker (informal) in the enterprise.

10.9.2 Item 804: Other worker/ helper : Information regarding the workers not covered in items 801-803 above shall be recorded against this item. This includes all persons belonging to the household of the proprietor or households of the partners who are working in or for the enterprise without regular salary or wages. Persons working as exchange labourer in the enterprise without salary or wages will also be covered in this category. All unpaid household workers/ helpers who are associated with the activities of the enterprise during the reference month will be considered for recording entries against this item.

10.9.3 Item 809: Total: Total of different types of workers as recorded against the items 801-804 of this block will be entered against item 805.

11. Block 9: Compensation to workers during the reference month

11.1 This block is applicable for enterprises which are run with the help of hired workers and which make regular payments to the individual workers as salary / wages, bonus etc. in cash or kind or both. There may be other type of payments like canteen facility, health care facility, recreation club facility, etc. which are paid in kind to a group or to all the workers of the enterprise. All types of payments, whether individual payments or payments made to a group are to be recorded in this block. The entries in this block are to be made in whole number of rupees.

11.2 Items 901-903: Salary/wages, allowances and other individual benefits directly payable to the worker (cash & kind) : Salaries/ wages payable to the individual workers for the reference month will be recorded in this item against the respective items 901-903. This will include, besides the stipulated pay, all other allowances like dearness, house-rent, over-time, shift etc. Payments which are given in kind, more or less regularly as salary or wages or as a part of salary or wages, are to be included here and to be evaluated at cost to the employer. Other examples of compensation in kind are given in para 6.8. Self employed persons (like working owners or unpaid family workers) receive mixed income and not compensation of employees. However, the books of accounts of some enterprises show salary payment to one or two working owners. In such cases, these payments should be recorded as compensation to employees. All efforts should be made to record entries against each of the items 901-903 separately. In case it is not possible to give the break-up, subtotal may be

provided against item 909.

11.2.1 It may be noted that for own account enterprises (where there is no hired worker on a fairly regular basis) also, there may be positive entries in this item if that OAE had engaged hired workers during the reference month.

11.3 Items 911-912: Contribution to insurance, provident fund and other social security schemes (average for a month): This item includes employer's contribution to ESIC fund, provident fund, and other social security benefits. Payments of this kind are generally made once in six months or once in a year or at the time of retirement only. For this type of one-time-payment, the apportioned amount for the reference month should be included against item 911-912. All efforts should be made to record entries against each of the items 911-912 separately. In case it is not possible to give the break-up, subtotal may be provided against item 919.

11.4 Items 921-924: Employer's contribution to canteen, health clinic, child care centre, etc. (average for a month): This includes expenses (net cost to the enterprise) made by the employer to provide amenities and benefits in kind to workers as a whole during the reference month which are of the following types:

- (i) provision of canteen, crèches, sports & recreation clubs, dispensary, etc.
- (ii) provision of food, beverages, tobacco, uniforms, lodging & other kind benefits, if any, free of cost or at subsidised rates. Other examples of compensation in kind are given in para 6.8.

11.4.1 Average value for a month (average of last 12 months) is to be recorded against respective items 921-924.

11.4.2 All efforts should be made to record entries against each of the items 921-924 separately. In case it is not possible to give the break-up, subtotal may be provided against item 939.

11.5 Item 939: Total monthly emoluments: Total of items 909, 919 and 929 which gives total emoluments payable to the workers for the reference month shall be recorded here.

12. Block 10: Fixed assets owned and hired:

12.1 Fixed Assets: Assets held for the purpose of producing or providing goods or services and not for resale in the normal course of entrepreneurial activities are classified as fixed assets. The distinguishing feature of a fixed asset is not that it is durable in some physical sense, but that it may be used repeatedly or continuously in production over a long period of time, which is taken to be more than one year. These cover all goods, new or used, that have a normal economic life of more than one year from the date of purchase. Fixed assets include not only structures, machinery and equipment but also intellectual property products such as softwares or artistic originals that are used in production. It may be noted that the assets to be considered here are assets of the enterprise. Hence, if owner of a proprietary enterprise has made some investments (like NSC, PPF, etc.) in her/his personal capacity, these will not be considered here.

12.2 Item 1001: Land and Building:

- Land will mean the land on which the enterprise is accommodated together with the surrounding area, which is used for the enterprise. This will also include improvement to land. However, if only a portion of the land belonging to the residence of a household is utilised for the enterprise, only that portion of the land may be considered as capital assets for the enterprise. Land owned with permanent heritable possession with or without right to transfer the title would come under this item. Land held on long-term lease, say, 30 years or more will also be treated as land owned. Encroached land will be considered as hired assets with '0' rent.
- Building is the structure, where activities of the enterprise are undertaken. This will also include all other structures like shed, house, portions of a house or other structure, building under construction and other conveniences in which the activities of the enterprise are carried out. This will include other constructions such as passage, boundary wall, partition, water tank, sewerage, tube-well, etc.

12.3 Item 1002: Plant and machinery: Plant is generally the name given to an assembly of machinery/ equipment/ devices installed for the operation of entrepreneurial activities. Machinery means an implement or mechanical device used in the entrepreneurial activities. These are assets of durable nature and can be easily identified. The full value of the machinery should be reported even if the machinery was purchased during the year on hire-purchase basis. Advance payments made for the purchase of machinery (not in possession during the reference year) will not be recorded as the approach for recording information here is by physical approach.

12.4 Item 1003: Transport equipment: All vehicles, power-driven or man/animal -driven, used for transporting persons, goods and materials by the enterprise in connection with its activity will be covered by this item. Animals, if used for drawing vehicles or carrying loads, will be treated as part of transport equipment; otherwise they will be included in item 1004. If the equipment is used both for domestic as well as enterprise purposes, the criterion to be followed is major time disposition of the equipment i.e., whether equipment is used more for domestic purpose or for use in enterprise. Transport equipment that is occasionally rented out will be included if it is mainly used for the activities of the enterprise.

12.5 Item 1004: Tools and other fixed assets: Tools refer to small loose implements, generally held in hand for operation and having normal life of more than one year. Other fixed assets refer to other durable equipment (not covered under items 1001 to 1003 above), which are used for the entrepreneurial activity either directly or indirectly. These will include furniture, fixtures, laboratory equipment, office equipment, mobile handset, etc. Livestock used as P & M will also be included under this item. If the same animal is used part of the time in oil mills and part of the time for transporting materials, it will be classified under item 1002 or item 1003 depending upon major time spent.

12.6 Item 1005: Software and database: Computer software consists of computer programs, program descriptions and supporting materials for both systems and applications software. A Database is an organised collection of related information so as to permit cost-effective access and use of the information. All kinds of software and database used by the enterprise must be entered in item 1005. It includes computer software and databases purchased from the market or developed in-house. Software is treated as an asset if it is used in production by its owner for more than one year. Similarly, all databases holding data with a useful life of

more than one year is treated as as fixed assets. The computer software and databases purchased on the market should be valued at purchasers' prices, while those developed in-house should be valued at their costs of production. Gross fixed capital formation in computer software and database includes both the initial development and subsequent extensions of software and database as well as acquisition of copies of software and database that are treated as assets.

12.7 Item 1006: Information, computer and telecommunication equipment: Information, computer and telecommunications equipment consists of devices using electronic controls and also the electronic components forming part of these devices. ICT equipment consists mostly of computer hardware and telecommunications equipment.

12.8 Item 1007: Capital work in progress: These are expenses made by the enterprise on some fixed assets although the amount spent has not yet been capitalised. Building, machinery, etc. under construction will be recorded here.

12.9 Column (3): market value of owned assets as on last day of the reference year: This column will be filled for all enterprises. Value of the owned fixed assets as on last date of reference period shall be recorded here. If an enterprise provides information from its books of accounts, net closing value, i.e., closing value after depreciation as per the books may be recorded. However, for oral enquiry, market value, i.e., value that the equipment will fetch, if sold in the open market in present condition, is to be ascertained and recorded in this column.

12.10 Column (4): market value of hired assets as on last day of the reference year: market value of hired assets is to be ascertained and recorded in this column.

12.11 Column (5): Net additions during last 365 days: In this column information regarding net additions to the fixed assets owned during last 365 days will be recorded. **Net addition may be obtained by subtracting depletion of assets from the addition made during last 365 days.** Addition and depletion of the fixed assets are discussed below.

12.12 Addition to the fixed assets could be made through purchase (new or used) or through own construction. The value of items received otherwise (i.e. gifts etc.) during last 365 days will also be included. Improvements on land, new construction of building, shed, structure, as well as assets produced on own account during last 365 days will be considered as additions to the fixed assets. In the case of addition through own construction, values to be included against different types of assets need to be estimated by considering:

- (a) value of purchases of all materials used for the purpose,
- (b) amount paid for labour or service charges on that account,
- (c) imputed value of goods / services supplied by the household, if any.

Fixed assets acquired from others should be valued at the full cost incurred, that is, at the delivered price **plus** the cost of installation, including any necessary fees and taxes paid but excluding financing costs, if any. Repair and maintenance cost of minor nature will not be included but replacement of some major parts, which require considerable (capital) expenditure will be considered for inclusion. (Cost of routine repair and maintenance of fixed assets are to be reported in block 4 against appropriate items from 414 to 418). Home-grown materials, if any, used in own-construction are to be evaluated at ex-farm price. If any

material already lying with the household for a long time and used for own construction, their values should also be determined at cost price (cost to the household).

12.13 Depletion of assets is obtained by considering the assets sold and discarded during last 365 days. 'Sale' that is only agreed upon but not realised during last 365 days will not be included even if money having been taken in advance. Similarly, the value of assets sold will be included though payment is yet to be received. The value of assets disposed off in any manner other than sale, will be treated as value of assets discarded. Besides obsolescence (gone out of use) of an asset, this will include loss due to theft, damage, accident etc.

12.14 Column (6): Monthly rental payable on hired assets: The rental payable for the reference month on the hired assets by the enterprise will be recorded in this column. If no rent is payable for any asset put '0' in column (6) for that particular type of asset with appropriate remarks in block 15. If an enterprise is located in a rented house where the household resides as well, rent may be imputed on the basis of floor area occupied by the enterprise. For rent paid in kind, imputed value may be given. If the enterprise runs in one's own house, rent need not be imputed.

13. Block 11: Loan outstanding as on the last date of the reference year

Item 1101: Central and state level term lending institutions: This will include, among others, the following institutions:

- i) Industrial Financial Corporation (IFC),
- ii) Industrial Development Bank (IDB) ,
- iii) Industrial credit and Investment Corporation,
- iv) National Industrial Development Corporation,
- v) National/State Small Industries Corporation; and
- vi) Other Industrial and Financial Corporations set up

by Central /State Governments

13.1 Item 1102: Government (central, state, local bodies): Loans may be advanced by Government through different Ministries/Departments or other agencies. Loans given by the local bodies (i. e., panchayat, municipality, etc.) will also be included for making entry against this item.

13.2 Item 1103: commercial banks: This includes all nationalised banks including the State Bank of India and its subsidiaries like the State Bank of Travancore, State Bank of Mysore, State Bank of Bikaner & Jaipur, State Bank of Patiala etc. Loans taken from all other scheduled and non-scheduled banks, other than cooperative banks, should also be included here. Loans sanctioned by Government but routed through the banks should not be treated as bank loans.

13.3 Item 1104: Cooperative banks and societies : Loans from cooperative institutions like primary cooperative credit societies, district and central cooperative banks, primary or central land mortgage banks, handloom weavers' cooperative societies and other industrial or other types of cooperative societies etc. will be recorded against this item.

13.4 Item 1105: Micro-finance institutions: Microfinance is the provision of financial services to low-income clients, including micro-entrepreneur and the self-employed, who traditionally lack access to banking and related services. The **Micro Finance Institutions (MFIs)** accesses financial resources from the Banks and other mainstream Financial Institutions and provide financial and support services to its clients. Almost all MFIs give loans to their clients and many of them also offer insurance, deposit and other services. Many MFIs are creditworthy and well-run with proven records of success.

13.5 Item 1106: Other institutional agencies: Loans advanced by institutions / agencies like Khadi and village Industries Commission, Life Insurance Corporation, provident fund, Chit Funds, etc. not covered under items 1101 to 1105 above will be recorded against this item.

13.6 Item 1107 Money lenders: A money lender is any person who has advanced a loan which carries interest irrespective of his being a friend or relative of the entrepreneur.

13.7 Item 1108: Business partner(s): In the case of a partnership enterprise, loans may be made available by partner(s) of the enterprise. For such type of loans entries shall be made against this item. If the partner happens to be a **money lender** then also entry shall be made against this item.

13.8 Item 1109: Suppliers / contractors: Sometimes enterprise is provided with loans by the supplier of basic input / raw materials and equipment to the enterprise. In the case of an enterprise working on contract basis, it may so happen that loan is given by the contractor himself. All such loans shall be recorded against this item.

13.9 Item 1110: Friends and relatives: Any non-institutional loan which is interest-free, will be included in this item.

13.10 Item 1111: Others : Loans taken from any other agency not covered above will be covered under this item .

13.11 Item 1119: Total: Total of items 1101 to 1111 which gives total amount of loans taken from different sources and total interest payable during the reference month is to be recorded against this item.

13.12 Column (3): Amount: Amount of outstanding loan (as on the last date of the reference year) taken by the enterprise shall be recorded in this column against the appropriate source(s) of loan discussed in the items 1101 to 1113 in this block.

13.13 Column (4): Interest payable during the reference month : Total interest due to be paid for the reference month for all the loans taken by the enterprise will be recorded here, irrespective of the fact that any of the loans might have been repaid either fully or partly or found to be outstanding.

14. Block 12: Factor incomes of the enterprise

14.1 The total income generated by any enterprise is distributed into four factors of production. **Interest** goes to the investors, **rent** goes to the owners of land and building, **emolument** goes to the workers and the remaining income (operating **surplus**) is retained by

the entrepreneur. In this block factor incomes of the enterprise will be recorded in whole number of rupees.

14.2 Item 1201: Emoluments: Total emoluments payable to the workers of the enterprise during the reference month is to be recorded here. This is a transfer entry from column (3), item 909 of block 9 please copy that figure here.

14.3 Item 1202 : Rent payable : Rent payable for the reference month on land and building hired by the enterprise which is available in column (6), **item 1001** of block 10 will be copied here.

14.4 Item 1203: Interest payable: Total interest due to be paid for the reference month for the loans taken by the enterprise which is available in column (4), item 1119 of block 11 is to be copied here.

14.5 Item 1204: Net surplus (including home consumption): Net surplus or earning from the enterprise during the reference month is to be **independently enquired** and reported here. Net surplus of an enterprise is the amount which the owner / partner(s) gets out of the entrepreneurial activity after making payments to the workers (individual or as group benefits), rent on land and building and interest on outstanding loan for the reference month.

14.5.1 It may be noted that the earnings from an enterprise are, sometimes, partly withdrawn in cash or kind by self or partner(s) or family members during the reference month. In many cases the raw materials / goods / services of an enterprise are partly consumed at home, for which the enterprise does not get any receipt. For getting a complete idea of the net surplus or earning of an enterprise, one has to account for such **withdrawals** (if any) and **home consumption** during the reference month, other than the surplus visible at the end of the reference month. Please note that the paid family members are considered as hired workers of the enterprise and payments made to them should not be treated as withdrawals by family members for making entry in item 1204. Payments made to family workers shall be recorded in item 903 of block 9.

14.6 Item 1209: Total: Total of items 1201 to 1204 which gives total of factor incomes of the enterprise during the reference month will be shown here. It may be noted here that this entry should theoretically match with the entry against item 709 of block 7. Comments may be given in block 15 for any abnormal divergence.

15. Block 13: particulars of use of information and communication technology (ICT) by the enterprise during last 365 days / last year

15.1 This block enquires into the use of information and communication technology (ICT) by the enterprise during last 365 days / last year.

15.2 Item 1301: did the enterprise use computer/s during <reference period> ?

A computer refers to a desktop or a laptop computer. It does not include equipment with some embedded computing abilities such as mobile cellular phones, personal digital

assistants (PDA) or TV sets. If the enterprise used computers as defined above, code 1 will be recorded, otherwise code 2 will be recorded. **It may be mentioned here that the enterprise might have used owned computers or hired computers.**

15.3 Item 1302: did the enterprise use the Internet during <reference period>?

The Internet is a worldwide public computer network. It provides access to a number of communication services including the World Wide Web and carries email, news, entertainment and data files, irrespective of the device used (not assumed to be only via a computer - it may also be by mobile phone, games machine, digital TV, etc.). Access can be via a fixed or mobile network. **It may be noted that even if the answer against item 1301 is 'no', answer to this question can still be 'yes' because the enterprise may access the internet by mobile phone, games machine, digital TV, etc.**

15.4 Item 1303: does the enterprise have a web presence as on the date of survey?

This question is applicable to those enterprises answering 'yes' to item 1301. A web presence includes a website, home page or presence on another entity's website (including a related business). It excludes inclusion in an on-line directory of any other web pages where the business does not have control over the content of the page.

15.5 Item 1304: does the enterprise have an intranet as on the date of survey?

This question is applicable to those enterprises answering 'yes' to item 1301. An intranet refers to an internal communications network using Internet protocols and allowing communication within an organization (and with other authorized persons). It is typically set up behind a firewall to control access.

15.6 Item 1305: did the enterprise receive orders for goods or services (that is, make sales) via the Internet during <reference period>?

This question is applicable to those enterprises answering 'yes' to item 1302. Orders received include orders received via the Internet whether or not payment was made online. They include orders received via websites, specialized Internet marketplaces, extranets, EDI over the Internet, Internet-enabled mobile phones and email. They also include orders received on behalf of other organizations – and orders received by other organizations on behalf of the enterprise. They exclude orders that were cancelled or not completed.

15.7 Item 1306: did the enterprise place orders for goods or services (that is, make purchases) via the Internet during <reference period>?

This question is applicable to those enterprises answering 'yes' to item 1302. Orders placed include orders placed via the Internet whether or not payment was made online. They include orders placed via websites, specialized Internet marketplaces, extranets, EDI over the Internet, Internet-enabled mobile phones and email. They exclude orders that were cancelled or not completed.

15.8 Item 1307: did the enterprise connect to the Internet by narrowband?

This question is applicable to those enterprises answering 'yes' to item 1302.

Narrowband includes analogue modem (dial-up via standard phone line), Integrated Services Digital Network (ISDN), Digital Subscriber Line (DSL) at speeds below 256 kbit/s, and mobile phone and other forms of access with an advertised download speed of less than 256 kbit/s. Narrowband mobile phone access services include CDMA 1x (Release 0), GPRS, WAP and imode.

15.9 Item 1308: did the enterprise connect to the Internet by fixed broadband?

This question is applicable to those enterprises answering ‘yes’ to item 1302. Fixed broadband refers to technologies such as DSL, at speeds of at least 256 kbit/s, cable modem, high speed leased lines, fibre-to-the-home, powerline, satellite, fixed wireless, Wireless Local Area Network (WLAN) and WiMAX.

15.10 Item 1309: did the enterprise connect to the Internet by mobile broadband?

This question is applicable to those enterprises answering ‘yes’ to item 1302. Mobile broadband access services include Wideband CDMA (W-CDMA), known as Universal Mobile Telecommunications System (UMTS) in Europe; High-speed Downlink Packet Access (HSDPA), complemented by High-Speed Uplink Packet Access (HSUPA); CDMA2000 1xEV-DO and DCMA 2000 1xEV-DV. Access can be via any device (mobile cellular phone, laptop, PDA, etc. One example of mobile broadband is **Tata Photon Plus**.

15.11 Item 1311: does the enterprise have a local area network (LAN) as on the date of survey?

This question is applicable to those enterprises answering ‘yes’ to item 1301. A LAN refers to a network connecting computers within a localized area such as a single building, department or site; it may be wireless.

15.12 Item 1312: does the enterprise have an extranet as on the date of survey?

This question is applicable to those enterprises answering ‘yes’ to item 1301. An extranet is a closed network that uses Internet protocols to share securely a business' information with suppliers, vendors, customers or other business partners. It can take the form of a secure extension of an intranet that allows external users to access some parts of it. It can also be a private part of the business' website, where business partners can navigate after authentication.

15.13 The following questions items 1313 to items 1324 are applicable to enterprises answering ‘yes’ to item 1302.

15.14 Item 1313: did the enterprise use the Internet for sending and receiving e-mail?
Self-explanatory.

15.15 Item 1314: did the enterprise use the Internet for telephoning over the Internet/VoIP, including video conferencing?

VoIP refers to Voice over Internet Protocol.

15.16 Item 1315: did the enterprise use the Internet for getting information about goods

and services? Self-explanatory.

15.17 Item 1316: did the enterprise use the Internet for getting information from general government organizations?

General government organizations include central, state and local governments.

15.18 Item 1317: did the enterprise use the Internet for interacting with general government organizations? Self-explanatory.

This includes downloading/requesting forms online, making online payments and purchasing from, or selling to, government organizations. **It excludes getting information from government organizations.**

15.19 Item 1318: did the enterprise use the Internet for internet banking?

This includes electronic transactions with a bank for payment, transfers, etc. or for looking up account information.

15.20 Item 1319: did the enterprise use the Internet for accessing other financial services?

This includes electronic transactions via the Internet for other types of financial services such as purchasing shares (stocks), financial services and insurance.

15.21 Item 1321: did the enterprise use the Internet for providing customer services?

This includes providing online or emailed product catalogues or price lists, product specification or configuration online, after-sales support, and order tracking online.

15.22 Item 1322: did the enterprise use the Internet for delivering products online?

This refers to products delivered over the Internet in digitized form, e.g. reports, software, music, videos, computer games; and online services, such as computer-related services, information services, travel bookings or financial services.

15.23 Item 1323: did the enterprise use the Internet for internal or external recruitment?

This includes providing information about vacancies on an intranet or website, and allowing online applications

15.24 Item 1324: did the enterprise use the Internet for staff training?

This includes e-learning applications available on an intranet or from the World Wide Web.

15.25 Item 1325: Average number of persons who routinely used computers in the reference period will be recorded here.

15.26 Item 1326: Average number of persons who routinely used internet in the reference

period will be recorded here.

16. Block 14: Particulars of field operation

16.1 Items in this block are self-explanatory. While filling up the schedules, care is to be taken to record the time taken in canvassing the schedule in minutes (and not in hours) against item 1406 of this block. Dates of survey/inspection, etc. should be made as dd/mm/yy since these will be required in data processing.

17. Blocks 15 and 16: Remarks by investigator/ Asstt. Superintending Officer and comments by Supervisory Officers

17.1 Blocks 15 & 16 are meant for noting down investigator's remarks/ supervisor's comments/ suggestions regarding the entries made in schedule 2.34. Please give remarks/ comments/ suggestions that you feel useful for meaningful interpretation of the data or designing of schedules in future round. For any unusual feature of the enterprise, remarks may be added.

Frequently Asked Questions

Sl no. (1)	Query (2)	Reply (3)
Coverage, reference period and block 1		
1	Whether assembling of cycle parts are to be considered as manufacturing of cycle?	If cycle parts are purchased independently from the market and assembled by the enterprise and sold as a cycle, then this is to be treated as manufacturing.
2	A particular enterprise was started during the current year and worked less than 30 days only. What will be the average month & reference period?	The reference period will be an average month in last working season if it is a seasonal enterprise; otherwise it is an ineligible enterprise.
3	If a seasonal enterprise worked for less than 30 days during the current season, last month will refer to the average month of last working season. What does ' average ' stand for?	Illustration with example:- Suppose a seasonal enterprise has worked for 4 months in last season and their total expenditure was 40000 in that season. Then expenditure for an average month will be $40000/4=10000$.
4	If a particular seasonal enterprise worked for 25 days in current working season while it had worked for 20 days in the last month of last season. What will be the reference period?	Reference period will be taken as average month of the last working season.
5	If a manufacturing unit (perennial) has not functioned for the last 30 days preceding the date of survey for some reason but it is not closed, what will be the reference period?	The information for the last 30 days preceding the date of survey will be recorded.
6	An enterprise is maintaining books of accounts and providing information from same. Whether this will be treated as accounts maintained or is it necessary to prepare audited balance sheet also?	Yes, it is treated as accounts maintained irrespective of audited balance sheet maintained or not.
7	Whether schools receiving Government aid fully for salary and partly for non-salary expenses will be covered?	No. As per NSS convention, if the salary of all teaching as well as non-teaching staff is fully borne by government, then the school will remain outside survey coverage. It does not depend on non-salary expenses.
8	Which informant code will be given if the informant has given information partly and for the rest he was telling, 'I am busy' and provides no further information?	The code for item is given only after filling in the full schedule. Hence, this is to be substituted if full information is not provided.
9	For money lending activity, whether 'money lending from own source only' will be covered in the survey or not?	Money lending activity irrespective of whether such activity is carried out from own source or not, will be covered in the survey. A special code 64929 will be given to such activity.

Sl no.	Query	Reply
(1)	(2)	(3)
10	A membership organization like GYM CLUB provides services to others on payment at market rate. Whether that organisation will be included in the survey?	Yes. Treat it under 'operation of sports facilities' (NIC-08 code 93110- this includes fitness centres also) and as a partnership enterprise.
11	Will a canteen run by private party in the factory premises be covered?	Canteens run by private party only are to be covered, whether or not they are run in private/Govt. factory premises.
12	Will an office of Political Party that is run by hiring a worker be treated as an establishment of social service?	No, it is not to be taken as an enterprise.
13	SHGs are quite common in most of the villages. It is normally run without any fixed premises. The members belonging to different households either of the same FSU or different FSUs join together and manage the activities. Hence it is difficult to list such activities as the possibilities of omission and duplication are very high.	If the SHG does not have any fixed premise, then it may be listed at the residence of the Secretary/ President/ Treasurer and it must be listed only at the residence of one office-bearer and there should not be any duplication.
14	How are religious organisations providing social services like ambulance services, dispensary, schools, etc. treated?	The social services are to be considered as enterprises if at least one hired worker is employed for running these services. Only activities of religious organizations which are purely religious in nature will be outside the survey coverage.
15	Will a tutor doing tuition from door to door be considered as an enterprise?	No.
16	Whether ATM counters are to be considered as service sector enterprises.	No. Since this is an extended facility of the concerned bank, ATM counters are not to be considered as separate enterprises.
17	Whether priests going from house to house or shop to shop to provide service to worshippers will be under survey coverage?	Yes, they will be under survey coverage.
18	Whether loader and unloader will come under coverage of this survey?	Yes, they will come under coverage of survey.

Sl no.	Query	Reply
(1)	(2)	(3)
19	(a) A household engaged in manufacturing of samosa, kachori at his residence and selling it as a street vender. (b) A household engaged in manufacturing namkin, Kachori etc. at his residence and selling at his shop (restaurant). How entries will be made in listing schedule.	In both (a) & (b), if he is selling to final consumers, it will be a restaurant. In case he is selling to other enterprises which, in future, will do trading or restaurant activities, it will be considered as manufacturing.
20	Whether renting of the shop should be listed at the owner's premises or at the shop premises?	It should be listed at owner's premises.
21	A marriage hall is situated in a selected block but the owner who is letting out it for rent is residing outside the FSU. Will the marriage hall be listed at the site?	Yes, the marriage hall will be listed at the site.
22	Religious organisation supplies menu-based meals for the ceremonies like shradhya and other ceremonies. Will this activity be under survey coverage?	Yes, this is a service sector activity, provided there is at least one hired worker for this service.
23	A rickshaw puller or auto driver takes a rickshaw or auto from the owner and gives the agreed amount on monthly basis to the owner. In such cases whether renting of rickshaw or auto would be considered as an enterprise.	Here rickshaw puller/ auto driver and owner are separate enterprises.
24	In case of a particular school, at certain levels (say up to middle school) salary to teachers is paid by the government and above middle level salary to teachers is met out of school fund and not by the Government. Whether this type of school will be under survey coverage?	Only fully aided schools are outside survey coverage. The school in question will be covered.
25	If a lawyer is operating his enterprise for last 20 days in the present location and prior to that it was operating for 5 years in some other location. Will it be an eligible enterprise?	Yes, it will be an eligible enterprise.
26	Whether all the members of SHG are to be treated as worker?	No. Members regularly attending meetings or taking part in decision making procedures such as Secretary, Treasurer, active committee members etc. will be considered as workers.

Sl no. (1)	Query (2)	Reply (3)
27	Will the SHGs without hired worker be treated as establishment?	The members in SHG are working for themselves and members, even Secretary/ President/ Treasurer normally do not get any remuneration for operation of SHG. The Secretary/ President/ Treasurer transact with banks and the Government whenever required. Since they do not get any salary or remuneration, this will be treated as OAE.
28	During last 365 days there was no hired worker for 7 months in an enterprise and there were 8 hired workers in the remaining 5 months. Will it be considered as OAE?	It will be treated as OAE as the classification of enterprises into either establishment or OAE is done based on whether the enterprise had a hired worker or not during the major period of operation during last 365 days.
29	A household engaged in making ice-cream at home and selling it at house as well as moving in the streets as a street vender. Will it be treated as manufacturing activity?	Yes. It will be treated as manufacturing activity
30	A person has taken on lease a number of palm trees and date trees. The extracts from the trees are used for manufacturing of gur. Whether the activity would be considered as manufacturing activity?	Yes, this will be considered as manufacturing activity.
31	Other gambling and betting activities legally carried out are under survey coverage (NIC-08 code 92009). Give some examples of such activities.	Examples of such activities are horse racing etc.

block 2: operation and background information

32	Two manufacturing activities like tailoring and embroidery are done in the same enterprise being handled by a single person. Whether this will be treated as mixed activity in case the accounts are not separable?	Yes, it is a mixed activity.
33	Two service sector activities like restaurant and STD booth are done in the same enterprise being handled by a single person. Whether this will be treated as mixed activity in case the accounts are not separable?	Yes, it is a mixed activity. If same set of persons run two or more activities simultaneously at same premises, consider as a single enterprise as long as separate books of accounts are not maintained by them.

Sl no. (1)	Query (2)	Reply (3)
34	Many of the shop-keepers and merchants lend money on interest. Whether such shop-keepers or merchants should also be treated as money lenders and surveyed separately under special code 64929?	If the accounts are not mixed up, they should be treated as two separate enterprises i.e. one trading enterprise and the other money-lending enterprise. However, if it is not possible to separate the accounts of the two activities, it will be a mixed activity unit and the NIC code will be based on the activity, which generates major income.
35	A master bidi contractor supplies raw material to households who after using its instruments produce the bidi and return to the master contractor. The master contractor pays the household on piece rate. Who will be the manufacturing enterprise master contractor or the household?	Both. Master contractor and each household are to be treated as separate manufacturing enterprises.
36	A <i>Dal</i> mill owner is producing <i>Dal</i> , and side by side purchasing <i>Dal</i> from market and supplying to his customers. Whether this activity will be considered as mixed activity?	This is a mixed activity if accounts are not separable.
37	If an enterprise is pursuing more than one type of mfg. activity in the same premises whether it will be treated as mixed activity or not?	If the accounts are not separable, it will be considered as mixed activity, if the articles manufactured are different at 2-digit level of NIC 2008.
38	If the proprietor does not stay at the place of manufacturing activity and no information is available regarding his other activity, what will be the relevant code for multiple activities?	All efforts may be made to get the information. When the information could not be collected despite all efforts, treat the situation as if the proprietor does not have any other activity and record code '2' against item 208.
39	Whether description should be as per NIC 2008 booklet?	No. Description of the activity should provide the clear indication of the activity of that enterprise, but not a copy of the description written against the corresponding NIC code in the codebook.
40	Nature of operation is to be noted from informant's version or as per the periodicity of operation of the activity carried out during reference year?	As per informants' version.
41	What ownership code shall be assigned to the enterprise jointly run by husband & wife with equal intensity?	Code 3 (partnership between members of same household).
42	A sweet manufacturer visits <i>shandies</i> (hat) on different days & prepares sweets at hat & sells. What location code is to be given for such enterprise?	Enterprise is to be listed at the residence only & code 5 (mobile market) may be given for such enterprise against item no. 209.

Sl no. (1)	Query (2)	Reply (3)
43	For a carpenter what code will be entered in item 209 if he does not work at one place?	Code 6 will be entered.
44	Carpenter doing work at construction site. What code should be given for item 209?	Code 6 will be given.
45	If a manufacturing enterprise is licensed for purchase of raw material and has no registration for manufacturing, whether the enterprise is to be treated as registered?	Yes, it should be treated as a registered enterprise and code of the licensing authority, if available in the schedule, will be given; otherwise, code 99 will be given.
46	There are some units, which are not registered under any authority or act but the unit have got license. Whether the license will be considered as registered?	Same as query 35.
47	If an enterprise has applied for registration but has not yet got, what code should be given?	Unless the registering authority confirms registration, enterprise cannot be deemed to be registered on the basis of its application only. In such a case code 2 will be given against item 224.
48	Whether the registration code of the enterprise will be incorporated as per informant's verbal opinion or from his record.	As per information given by the enterprise. Verification of records is not required.
49	Societies Registration Act, 1860 has got variants in respective States. Whether code in all such cases will be 19 or not?	Yes, code will be 19 in all such cases.
50	Money Lender's Act has got variants in respective States. Whether code in all such cases will be 18 or not?	Yes, code will be 18 in all such cases. Similar treatment will be given in case of public Trust Act also.
51	If an enterprise has operated for one day in a month. Whether it will be treated as operated in the month?	Yes.
52	If any particular problem was faced for major part of the reference year but is not faced in recent months then whether the entry against item 217 will be 1 or 2?	It will be 1 ('Yes') as reference period for this item is full year.
53	An enterprise operated for six months in a different town and shifted to present town where it has operated for six months only. Whether the operation of the enterprise will be taken as 12 months?	In given example, six months of operation at the present location will be considered as number of months operated.

Blocks 3 and 4: Operating expenses

54	Whether the approach for Block 3 & 4 'Principal Operating Expenses' is paid approach?	No, for blocks 3 and 4 the approach is payable approach . Unless otherwise specified, it is payable/receivable approach for all blocks.
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Sl no. (1)	Query (2)	Reply (3)
55	If enterprise is receiving all raw materials from customers, how block 3 will be filled?	Block 3 will remain blank in this case.
56	Production of a manufacturing enterprise during the month is NIL. There is no stock of Semi-finished goods. The enterprise is not engaged in any mixed activity. However the enterprise has sold out from the opening stocks. What is the treatment for Block 3 and Block 5?	Both blocks 3 and 5 will be left blank. Other relevant and applicable blocks/ items/ columns may be recorded. Proper remarks may be entered in blocks 15-16.
57	For free collection whether to include imputed cost?	No imputed value has to be reported. Only if there is any collection or transportation charges then the same will be reported.
58	Packing materials under direct materials have to be treated as raw materials. Will the value of such materials be considered for selection of five most important raw materials?	Yes. This is to be followed when the product can not be sold without such packing e.g. medicines, perfumes, etc.
59	Please clarify whether Coconut produced at home and consumed in the enterprise will be included in block 3?	Yes. Any material produced at home and used in the enterprise as raw material will be included here. Valuation of such materials will be at ex-farm price.
60	In case of illegal electricity connection, how the entries are to be made against item 411?	Value in such cases is not to be imputed. However, if some payment is made for the connection, the same may be recorded.
61	In an enterprise, electric connection has been taken from a generator operator in the vicinity. Will the connection be treated as an electric connection?	Yes, it will be treated as electricity connection.
62	Owner is paying house rent only in which electricity charges are included. How to report the entries against item 411?	The consumption of electricity will be estimated & consumption will be reported accordingly against item 411 & remaining amount will be reported in block 10 as rent.
63	Whether fuel & lubricant will be reported against item 412 of block 4 or in block 3 if consumed as a raw material for production?	It will be reported in block 3. Care should be taken to avoid duplication.
64	One unit is operating generator on diesel/ kerosene to produce electricity. Whether cost of the diesel/ kerosene will be taken under electricity or under fuel and lubricants?	The expenditure will be entered against the item 'fuel and lubricant'.
65	An enterprise engaged in the manufacturing of basket uses candles in the night. Whether the expenditure on candles be treated as fuel?	No, item 412 will be left blank. The entry will be made in item 428, other expenses.
66	Where to include the Feeding expenses on animals used in the enterprises for transporting purpose?	Under item 416.

Sl no. (1)	Query (2)	Reply (3)
67	Full payment has been made to the lawyer for a case that may go on for 1 year or 10 years, how the payment is to be taken?	It will be taken as per terms and conditions and duly apportioned for the reference month.
68	Against which item the amount paid to the contractor and not to the workers in the unit will be recorded?	It will be recorded against item 422 of block 4.
69	If the telephone is used for enterprises as well as for households, how the expenditure will be taken?	Proportionate amount based on calls made by household and enterprise may be recorded here.
70	For brick manufacturing industry, salt is also used, against which item salt is to be taken?	Salt is to be considered as a consumable stores and recorded in item 425.
71	What is the consumable store?	Things that lose their identity in the process of manufacturing and helps processing of raw material into final product.
72	Will the SSI registration fee for 5 years, paid prior to reference period, be apportioned for the reference period & noted?	Yes.
73	In case of damage while doing the job-work, compensation is given to customers. Whether these expenses are to be considered?	Yes, it is to be considered as expenses under item 428 (other expenses).
74	Is insurance made on manufactured goods in transit to be included against item 427?	Such expenses are treated as distributive expenses and recorded in bl. 7, item 703. This is a part of selling expenses and hence a part of distributive expenses. Insurances made on plant and machinery, raw materials, etc. will be operating expenses and recorded against item 427, group insurances made on employees are part of emoluments and to be recorded in block 9.

Blocks 5 and 6: Receipts

75	It may be clarified whether the market value of the quantity manufactured and sold only is to be reported in col. 3, block 5 or the entire market value of quantity manufactured is to be reported?	The market value of entire quantity manufactured during the reference month is to be reported.
76	A manufacturing enterprise lost all its manufactured goods produced during the reference month. How to report "value" in col. (3)?	Multiply the 'quantity manufactured and lost' by 'market value of the most recent months'.

Sl no. (1)	Query (2)	Reply (3)
77	Blacksmith is making agricultural implements. He is not in receipt of the value of products as and when he sells. However, he is getting the price of the articles in kind at the time of harvest, what treatment is to be given?	Whether the amount for the articles manufactured is received or not, the details of manufacturing should be given in col.1 & 3 against the relevant items 501 to 505. The amount may be imputed as per terms of receipts and apportioned for the reference period.
78	A mfg. enterprise has produced a new product during the reference period and is not at all sold. Further, that product is not at all available for sale in that locality. How to do valuation in this case?	Ex-factory price may be used.
79	For constructions started earlier and also going on during the month, whether cost of raw materials can be taken as value in item 413?	Cost of raw materials and labour cost during the reference period may be noted against item 413. Value of own labour will be imputed.
80	In some of the States units are getting Govt. subsidy at the time of installation of the factory which is generally assessed on the basis of the fixed capital deployed by the entrepreneur. Should such subsidy be reported under item 651 of bl.6?	Subsidy receivable during the reference period only will be covered under item 651 of block 6.
81	Where will 'gifts received & given incidental to enterprising activities', find place?	Donations, gifts etc. received by the enterprise will come in items 645. Gifts given as a measure of sales promotion will come in item 428.
82	In a flour-mill, grinding charges are received. The husk and bran are left in the flour-mill by the customers. Whether any separate valuation is required or not for husk and bran.	This additional realisation will come under item 647.
83	In case of mfg. of Nuts & Bolts industry, whether sale of scrap should be reported against item 647.	Scrap is a by-product; hence its sale should find place against item 505 of block 5.
84	A unit engaged in job work has sold left out or wastage. Where will the amount received be reported?	It will be reported under item 647.
85	Whether the amount received through sale of used <i>bardan</i> (gunny bags) will be recorded against item 647?	Yes

Block 8: employment particulars

86	If a worker works for just an hour a day, will he be considered part time worker?	Yes, provided the normal working hours of the enterprise is more than 2 hours a day.
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Sl no. (1)	Query (2)	Reply (3)
87	During listing stage, an enterprise is reported as OAE, as it operated without any hired labour during major part of its operation during the last 365 days. But in the reference month it has operated with a hired worker with total number of workers being 5, how it will be reported in Block 8?	Enterprise type as recorded in listing schedule and SSS recorded in block 1 of sch. 2.34 will not be changed. In block 2, actual enterprise type based on the reference year will be reported. In block 8, actual no. of workers will be given including hired one. Changing of code in listing schedule or block 1 of detailed enquiry schedule is not required even if it is subsequently found that it operated with hired labour throughout the reference year.
88	If owner of enterprise draws remuneration, will he be treated as hired worker?	No. The owner will be shown against item 801.
89	How will child labours be treated in block 8?	Child labour will be reported according to their gender since no specific information regarding adult workers and child workers is required in the schedule.
90	If a unit is working on all the days for 4 hours will the workers be treated as full-time or part-time?	Since 4 hours is the normal working hours for this enterprise, the workers will be treated as full-time.
91	What will be the number of workers in a unit employing 10 workers in first shift and 15 workers in second shift & out of the workers working in second shift, 10 workers are included in first shift also?	Number will be 25 in such cases irrespective of the fact that the workers are the same or different.

Block 9: compensation to workers

92	One enterprise is closed. Suppose it is giving salary to the employees. Whether entry will be made in block 9?	Yes.
93	Whether value of semi-finished goods or finished goods given to employees will be recorded in items 901-903?	Yes, such expenses by the employer are treated as 'compensation of employees paid in kind'.
94	How to calculate retirement benefit for a month when a person has retired after completing his eligible service?	Total retirement benefits payable by the enterprise for employees retired during the reference year is to be apportioned and reported.
95	Cooler facility is provided to workers in an enterprise. Will this expenditure be taken under group benefits i.e against item 921-924 of block 9?	No, Coolers are part of assets of the enterprise. Electricity expenses for running it will come under item 411.
96	Whether for some industries like chemicals, food processing, etc. value of special dresses necessary to carry out the job are to be included.	Such special dresses necessary to carry out specific jobs are treated as consumable stores and as such, value may be reported against item 425.

Sl no. (1)	Query (2)	Reply (3)
Block 10: fixed assets		
97	If an enterprise gives data from books of accounts, how would the market value of assets be given in block 10?	When enterprise is providing data from books of accounts, value of owned assets will be the net value (after deduction of depreciation for the year) of asset as per its books. For hired assets, market value is to be asked and recorded.
98	Whether change in market price of fixed assets will be reflected in col. 5?	No. Increase or decrease in market price will not be reflected in col. 5. This column is meant to capture actual net addition to owned assets through purchase/sale, etc. of the owned fixed assets.
99	If an enterprise without fixed premises keeps its vehicle somewhere, whether that piece of land will be considered as fixed asset?	No.
100	Where the entries for sold fixed assets will come?	Generally, it will be reflected while calculating net additions in col (5). However, capital gain/loss (difference in sale price and book value of an asset sold) will not be considered.
101	Sometimes soft drinks manufactures provide fridge to the retailers with the condition that a specified no. of crates will have to be sold in a specified period. The fridge is neither owned nor hired. How such cases will be treated?	It may be taken as an hired asset of the retailer with rent '0'. It will not appear as assets of the soft-drinks manufacturer.
102	A unit has started 2 months before the date of survey. The present market value of the assets is being noted in column 3. But what will be the entry in column 5? Whether the same entry will be reported here also?	The same entry will come in column 5 also.
103	The building of the enterprise is a semi-permanent structure built up by the entrepreneur on municipality land for which rent is paid. How to make the entries against item 1001 of block 10?	If the land is taken on long-term lease (a term of 30 years or more) then the land is to be considered as owned. However, rent is also to be reported in column 6 with remarks. If it is not a long-term lease then the market value of the structure is to be recorded in column 3 and that of the land is to be recorded in column 4.
104	One master weaver distributes the assets to weavers, besides the yarn, who produce with the help of these assets. Whether the assets will be taken into account for master weaver?	No. These assets should be taken into account against the enterprise using it as hired asset.
105	Whether scissors, needles will be considered as tools?	Scissors will be tools and needle will generally be a consumable item.

Sl no. (1)	Query (2)	Reply (3)
106	Under which item to report ceiling fan, tube light fittings, telephone installation, internal wiring, etc.?	Item 1004. However, Internal wiring may come as a part of building if deriving separate value for it becomes difficult.
107	In 'net addition' do we get value after deducting depletion from addition of fixed assets during the reference Period?	Yes.

Block 11: loan outstanding

108	Whether interest free loan will be considered for Block 9?	Yes. It will be reported in item 1110.
109	a) Loans taken for mfg unit but spent for other purpose, whether this will be considered? b) If the loan has been taken for other purpose but spent for mfg unit, whether it will be treated as loan for block 11?	a)Yes b)No.
110	Is there any provision to include subsidy in block 11?	No, only loan will be included. Subsidy for the reference period will come in item 651 in block 6.
111	How to calculate the interest for the reference month if it is compound interest?	Total interest payable for the year may be apportioned for the month.
112	Whether money advanced by contractor is to be considered as loan?	Advance payment is not a loan.
113	The enterprise has taken 10 bags of plastic granules from a trader on condition that he will return 11 bags after 6 months. The value at the time of transaction was Rs.600/- per bags where as it is Rs.700/- per bag as on date of survey. How to make entries at column 3 & 4.	Present market value of 10 bags will be reported in column 3. Since the interest payable is for 6 months, hence difference between the present market value of 11 bags and old market value of 10 bags (Rs. 1700) is to be divided by 6 and reported in column 4.
114	Where will repayment of vehicle loan be included?	Vehicle is an asset of the enterprise and repayment of this loan is a capital expenditure. It will not be reflected in block 3 & 4. The outstanding loan amount on last day of the reference year will appear in column 3 of Block 11. Interest payable for the reference year will be apportioned for the month and reported in column 4, block 11. 'Apportioning for the month' means dividing the yearly value by 12 if it is perennial or casual enterprise and dividing by number of months operated if it is a seasonal enterprise.

Sl no.	Query	Reply
(1)	(2)	(3)

Block 12: factor incomes

115	Whether item 1204 is to be independently enquired from the enterprise after filling in all other blocks?	Yes. In case of wide discrepancy, perception of investigator regarding the reasons for discrepancy may be recorded in the remarks column.
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Block 13: use of ICT by enterprises

116	For questions related to items 1301, 1303, 1304, 1311, 1312 is it necessary that the enterprise should own computer?	No, the enterprise need not always own computer. The questions will be also relevant for enterprises having hired computers.
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Some mixed activities and treatment as per NSS convention

Description of activity	Mixed between	NSS convention
(1) free collection of leaves and selling plates	manufacturing & trade	trade
(2) fruit-juice seller	„	„
(3) pan shop	„	„
(4) Jhalmuri (mixture of muri, chana, ground nut etc.)	„	„
(5) selling balloon after filling it with gas	„	„
(6) selling coconut after removing outer fibre	„	„
(7) selling of firewood after cutting	„	„
(8) selling of fish after cleaning	„	„
(9) selling water after cooling (<i>nimbu pani</i>), coloured ice	„	„
10) making and selling bamboo basket	„	manufacturing
11) buying old goods and selling them after repair	„	„
12) meat shop/ chicken shop	„	manufacturing, if live animal is slaughtered and sold; trade otherwise
13) selling of flowers, garland, bouquet	„	manufacturing, if garland and bouquet fetches major income; trade otherwise
14) tailoring shops selling clothes	„	manufacturing, if tailoring fetches major income; trade otherwise
15) selling ground-nut after frying/boiling	manufacturing & restaurant	restaurant
16) selling boiled egg	„	„
