

## Chapter Three

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### Schedule 2.2: Unorganised Manufacturing

**3.0.0 Introduction:** In this chapter, detailed instructions for filling up Schedule 2.2 have been given. The survey covers all unorganised enterprises engaged in manufacturing activities. NIC codes to identify the enterprises will be as per NIC-1998. Some concepts and definitions relating to this schedule have been discussed in Chapter One. However, concepts specific to Schedule 2.2 have been discussed in this chapter wherever necessary. The term “enterprise” has been used in this chapter in a general sense and will refer to either an “enterprise” or an “establishment” which will be clear from the context. The eligibility criterion for enterprises to be covered in the survey is at least 30 days of operation (15 days of operation for seasonal enterprises) in the reference year.

**3.0.1 Unorganised sector:** As already mentioned, manufacturing enterprises in the unorganised sector are the target units for this survey. For the purpose of this survey all manufacturing enterprises, which are not covered under ASI will be considered to constitute the unorganised sector. In the unorganised sector, in addition to the proprietary or partnership enterprises, enterprises run by cooperative societies, trusts, associations, private and public limited companies are also covered. The NIC codes for the activities covered are 01405, 15111 to 37200 and code 18105. It may be noted that, unlike in NIC-1987, some repairing services have been included in other sectors in NIC-1998, and not in the manufacturing sector. Cotton ginning, cleaning and baling (NIC code 01405) is being covered to have parity with ASI coverage.

**3.0.2 Reference Period:** *Last month* has been used as the reference period to collect most of the data. Various receipts and expenses as well as employment, emoluments, rent, interest, net surplus and value added for the enterprises will be collected for the last month only. *Last month will refer to the last 30 days (preceding the date of survey) for perennial and casual enterprises irrespective of the number of days of operation. For seasonal enterprises also, last month will refer to the last 30 days (preceding the date of survey), if they have worked continuously for the last 30 days or more (including Scheduled holidays) in the current season. Only 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. If some enterprise is unable to give information for the last 30 days and is able to give information for the last calendar month, figures for the same may be taken.* 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 reference period is the ‘last 365 days preceding the date of survey’.

**3.0.3 Mixed activity:** There are enterprises, which carry out a number of activities simultaneously. For example, a grocery shop owner may also sell oil from his own *ghani*, a doctor may have a medical shop attached to his dispensary, a restaurant may run an STD booth in its premises, etc. Each of such activity is to be treated as a separate enterprise if information for them is separately available. If the accounts are not separable then the data will pertain to the enterprise as a whole and the enterprise will be classified as having mixed activities and the activities of such enterprises are a mixture of NIC’s. 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 may be applied in the given order, i.e. income first, then turnover and then employment, to determine the major activity. The activities may be mixed at any level of NIC, but for the present survey it will be restricted to 2-digit level of NIC-98. If the enterprise sells any material incidental to manufacturing in the same condition as purchased, it will not be considered as mixed activity.

**3.0.4 Multiple activity:** Since many of the entrepreneurs belonging to the unorganised sector operate at small or marginal levels, the phenomenon of carrying out more than one activity simultaneously or at different points of time may be 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 is called a “mixed activity”. Total number of economic activities carried out by the entrepreneur during the last 365 days is the total number of multiple activities. Some examples of multiple activities are: i) a person carrying out agriculture activity at sowing / harvesting season and running a shop at the same time or at other times, ii) a lady working as regular wage / salary earner and also running a shop in the evenings, etc. However, a manufacturing enterprise manufacturing woollen garments before winter and cotton clothes before summer will not be considered as carrying out multiple activities. It may be noted that multiple activity relates to the various economic activities carried out by the entrepreneur whereas mixed activity is carried out by an enterprise.

**3.0.5 Structure of the Schedule:** Schedule 2.2 consists of 17 blocks. Blocks 0 and 1 are meant to record the identification of the enterprise; blocks 12 to 14 are for reporting particulars of field operation, remarks by the investigator and comments by the supervisory officer(s). In blocks 2 to 10, data are to be collected from the enterprises; block 11 is for recording the investigator’s perception about the reported net surplus data.

Some operational characteristics and background information of the enterprises will be collected in block 2. Blocks 3, 3.1, 4 and 4.1 are the main blocks of the Schedule where operating expenses and various receipts of the enterprises will be recorded. Blocks 3 and 4 will record the principal expenses and receipts whereas blocks 3.1 and 4.1 will record the other expenses and receipts. Schedule 2.2 has been designed in such a way that the different types of receipts and expenses for mixed activity of enterprises can also be accommodated within the framework of blocks 3 and 4. To meet this objective, each of these two blocks has been subdivided into 2 sub-blocks. The first sub-block is meant for specifically recording the manufacturing activity whereas the second sub block is for recording the other activities, if any, including the purchase / sale of commodities without any transformation. Blocks 3.1 and 4.1 are for all activities of an enterprise. It may be noted that for an enterprise that runs a mixed activity, both the sub-blocks of blocks 3 and 4 may have entries.

Block 5 is kept for calculation of gross value added. The employment particulars of the enterprises will be recorded in block 6. Blocks 7, 8 and 9 are meant to collect information on emoluments, fixed assets and loan position of the enterprises respectively. Factor incomes of the enterprise will be recorded in block 10.

## **Description of Schedule 2.2**

**3.1.0.1** At the top of the first page of Schedule 2.2, two items have been given in boxes. The box on the left hand side relates to whether the schedule is being canvassed in rural or urban

fsu. On the right hand side, type of sample (central / state) has been given. A tickmark (✓) may be put against appropriate items in the boxes.

### **Block 0: Descriptive Identification of Sample Enterprise**

3.1.0.2 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.

### **Block 1: Identification of Sample Enterprise/ Establishment**

3.1.1.0 Block 1 has 19 items. Most of the items of this block are coded. The codes are described either beside the items or at the bottom of the block.

3.1.1.1 **Items 1 to 12:** These items will be copied from schedule 0.0 except for items 1 and 2, which are already printed in the Schedule.

3.1.1.2 **Item 13: Segment number:** Entry against this item will be either 1 or 2 as instructed in chapters One and Two.

3.1.1.3 **Item 14: Enterprise type:** There will be three types of enterprises which will be given codes 1 to 3. The codes are:

- Own Account Manufacturing Enterprises (OAME) – 1
- Non-Directory Manufacturing Enterprises (NDME) – 2
- Directory Manufacturing Enterprises (DME) - 3.

3.1.1.4 **Item 15: Sample enterprise no:** Order of selection of the enterprise will be copied from relevant column of block 4 of Schedule 0.0 (i.e. columns 22 to 24).

3.1.1.5 **Item 16: Informant code:** This item will give information on the type of informant from whom the data are being collected. The relevant codes are:

- owner / partner – 1, manager – 2, others – 9.

3.1.1.6 **Item 17: Response code:** This item is to be filled-in after canvassing the schedule. The type of informant, considering his co-operation and capability in providing the required information, will be recorded against this item in terms of specified response codes. The codes are:

- Informant co-operative and capable - 1, informant co-operative but not capable - 2, informant busy - 3, informant reluctant - 4, others – 9

3.1.1.7 **Item 18: Survey code:** If the originally selected enterprise is surveyed, code against this item will be 1. If the originally selected enterprise is substituted and the substitute enterprise is surveyed code will be 2. If neither the original nor any substitute could be surveyed, code will be 3. In such cases, only blocks 0,1, 12, 13 and 14 are to be filled in and the word 'CASUALTY' may be written on the top of the Schedule.

3.1.1.8 **Item 19: Reason for substitution of original enterprise:** Self-explanatory. The codes are: informant: busy – 1, not available – 2, non - cooperative – 3, others –9.

## Block 2: Particulars of Operation and background information

3.2.0 In this block some background information about the nature and operation of the enterprises will be recorded.

3.2.1 **Item 1: 5-digit code as per NIC-1998:** The actual description of the entrepreneurial activity may be recorded in the space provided in this item. Below the description, NIC code as per the NIC-1998 may be written at **5-digit level**. Each box will contain one digit and no box will remain empty. This item should be filled up based on information of blocks 3 to 4.1. Custom tailoring will be assigned code 18105. Cotton ginning, cleaning and baling will be assigned code 01405 in this schedule although the division code assigned to it is 17 as per block 4 column 11 of schedule 0.0.

3.2.2 **Item 2: Nature of operation:** This item intends to capture the seasonality of the enterprise under survey. Three codes are provided in the Schedule. If the enterprise operates more or less regularly throughout the year, it is a perennial enterprise and code 1 will be recorded. If the enterprise operates during particular season(s) of the year, it is termed as a seasonal enterprise and code 2 will be recorded. If the enterprise carries on its activity only occasionally, but total number of days operated in the last 365 days is 30 days or more then it will be treated as a casual enterprise and code 3 will be recorded.

3.2.3 **Item 3: Type of ownership:** The codes are:

proprietary (male) .....	1	Co-operative society.....	5
proprietary(female) .....	2	Limited company (outside public sector)...	6
partnership with members of the same household .....	3	Others.....	9
partnership between members not all from the same household .....	4		

**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 latter case, code will be 4. Partnership may be based either on formal registration or on the basis of tacit understanding. However, units of proprietary and partnership nature covered under ASI will be outside the purview of this survey. If ownership is with a Hindu Undivided Family (HUF), the treatment will be same as for proprietary enterprises, i.e. if the head of HUF is a male, code will be 1; for a female head, code will be 2. For a co-operative society (whether formally registered or not), code will be 5. **Co-operative society** is a society that is formed through the co-operation of a number of persons (members of the society) to benefit the members. The funds are raised by members’ contributions/ investments and the profits are shared by the members. The government or government agency can also be a member or shareholder of a registered co-operative society but this fact cannot render the society into a

public sector enterprise for the purpose of the present survey. Limited companies (other than public sector) will get code 6. A **limited company** can be either private or public company. A private company means a company which by its Articles (a) RESTRICTS the right to transfer its shares, if any, (b) LIMITS the number of its members (not including its employees) to 50 (c) PROHIBITS any invitation to public to subscribe for any shares or debentures of the company. Public company means a company which is not a private company. All other types of enterprises will get code 9. For code 9 in this item, detailed description may be given in the blank space beside this item.

**3.2.4 Item 4: Whether accounts maintained:** If the enterprise is maintaining usable books of accounts and information for the enterprise is given from them, then code will be 1, otherwise code will be 2.

**3.2.5 Item 5: Location of the enterprise:** Six codes have been provided for this item. If the enterprise is located within the household premises, code will be 1. If the location of the enterprise is outside the household premises, codes 2 to 6 will be applicable. The codes are given below:

<u>within</u> household premises .....	1	
<b>outside household premises:</b>		
with fixed premises and with permanent structure.....	2	mobile market..... 5
with fixed premises and with temporary structure/kiosk/stall .....	3	without fixed premises (street vendors, etc.)... 6
with fixed premises but without any structure .....	4	

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 (code 2). Temporary structures can be removed from its present location with some effort. Some examples are stalls, kiosks etc. (code 3). Fixed premises but with no structure (except for some makeshift arrangement for shade etc.) will be coded 4. If the enterprise shifts from market to market but the owner (e.g. *hat* vendor) is allowed to sit in a particular place of the market he is going to, i.e. if the location of the enterprise inside each market is fixed, code 5 is applicable. Street vendors are given code 6. If, both the codes 5 and 6 are applicable for an enterprise, major time criterion will decide the appropriate code.

**3.2.6 Item 6: Registered under any act / authority? (yes – 1, no – 2):** If the enterprise under survey is registered under one or more Acts / Authorised agencies, code will be 1, otherwise code will be 2.

**3.2.7 Items 7 to 9: If “yes” in item 6 registered under (code):** If code in block 2, item 6 is 1, then codes for a maximum of three registration agencies under which the enterprise is registered is to be noted in items 7 to 9. The codes for various acts / authorities of registration are:

municipal corporation, panchayat, local body.....	1	State directorate of industries (including district industries centre).....	6
khadi and village industries commission...	2	Development commissioner, handicrafts/ Handlooms/ power-looms.....	7
coir board.....	3	Section 85 of factories act .....	8
silk board.....	4	Other (please specify).....	9
jute commissioner.....	5		

If the enterprise is registered under only one registration agency, then only item 7 is to be filled. If the enterprise is registered under two registration agencies, items 7 and 8 are to be filled. If the enterprise is registered under three registration agencies, items 7, 8 and 9 are to be filled. If it is registered with more than three agencies, the most important three codes (as perceived by the respondent) are to be filled in.

**3.2.8 Items 10 to 13: Source/destination agency:** The objective here is to find the nature of links the enterprise has with its immediate supplier of basic inputs and immediate purchaser of the goods/services. This will also give some idea about the locations of purchase and sale for the unorganised enterprises. In case the source / destination agency is more than one, the top two sources / destinations may be considered for recording the codes. Codes should be written in descending order of value of purchase /sale for items 10 – 11 /12 – 13. If there is only one source / destination, it should only be noted in item 10 / 12. The relevant codes are:

government .....	1	Private individual / household .....	5
co-operative/marketing society....	2	no source agency (for items 10-11 only).....	6
Private enterprise .....	3	Others .....	9
contractor / middleman .....	4		

**3.2.9 Items 14 to 19: Nature of problems faced, if any, during the last 365 days:** Different types of problems faced by the unorganised manufacturing enterprises during the last 365 days in their day-to-day operation will be recorded against these items in terms of codes. Of the various problems faced by the enterprise, provision has been made to record whether the enterprise is specifically facing any problem regarding non-availability of electricity connection, power-cut, shortage of capital, non-availability of raw material, marketing of products and any other problem. The codes for items 14 to 18 is 1 if the problem exists, else it is 2. For item 19, provision has been made to record code for one additional problem faced by the enterprise. The codes are:

lack of other infrastructure facilities.....	01	labour problems .....	06
local problems.....	02	fuel not available or available at exorbitant price .	07
harassment .....	03	non- recovery of service charges / fees/ credit...	08
competition from larger units .....	04	others ( <i>specify in the space provided</i> ) .....	09
non-availability of labour .....	05	no specific problem .....	10

For code 09, the problem may be mentioned in the space provided to the right of the item. “Labour problem” means problem between management and labourers. Non-availability of labour should not be given code 06.

**3.2.10 Items 20 to 24:** Many of the enterprises in the unorganised sector are not big enough to have total freedom in terms of procurement of raw materials, machinery or marketing. They may heavily depend on bigger units/ contractors /middlemen for one or more of these. A high proportion of women, for example, staying at home and carrying on their domestic duties, are also engaged in economic activities such as stitching, preparation of paper bags etc. In most cases, they do it on a contract basis for bigger enterprises. They are variously called as home workers, home based workers, etc. Apart from these, even bigger enterprises may engage in contracts for raw materials, credit, sale etc. for various reasons. This phenomenon is proposed to be captured through items 20 to 24.

**3.2.11 Item 20: Does the enterprise undertake any work on contract basis? (yes– 1, no– 2):** The enterprises in the unorganised sector tend to be small units. In many cases, the enterprises are

observed to be working as per the orders from a bigger unit. In such cases, certain conditions are put on the server unit by the contractor or master unit. Conditions may be on the sale of products, may be on the mode of payment or may be on the supply of raw materials, etc. If the surveyed unit does any amount of work under contract, code against this item will be 1. Otherwise, code will be 2. For code 1 in item 20, items 21, 22, 23 and 24 are to be filled in.

**3.2.12 Item 21: Type of contract:** Four types of contract are envisaged. The codes are:

working solely for enterprise/contractor – 1, mainly on contract but also for other customers – 2, mainly for customers but also on contract – 3, solely for customers - 4.

**3.2.13 Items 22 / 23: Equipment / raw materials supplied by (code):** The same three codes are applicable for these two items. Code 1 will be given when the raw materials/ equipment is procured by the entrepreneur himself/ herself. If the raw material / equipment is supplied by the master unit/ contractor, code will be 2. Code 3 will be recorded when both the above conditions are satisfied.

**3.2.14 Item 24: Design specified by contractor? (yes– 1, no– 2):** In certain cases the contractor specifies the design of product to the server unit. This is common in garment manufacturing, shoe manufacturing, tailoring, etc. In such situations, code against item 24 will be 1. Otherwise, code 2 may be recorded.

**3.2.15 Items 25 to 27: Types of assistance received during the last 5 years (code):** The enterprise might have received some assistance at some stage of its operation. It can come either from government or from some non-governmental organisation or some private agency / individual. Different codes have been provided to record the same. An enterprise may receive more than one type of assistance mentioned in different codes. All such types of assistance (maximum 3) received during the last 5 years are to be reported in codes in descending order of the importance of assistance in items 25 to 27 one by one. The codes are:

financial loan – 1, subsidy – 2, machinery/ equipment – 3, training – 4, marketing – 5, procurement of raw material – 6, others – 7, no assistance received from any source – 9.

**3.2.16 Item 28: whether mixed activity? (yes –1, no –2):** Code 1 will be recorded if it is a mixed activity according to the definition given in para 3.0.3 of this chapter. Otherwise, code will be 2.

**3.2.17 Item 29: Number of other economic activities undertaken during last 365 days:** First the number of multiple activities carried out by the entrepreneur is to be determined according to the definition given in para 3.0.4. The number of activities other than the activity (activities) 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. NIC level for determination of multiple activity will be same as that of mixed activity stated in para 3.0.3 of this chapter. This item is to be filled up only for proprietary / partnership enterprises for the owner / respondent partner.

**3.2.18 Item 30: Status of the enterprise over the last 3 years:** The objective of this item is to record the owner's impression about the growth or decline of the enterprise in the recent period. 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 the enterprise has operated for less than 3 years, the code will be 9.

**3.2.19 Item 31: Number of months operated (in whole numbers) during the last 365 days:** Number of months the enterprise operated during the last 365 days will be recorded against this item in whole number. Entry against this item will lie between 1 and 12. An operating month does not mean a month in which the enterprise has operated with full intensity. Suppose, in a particular month the enterprise 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 year 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.

### **Block 3 & 3.1: Principal and other operating expenses**

3.3.0.1 Blocks 3 and 3.1 are the two blocks where operating expenses of the enterprises will be collected. The reference period for the blocks is same as mentioned in para 3.0.2. All expenditure in these blocks is to be recorded on payable basis. If some expenses are made on 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.

3.3.0.2 In order to capture the expenses, two blocks, blocks 3 and 3.1 have been formed. The principal expenses will be covered in block 3 and all other expenses not included in block 3 will be covered under block 3.1. 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 3.1. It must be ensured that there is no duplication or omission.

3.3.0.3 This schedule covers manufacturing activity. But, manufacturing can also be mixed with any other non-agricultural activity. So, block 3 has been divided into 2 sub-blocks so that entries can be made for respective activities in case of mixed activity or if the enterprise sells any material (incidental to manufacturing) in the same condition as purchased. The first sub-block records the principal expenses for manufacturing only. In case an enterprise sells any material in the same condition as purchased, the purchase value of such transaction is to be recorded in item 311 or 312. In case of mixed activity, any other principal operating expense relating to activities other than the major activity should be reported in items 311 – 312. (The items of blocks 3 to 5 have been given 3-digit item numbers to facilitate data processing. The total item always ends with 9.) Both values and quantities to be collected in the block will be in whole number only. For each sub-block, relevant NIC-98 codes have been provided so that information pertaining to the respective NIC (s) only is recorded in the sub-blocks.

#### **3.3.1 First sub-block: manufacturing activity**

3.3.1.1 **Items 301 to 306:** This sub-block will record the materials consumed in the manufacturing process. Information in respect of five major raw materials (excluding intermediate products) used in the manufacturing process is to be recorded in items 301 – 305 for the reference month. Item 306 will record combined value of the remaining raw materials consumed during the reference month. **It may be noted that in items 301 – 306, the quantity of raw materials consumed during the reference month is to be recorded and it should not be the quantity purchased during the reference month.** For item 301 – 305,

names of the raw materials consumed are to be given in column 2. In column 3, codes are to be given for each of the raw materials mentioned in column 2 using Annual Survey of Industries Commodity Classification (ASICC) codes. In column 4 code for unit of quantity for respective commodities is to be given. In columns 5 and 6 the quantity consumed in the manufacturing process and corresponding value is to be recorded for the reference month. Since the objective is to record the actual value of various inputs, the amounts of the various input items actually consumed 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. Since the activities and sizes of the enterprises are heterogeneous, quantity consumed may be small or large. To capture the heterogeneity, codes have been provided to record the unit in column 4 in which the quantity figures are recorded. The unit of quantity codes for column (4) are:

no. ....	01	pair.....	08
kg.....	02	gram.....	09
tonne.....	03	carat.....	10
metre.....	04	Kwh.....	11
sq. metre.....	05	no. in '00'....	12
cu. metre.....	06	no. in '000'...	13
litre.....	07	others	19

It may be noted that the units specified in ASICC code book may be very large with respect to the scale of operation of the enterprises covered in this survey. In order to record the quantity consumed properly, suitable code from the above mentioned codes may be used. Further, the quantities may be recorded in whole number only.

**3.3.1.2 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.

### 3.3.2 Second sub-block: trading and other activities

For manufacturing enterprises having mixed activities and for enterprises engaged in sale of any material (incidental to manufacturing) in the same condition as purchased, items 311 and 312 have been provided for recording the information in respect of trading and other non-agricultural activities. 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 unorganised sector. The major commodity of the trading enterprise will be recorded against item 311. The combined value of purchase of the remaining items will be reported against item 312. 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. Purchase value of goods sold in the same condition as purchased (without transformation) is to be reported against item 311, if that is the major

item. Otherwise, it will come with other items traded in 312. 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. If manufacturing activity is mixed with trading only then information can be given in items 311 and 312 as detailed above. However, if there are some other mixed activities, then information for trading may be given in item 311 and other activities in 312.

### **Block 3.1: Other operating expenses: all activities**

3.3.3.1 Block 3.1 will record the other operating expenses not covered in block 3. If some of the items have already been covered under specific activities in block 3, they should not be reported again in block 3.1. It may be noted that the item number after 328 is 331, i.e., continuity is broken. This has been done in order to keep the digit 9 at unit place for all sub-total or total items.

3.3.3.2 This block has 16 items. These will cover electricity charges, fuels, lubricants, 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.

3.3.3.3 **Items 321 and 322: electricity charges and fuel & lubricant:** If the total amount of electricity consumed during the reference month is not paid, the amount payable pertaining to the month will be ascertained and recorded here. If the exact amount of the bill is not known for reference month, the value will be estimated based on the electric bills paid during the recent past. The value of coal/coke, other fuels (POL for fuel etc.), 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.

3.3.3.4 **Item 323: 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 included 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. It may be noted that labour charges paid for own construction will be covered against this item and not against item 332.

3.3.3.5 **Items 324 to 328: minor repair and maintenance:** These items will show the expenses made for minor repair and maintenance of building, furniture and fixtures, machinery, transport equipment and other fixed assets. Item 324 will include the repair and maintenance expenses for the building in which the enterprise is accommodated. Repair of building means patchwork like plastering, painting etc. Expenses for repair and maintenance of furniture and fixtures will be recorded in item 325. Expenses for repair and maintenance of machinery and transport equipment will come under items 326 and 327 respectively. Similar expenses for tools and appliances and other equipment used for the enterprise will be covered

under item 328. Both the value of materials used in repair and maintenance and the amounts paid to others for carrying out minor repair and maintenance of fixed assets including cost of materials supplied will be included against the relevant item out of these items. However, replacement of some major parts of fixed assets, which require considerable expenditure, will not be included here.

**3.3.3.6 Item 331: rent payable on machinery and equipment (other than land and building):** Rent on 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 unorganised enterprises. But there may be cases where assets are neither owned nor hired (i.e. encroached). Assets may also be of freehold type. In such cases, rent may be shown as 'zero' and no imputation need be done.

**3.3.3.7 Item 332: service charges for work done by other concerns (contract, sub-contract, legal, audit, advertising and other accounting services, warehousing expenses, commission expenses, etc.):** This is the item where charges payable for work done by other concerns is to be reported. It includes commissions payable to agents and payment towards contract and sub-contract services availed by the enterprise. If any payments are made or due to be made to other concerns for work done on materials supplied to them by the reporting enterprise, the amount so paid or payable should be reported against this item. If charges are paid to home workers or sister concerns, those will also be recorded here. This will cover warehousing charges, advertising charges, expenses towards legal, audit and accounting services. Intention is that the services are to be purchased from another establishment, which is also adding some value to the economy.

**3.3.3.8 Item 333: 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.

**3.3.3.9 Item 334: 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. The item is self-explanatory.

**3.3.3.10 Item 335: 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 the materials consumed for the construction of fixed assets. Adhesive solution, rubber pieces, pins etc. used in the bicycle repairing enterprise 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/ services sold. If the cost of packing forms part of the prime cost, i.e., the articles cannot be sold without a package or a container e.g., medicines, perfumes, etc., 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.

**3.3.3.11 Item 336: 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.

**3.3.3.12 Item 337: license fees, cess charged by local bodies, other local rates (excise duties and other indirect taxes are not to be included):** This will include license fees, municipal taxes on land and building and any other cess or taxes for the reference month. 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 and 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.

**3.3.3.13 Item 338: other expenses:** Any other expenses of the enterprise, which are not covered under any of the items 321 to 337, will be reported against this item. Regular puja expenses, expenses towards customer entertainment, purchase of daily newspaper, etc. are a few expenses of this type.

#### **Block 4: Principal receipts**

3.4.0 Block 4 will record the principal receipts in two sub-blocks corresponding to which the principal expenses have already been collected in block 3. The items are divided into 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. Precaution has to be taken that whenever an item has already been covered in block 4, receipts are not duplicated against any item in block 4.1. The emphasis in data collection will be on the amount receivable during the reference month.

##### **3.4.1 First sub-block: Manufacturing activity**

The purpose of this block is to record the quantities and values of finished products and by-products produced in the enterprise during the reference month. Change in stock of only semi-finished goods will be considered. Procedure of valuation of output has been given in para 3.4.1.2.

**3.4.1.1 Items 401 to 406: products and by-products manufactured:** Names of five major products/by-products, ASICC code, unit of quantity, quantity and value of their output will be recorded in columns 2 to 6 against each of the items 401 to 405. If the number of products and by-products exceeds five, the values of remaining products will be added together and the total will be shown against item 406. The intermediate products - intermediate products are used in the production of final products of the manufacturing unit and 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. For each commodity, the appropriate commodity code is to be taken from ASICC and recorded against items 401 to 405 together with the unit of quantity and quantity produced. The units of quantity are the same as for items 301 to 305 as described in para 3.3.1.1 of this chapter. The quantities may be recorded in whole number.

**3.4.1.2 Valuation:** The value 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. All semi finished goods should be evaluated at cost price including labour cost. Value of manufactured products lost by theft/ damage/destroyed by fire etc. during the reference period will also be included. The gross sale value of the products and by-products as charged from the customers will be reported here. It includes excise duty payable or sales tax realised by the enterprise on behalf of the Government as also all the distributive expenses such as, discount or rebate, allowances for returnable cases and other packing or any other drawback allowed to customers, charges for carriage outward (i.e., outward transportation), commission to selling agents, etc. The gross sale value of the product manufactured during the reference month may be calculated using the average sale price of the products sold. In case gross sale value is not available or could not be obtained, net sale value may be recorded. **Care may be taken that the distributive expenses included in column 6, block 4 are consistent with those recorded in item 502 of block 5.**

**3.4.1.3 Items 411 to 413: opening, closing and change in stock of semi-finished goods:** 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 412 – item 411) 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 413 with appropriate sign ('+' for increase and '-' for decrease).

**3.4.1.4 Item 419: total:** Total of items 409 and 413 will give the total principal receipts from the manufacturing unit.

### **3.4.2 Second sub-block: Trading and other activities**

**3.4.2.1 Items 421 to 424: trading: commodities sold, opening, closing and change in stock:** Total sale value of all the commodities sold will be collected and reported in item 421. This will include the sale value of all goods incidental to manufacturing which were sold in the reference month in the same condition as they were purchased. This will also include the sale value of goods bought exclusively for re-sale. In any trading, generally some goods are left in stock at any point of time. Items 422 and 423 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 for the beginning and for the end of the reference month. The difference (item 423 - item 422) will be noted with proper sign against item 424, which will refer to the change in stock of trading goods.

**3.4.2.2 Item 429: Total:** This item is the total of items 421 and 424 and represents the total principal receipts from trading.

**3.4.2.3 Item 431: receipts from other activities:** If the manufacturing unit is engaged in any other activity, receipts from that activity will also be recorded in item 431.

**3.4.2.4 Valuation:** The valuation of trading goods sold 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.

3.4.2.5 **Item 439:** This item is the total of items 429 and 431.

#### **Block 4.1: Other receipts: all activities**

3.4.3 If some of the items have already been covered under specific activities in block 4, they should not be reported again in block 4.1. There are six items in the block. Item 449 gives the total. Item-wise description is given below.

3.4.3.1 **Item 441: 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 are generally 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 will be recorded here. If materials are purchased for the customer, who will be reimbursed subsequently, price of the materials will be ignored, only the service charges are to be recorded. Service charges received in kind are to be imputed. If charges received for work done are already taken care of in block 4, duplication should be avoided.

3.4.3.2 **Item 442: market value of own construction of building, furniture and fixtures:** This is the receipt item corresponding to the item 323 in block 3.1.

3.4.3.3 **Item 443: value of consumption of goods / services produced or traded for own use of the owner or employees (at owner's cost):** Value of goods and/or services produced by the enterprises for sale but ultimately consumed by the entrepreneur or by the employees of the enterprise will be noted here. Any part of the finished products that were supplied to sister concerns will also be included. Grocery items consumed in household, manufactured cloth worn by the owner, restaurants providing food to the cooks are some of the items of this kind. The goods/ services provided should be evaluated at owner's cost. However, if goods obtained free of cost are consumed, no imputation is required.

3.4.3.4 **Item 444: rent receivable on plant & machinery and other fixed assets:** If a manufacturing unit hires out its assets, the receipts therefrom may be recorded against this item, since value added by this marginal activity will otherwise be missed. For enterprises basically engaged in renting out of machinery and equipment, this is the main item. In such cases, the rent obtained is their service charges. Such earnings of enterprises may be recorded against this item and not against item 446.

3.4.3.5 **Item 445: funding / donations received (including recurring govt. grants):** Lump sum donation/ grant / subsidy received may be apportioned for the month and recorded.

3.4.3.6 **Item 446: other receipts:** This will include any other receipt incidental to entrepreneurial activity. Receipts from a few services like unorganised agency, consultancy etc. will be recorded here. Incentives received by the enterprise may be recorded here. Receipts from sale of used cartons or used wrappers may also be added. The net receipts against sale of tickets for annual function conducted by some institutions may be shown here.

Other receipts will exclude interest and dividend, since these are not accrued due to entrepreneurial activity.

3.4.3.7 **Item 449: total:** This is total of items 441 to 446.

### **Block 5: Calculation of gross value added**

3.5.0 This block has only three items. The items 501 and 503 are transfer entries from blocks 3, 3.1, 4 and 4.1 and are mostly self-explanatory. Item 502 will be used to record the distributive expenses of the enterprise as mentioned in para 3.4.1.2 above. Care may be taken that the distributive expenses recorded in item 502 are consistent with those included in column (6), block 4. The value-added figure is obtained against item 509 with proper sign. In case of negative entry, further queries may be made and appropriate comments may be added in block 13/14.

### **Block 6: Employment particulars of the enterprise during the reference month**

3.6.0.1 **Worker:** A worker is defined as one who participates either full time or part time in the activity of the enterprise. 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.

3.6.0.2 Particulars in this block will relate to all workers - paid or unpaid. The average number of persons usually working on a working day during the reference month (for reference month see para 3.0.2) shall be recorded in this block. All categories of workers such as supervisory and managerial staff, clerks, typists, sweepers etc. will be recorded separately for male and female. This includes working proprietors and apprentices (paid or unpaid), unpaid helpers and part-time workers as long as they are engaged on a fairly regular basis. A worker need not mean that the same person will be working continuously; it will only refer to a position. As mentioned above, the average number of workers engaged on a working day during the reference month shall be recorded separately for different categories of workers. Item-wise details are discussed below.

3.6.1 **Item 1: Working owner:** In the case of proprietary or partnership enterprises, if the owner(s) personally work(s) 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 the help of anyone (on a 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.

3.6.2 **Item 2: Hired worker:** A hired worker is a person employed directly or through any agency on payment of regular wage/ salary in cash or kind. Apprentices, paid or unpaid, are to be treated as hired workers. Paid household workers, servants and resident workers of the enterprise are also to be considered as hired workers for the purpose of making entry against this item. It may be noted here that the information regarding working owner/ partner(s) shall be recorded against item 1 only and not against item 2, even if they take regular payment from the enterprise.

**3.6.3 Item 3: Other worker/ helper:** Information regarding the workers not covered in items 1 and 2 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.

**3.6.4 Item 4: Total:** Total of different types of workers as recorded against the items 1, 2 & 3 of this block will be entered against item 4.

**3.6.5 Columns 3 to 6: Average number of workers - full time and part time:** The number of persons, separately for male and female, engaged in the enterprise during the reference month for each of those categories of workers will be recorded in columns (3) and (4) for full time and in columns (5) and (6) for part time workers, respectively. It may be noted that female workers, if any, may be recorded first. 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. Full time workers are those who work for more than half of the period of normal working hours of the enterprise on a fairly regular basis. In calculating the number of workers under full time and part time categories, persons falling under each of the categories shall be considered separately. Two part-time workers in an enterprise will be counted as 2 and not 1. Average number of workers is to be given always in whole numbers. For example, suppose in an enterprise 4 persons have worked for 20 days and 6 persons have worked for 6 days. 26 days is the total number of working days of that enterprise in the reference month. Then, the average number of workers for that enterprise will be  $(4 * 20 + 6 * 6) / 26 = 4.46$  or rounded to 4.

**3.6.6 Column 7: Total:** Totals of the entries made in columns 3 to 6 shall be recorded in this column.

### **Block 7: Compensation to workers during the reference month**

**3.7.0** This block is applicable for enterprises where salary/ wages, bonus etc. in cash or kind or both is payable to the individual workers / working owner (s) during the reference month. 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.

**3.7.1 Item 1: Salary/wages, allowances and other individual benefits (cash & kind):** Salaries/ wages payable to the working owner (s), individual workers for the reference month will be recorded in this item. This will include, besides the stipulated pay, all other allowances like dearness, house-rent, over-time, shift allowance 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. This item also includes payments like bonus, retirement benefits, ex-gratia payment, employer's contribution to ESIC fund, provident fund, etc. Payments of the latter 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. 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.

**3.7.2 Item 2: Imputed value of group benefits for the month (including employer's contribution towards canteen, sports, insurance, etc.):** 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.

If monthly figures are not available, then apportioned value of these group benefits may be recorded by dividing the yearly figure by number of months operated.

**3.7.3 Item 3: Total emoluments (items 1 and 2):** Total of items 1 & 2 which gives total emoluments payable to the workers for the reference month shall be recorded here.

### **Block 8: Fixed assets owned and hired**

3.8.0.0 This block is meant for recording value of fixed assets owned and hired by the enterprise. Three reference periods have been used in this block. While the value of assets will be collected as on the date of survey, net addition to the fixed assets will be recorded for the last 365 days. The value of rent payable on hired assets should be recorded for the reference month.

**3.8.0.1 Fixed assets:** Fixed assets are assets held for the purpose of producing or providing goods or services and they are not held for resale in the normal course of entrepreneurial activities. These cover all goods, new or used that have a normal economic life of more than one year from the date of purchase.

3.8.0.2 Fixed assets for our purpose include assets used for production, transportation, living or other facilities (recreation etc.). Full value of assets taken on hire purchase/ instalment (whether fully paid or not) excluding interest should be considered. Intangible assets like goodwill etc. are excluded. The assets under construction, i.e. construction of building etc., installation of plant and machinery, preparation of chassis of truck, etc. (transport equipment) may be reported under the relevant items. Advance payment for fixed assets not yet received should not be considered. The information to be recorded here is by physical approach. Fixed assets owned but rented out are not to be accounted for. Additions to fixed assets (as distinct from repair work) during the reference year are to be included. Information for land and building need not be given separately. For the enterprise, which has not yet started providing service and is engaged in the process of installation, fixed assets will be duly considered.

**3.8.1 Item 1: 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. For encroached land, market value will be recorded in column (4) and entry will be '0' in column (6) with supporting remarks in block 13 / 14. 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, wall, water tank, sewerage, tube-well, etc.

**3.8.2 Item 2: 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, if the machinery was purchased during the year on hire-purchase basis. Advance payments made for the purchase of machinery (not in possession on the date of survey) will not be recorded as the approach for recording information here is by physical approach..

**3.8.3 Item 3: 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 4. 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.

**3.8.4 Item 4: 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 1 to 3 above), which are used for the entrepreneurial activity either directly or indirectly. These will include furniture, fixtures, laboratory equipment, office equipment etc. Livestock used in oil *ghani* will also be included under this item. If the same animal is used part of the time in oil *ghani* and part of the time for transporting materials, it will be classified under item 4 or item 3 depending upon major time spent.

**3.8.5 Item 5: Total:** This is total of items 1 to 4.

**3.8.6 Columns (3) & (4): Market value of assets as on the date of survey:** Market value of the fixed assets as on the date of survey separately for owned and hired assets shall be recorded in columns (3) & (4) respectively. Market value means the value that the equipment will fetch in the open market in present condition.

**3.8.7 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 additions made during last 365 days. Addition and depletion of the fixed assets are discussed below.

**3.8.7.1** 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 3.1 against appropriate items from 324 to 328). Homegrown materials, if any, used in own-construction are to be evaluated at ex-farm price. If any materials already lying with the household for a long time are used for own construction, their values should also be determined at cost price (cost to the household).

3.8.7.2 Depletion of assets is obtained by considering the assets sold and discarded during last 365 days. 'Sale' that is only agreed upon but not affected during the last 365 days will not be included even if money has been taken in advance. But, the value of assets sold will be included though payment is yet to be received. The value of assets disposed of 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.

3.8.8 **Column (6): Monthly rent payable on hired assets (Rs):** It has already been mentioned in para 3.8.6 that the present market value of hired assets used by the enterprise on the date of survey will be recorded in column (4). The rent payable for the reference month on the assets hired 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 13 / 14. 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.

**Block 9: Loan outstanding as on the date of survey (only loans taken for enterprise to be considered)**

3.9.0.1 Any borrowing in cash or kind to be repaid in cash or kind is termed as loan. When a loan is granted by a banker/ financier to an enterprise, the whole amount is placed at the disposal of the enterprise and interest at an agreed rate is charged thereon from the date of disbursement of the loan. Information on amount of loan taken including interest that is outstanding on the date of survey by different sources of loan will be recorded in block 9. It may be noted that loans taken for the purpose of utilising the same in the entrepreneurial activities of an enterprise will be included even if such loans are used for other purposes. On the other hand, loans taken for other purposes but ultimately used in the enterprise will be excluded. While loans are generally given in cash from agencies listed in item 1, it can be either cash or kind or both from other agencies. In case of hire purchase also, loan outstanding on the date of survey, including interest will be considered in block 9 against the

corresponding serial number. All entries in this block will be made in whole number of rupees.

3.9.0.2 Amounts due to merchants/ shopkeepers, unpaid bills of lawyers/firms, outstanding taxes /revenue/ rent payable to Government or public bodies etc., will not be treated as loan for making entries in this block. The information regarding loans taken from different type of credit agencies are mentioned below.

**3.9.1 Item 1: central and state level term lending institutions, government (central, state, local bodies), banks & societies (public sector, commercial, co-operative):** 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
- vii) Different Ministries/Departments of Government or the local bodies (i. e., panchayat, municipality, etc.)
- Viii) All scheduled and unscheduled 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.
- ix) Cooperative institutions like primary cooperative credit societies, district and central cooperative banks, primary or central land mortgage banks, andloom weavers' cooperative societies and other industrial or other types of cooperative societies etc.

**3.9.2 Item 2: 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 item 1 above will be recorded against this item.

**3.9.3 Item 3: 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.

**3.9.4 Item 4: 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 moneylender then also entry shall be made against this item.

**3.9.5 Item 5: Suppliers/ contractors:** Sometimes an enterprise is provided with loans by the supplier of basic inputs / raw materials and equipment to the enterprise. In the case of an enterprise working on contract basis, it may so happen that the contractor himself gives that loan. All such loans shall be recorded against this item.

**3.9.6 Item 6: Friends and relatives:** Any non-institutional loan which is interest-free, will be included in this item.

3.9.7 **Item 7: Others:** Loans taken from any other agency not covered above will be covered under this item.

3.9.8 **Item 8: Total:** Total of items 1 to 7 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.

3.9.9 **Column (3): Amount (Rs):** Amount of outstanding loan, as mentioned in para 3.9.0.1, taken by the enterprise shall be recorded in this column against the appropriate source(s) of loan against the items 1 to 7 in this block..

3.9.10 **Column (4): Interest payable during the reference month (Rs):** 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.

### **Block 10: Factor incomes of the enterprise**

3.10.0 The total income generated by any enterprise is distributed among 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 (net surplus) is retained by the entrepreneur. In this block factor incomes of the enterprise will be recorded in whole number of rupees.

3.10.1 **Item 1: 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 item 3, column 3 of block 7.

3.10.2 **Item 2: Rent payable:** Rent payable for the reference month on land and building hired by the enterprise is available in item 1, column 6 of block 8 and will be copied here.

3.10.3 **Item 3: Interest payable:** Total interest due to be paid for the reference month for the loans taken by the enterprise which is available in item 8, column 4 of block 9 is to be copied here.

3.10.4 **Item 4: Net surplus (including home consumption of raw materials / goods / services produced or traded by the enterprise):** Net surplus or earning from the enterprise for the reference month is to be 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 (individually or as group benefits), rent on land and building and interest on outstanding loan for the reference month. **The net surplus or earning is to be taken as reported by the respondent and should not be a derived entry from any other block / item.**

3.10.4.1 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 produced or traded / 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. 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 4. Payments made to family workers shall be recorded in item 1 of block 7.

**3.10.5 Item 5: Total:** Total of items 1 to 4 which gives total of factor incomes of the enterprise during the reference month will be shown here. In case the discrepancy between this entry and the entry against item 509 of block 5 is large, the investigator may gently probe the matter and record the reason of disagreement in block 13.

### **Block 11: Investigator's perception**

3.11.0 The investigator will canvass the schedule at the enterprise. He, therefore, will get a firsthand view of the operation of the enterprise and the type of response given by the informant. Based on this, he can form his own perception on the net surplus figure given by the respondent. This perception is being captured in this block.

**3.11.1 Item 1: Does investigator feel that there is any underreporting of net surplus (block 10, item 4)? (yes– 1, no – 2):** If the investigator feels that in spite of his best efforts to convince the informant about this survey, the respondent is underreporting the net surplus, either deliberately or because of ignorance, forgetfulness, etc., he should give code 1 in this item. Otherwise, the code will be 2.

**3.11.2 Items 2.1 & 2.2: Lower value & Higher value:** If code in block 11 item 1 is 1, then the investigator should give a range within which, he perceives, the net surplus of the selected enterprise lies. This range may or may not include the net surplus given by the respondent in item 4 of block 10. The lower limit of this perceived value is to be reported in rupees in item 2.1, i.e., “lower value” and the upper limit of this value is to be reported in rupees in item 2.2, i.e., the “upper value”. Investigator should feel free and should not have any hesitation even if the extent of underreporting is very high.

### **Block 12: Particulars of field operation**

3.12.0 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 2 of this block. Dates of survey/inspection, etc. should be made as DD / MM / YY since these will be required in data processing.

### **Blocks 13 & 14: Remarks by investigator and comments by supervisor(s)**

3.13.0 Blocks 13 and 14 are meant for noting down investigator's remarks / supervisor's comments / suggestions regarding the entries made in Schedule 2.2. Their observations will be very important in understanding the field situation and accordingly improve the system of data collection and processing in future.