

## Chapter Three

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

**1. Introduction:** In this chapter detailed instructions for filling up schedule 2.34 are given. The enterprise survey of the 73<sup>rd</sup> round principally covers all unincorporated enterprises in the non-agricultural sector of the economy, excluding those engaged in construction and gas & water supply. **NIC 2008** codes will be used to classify the enterprises in this round. Some general 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 wherever necessary. The enterprises to be covered in NSS 73<sup>rd</sup> round have been divided into three broad industry groups, viz. (i) manufacturing, (ii) trade and (iii) other services sector. 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 those employ at least one hired worker on a *fairly regular basis*<sup>1</sup> 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 1.1.1).

## 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.

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<sup>1</sup> “fairly regular basis” means the major part of the period when operation(s) of an enterprise are carried out during a reference period

**2.2 Multiple Activities:** 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 multiple activity is with respect to the entrepreneur whereas mixed activity 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 in his own coaching centre, 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’. If the information for the entire year is available from the book of accounts, the same may be divided by ‘*the number of months worked*’ to arrive at the monthly figures.

**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 goods 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, octroi, 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, charges for permits, 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.

**2.7 Manufacturing Services:** This covers the services provided by an enterprise in transforming the physical inputs / material inputs owned by other enterprises or other households. A Manufacturing Service Provider (MSP) provides manufacturing services that utilizes inputs such as capital, labour and energy to transform the material inputs owned by other enterprises or households. There are two categories of manufacturing service providers (i) those who provide manufacturing services **under contract** to other enterprises using input materials supplied by them according to the contract specifications. (The product manufactured in this case will be used by the contracting enterprise as their intermediate goods or for sale) and (ii) those who provide manufacturing services to households for final consumption. The MSPs in the second case are **not treated as working under contract** for the purpose of the survey. Enterprises engaged in custom tailoring are examples for this case. The characteristics of the enterprises engaged in manufacturing services are as under:

- It does not own or control the intellectual property or design of the final product manufactured
- Does not own (major) input materials;
- Owns production facilities;
- Performs transformation activities;
- Does not own the manufactured products contracted to produce; and
- Does not sell the final product.

2.7.1 In respect of the *manufacturing service* activity, an enterprise cannot report the market value of the final product. However, can provide information on the value of the contract work, the types of transformation activities it performed, as well as the value of the labour and the plant and equipment utilized in the transformation activities.

2.7.2 For an enterprise engaged in only manufacturing service activities, all the operating

expenses incurred on producing the service will be treated as expenses incurred for manufacturing services (item 307 of block 3). Such enterprises will not have any output. Instead the service/commission charges they receive in return of the manufacturing services will be reported as 'receipts from manufacturing services' (item 567 of block 5).

**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 73<sup>rd</sup> round enterprise survey will be covering diverse domain of non-agricultural activities. The detailed enquiry schedule is structured accordingly. Schedule 2.34 contains the following blocks:

Block 0 :	descriptive identification of sample enterprise
Block 1 :	identification of sample enterprise
Block 2 :	particulars of operation and background information
Block 2.1 :	activities pursued by the enterprise
Block 3 :	principal operating expenses
Block 4 :	other operating expenses
Block 5 :	principal receipts
Block 6 :	other receipts
Block 7 :	calculation of gross value added
Block 8 :	employment particulars of the enterprise
Block 9 :	compensation to workers
Block 10 :	land and fixed assets owned and hired by the enterprise
Block 10.1 :	original value of plant and machinery/ equipment
Block 11:	loan outstanding
Block 11.1 :	amount of loan advanced by financial enterprises
Block 12 :	factor incomes of the enterprise
Block 13 :	inventories during the reference year
Block 14 :	particulars of use of information and communication technology (ICT)
Block 15 :	particulars of field operations
Block 16 :	remarks by Field Investigator (FI) / Junior Statistical Officer (JSO)
Block 17 :	comments by supervisory officer(s)

**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 13 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.

**4.1.1 Product codes in respect of inputs/ outputs in the form of goods:** In the blocks where principal expenditure and receipts are recorded (blocks 3 & 5) provisions have been kept to record three-digit product codes in respect of the inputs consumed / output produced by the enterprise in the form of goods. In this structured three digit classification each product is coded based on the Industry Group of its origin. It also has a clear correspondence between the product codes used for Supply and Use Table (SUT) by National Accounts Division (NAD) of Central Statistics Office (CSO). The first digit of the proposed three digit classification indicates the broad industry group from which the product emerges. The specific product group can be identified at the two digit level and the actual product is seen at the ultimate 3-digit level. The code list is provided at **Appendix- I**

**4.2** Block 7 is kept for calculation of gross value added. **This block need not be filled up for enterprises engaged in non-market production such as NPISHs.** The employment particulars of the enterprises will be recorded in block 8 and information on emoluments will be reported in Block 9. Block 10 is meant to collect information on land and fixed assets and the original value of plant & machinery / equipments will be reported in Block 10.1. Information on the outstanding loans of the enterprise will be reported in Block 11 and Block 11.1 will record information on loans advanced by the enterprise engaged in financial activities. The factor incomes of the enterprise will be recorded in block 12 for enterprises engaged in non-financial activities. 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 of enterprises for which both block 7 and block 12 are worked out. Block 13 has been introduced to collect data on inventories from enterprises which provide information from the book of accounts. Block 14 is for collecting data on use of information and communication technology (ICT) by the enterprises having 10 or more workers.

**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 10 items in the block. For urban sample, village name and serial number of hamlet will remain blank. Similarly, for a rural sample, ward/ investigator 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 Block 1 of 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 hamlet group/sub-block selected purposively (i.e. 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 7 (for segment 9) or col. 3 of block 5b (for segments 1 & 2) of the listing schedule.

**4.44 Item 15: sample enterprise number:** Sample enterprise number will be copied from cols 4 to 19 of block 5b (for segments 1 & 2) or col. 10 of block 7 of the listing schedule 0.0 (for segment 9).

**4.45 Item 16: Response code:** This item will be filled in at the end of canvassing of schedule as per the assessment of the Investigator about the quality of response he/she 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, 15, 16 and 17 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 entry in item 18 is either 2 or 3.

## **4.5 Block 2: Particulars of operation and background information:**

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

**4.5.1 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.

**4.5.2 Item 202: Major activity code (5-digit as per NIC 2008):** NIC codes of the Major activity of the enterprise during the reference month 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. *While determining the NIC code, the corrigendum on NIC 2008 also may be considered.* 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. Special codes have been assigned to some specific financial activities which are being covered in the survey as under:

Activity Description	NIC Code	Activity Description	NIC Code
Chit fund	64193	Self-help Group (engaged in financial intermediation)	64309
Investment club	64921	Activities of private money lenders	64929

**4.5.3 Item 203: Principal minor activity during the reference month code (5-digit as per NIC 2008):** This is applicable for enterprises pursuing mixed activity (code 1 against item 201). If the enterprise pursues two activities, major activity will be recorded in item 202 and minor activity as per the NIC- 2008 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. The same procedure which was followed to determine the major activity will be adopted for determining the principal minor activity of the enterprise. Care should be taken that first two digits of item 203 are different from that of item 202.

**4.5.4 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. If the owner is transgender code will be 3. **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 4 and in the latter case, code will be 5. 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 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 and for transgender head code will be 3. Code 6 will be recorded for self-help group and code 7 for trust. All other types of enterprises under survey coverage will get code 9.

**4.5.5 Item 205: Whether 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.

**4.5.5.1** 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.

**4.5.5.2** Most market NPI's serving businesses is 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.

**4.5.5.3** If the enterprise under survey is an NPI and its major source of income coming from donations/ grants code 1 will be given for this item. For an NPI whose major income coming

from other than donations/ grants will get code 2 and if the enterprise is not an NPI record code 3.

**4.5.6 Item 206: Whether 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. Their major income will be coming from grants and donations. **NPISHs provide non-market goods and services to households financed mainly by transfers from non-governmental sources - households, corporations or non-residents.**

**4.5.6.1** 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 (such as grants/ donation) to cover their costs of production or other activities.**

**4.5.6.2** This item will be applicable only if code 1 is reported against item 205. In such cases, code 1 or 2 may be recorded against this item depending upon whether the enterprise is an NPISH or not.

**4.5.7 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

**4.5.7.1** ‘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.

**4.5.8 Item 208: Whether the enterprise maintain any bank account/ post office savings bank account?:** To facilitate financial transactions and to access financial services at affordable cost, an enterprise may have one or more accounts registered with financial institutions. The account can be in the name of the enterprise or in the name of the proprietor/ major partner. Code 1 will be reported against this item if the enterprise is having a bank account in its owner’s name. If the bank account is in the name of the enterprise, code 2 will be reported. Code 3 will be given if the enterprise has account both in the name of the enterprise and owner. If the enterprise has no bank account code 4 will be given. In case of bank accounts, both savings account and current account can be considered for this item. Post office account means post office savings accounts only.

**4.5.9 Item 209: 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 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.

In case of partnership enterprises, only the activities of the *major partner* (as defined in para. 4.5.7.1) will be considered. If the entrepreneur was not performing any other economic activities '0' may be entered against this item. In case information is collected from person other than the entrepreneur and no information on this item could be collected even after best efforts, '0' may be reported against this item.

**4.5.10 Item 210: Location of the enterprise:** Six codes have been provided for this item. The codes and corresponding explanations are:

<b>within household premises</b>		1
<b>outside household premises-</b>		
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 with temporary structure/ kiosk/ stall	Temporary structures can be removed from its present location with some effort. Some examples are stalls, kiosks, etc.	3
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

**4.5.11 Item 211: Enterprise type during the last 365 days:** The type of enterprise on the basis of total number of hired workers in the enterprise usually employed on fairly regular basis (i.e. for most of the days during the period of operation) will be recorded here. Apprentices, paid or unpaid and paid household member/ servant/ resident worker working in the enterprise will be treated as hired workers. If activities of the enterprise usually performed without any hired worker during most of the days during the period of its operation, it will be considered as an OAE and the code will be '1'. If the enterprise is assisted by one or more hired workers on a fairly regular basis (irrespective of whether it functioned without any hired worker during the reference month or not), it will be considered as establishment and the code will be '2'.

If an enterprise selected for the survey as an OAE (at listing stage) is found to be an Establishment at the detailed enquiry stage, no change/ adjustment needs to be done in any of the schedules.

**4.5.12 Item 212: Year of initial operation under the current owner:** The year from which the enterprise commenced its operation with reference to the present/ major activity of the enterprise with the current owner in the present location may be recorded here. In case of temporary shift of location due to repair and maintenance of the usual/ original location, year of initial operation from the usual/ original location may be considered. Each of the four boxes will contain one digit and no box will remain empty. In case of break in operation, only the present spell will be considered.

**4.5.13 Item 213: 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		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

**4.5.14 Item 214: 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. **The entry may be made in whole numbers.**

**4.5.15 Item 215: Number of hours the enterprise normally worked in a day during the reference month:** 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. **The entry may be made in whole numbers.**

**4.5.16 Item 216: 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.

**4.5.17 Item 217: Whether data collected from the books of accounts? (yes -1, no -2):** If the owner makes available the books of accounts of the enterprise and data gathered/collected from this account then code against this item will be 1, otherwise code will be 2.

**4.5.18 Item 218: Did the enterprise use computer (s) during the last 365 days? (yes- 1, no -2):** A computer refers to a desktop, laptop (portable computers such as *notebook*, *netbook*, etc.) or a tablet (or similar hand held computer). It does not include equipment with some embedded computing abilities such as mobile cellular phones, personal digital assistants (PDA) or TV sets and devices with telephony as their primary function such as smart phones. *Tablets* will be considered as computers whereas *fablets* will not be considered as computers for the purpose of this survey. If the enterprise used computer in the reference period for carrying out entrepreneurial activity record code 1, otherwise code 2. **The computers can be either owned or hired.**

**4.5.19 Item 219: Did the enterprise use internet during the last 365 days? (yes- 1, no -2):** 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 code against item 218 is 2, code to this question can still be 1 as the enterprise may access the internet by mobile phone, games machine, digital TV, etc. In case of proprietary and partnership enterprises, the owner/major partner may be using internet for their personal requirements. But only the use of internet for the activities of the enterprise will be considered for reporting of this item.

**4.5.20 Item 220: 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.

**4.5.21 Items 221-222: Nature of problems faced in its operation during the last 365 days:** In case the enterprise reported to have faced any problem in its operation during the last 365 days (i.e. code 1 against item 220), two of the most severe problems faced by the enterprise (according to the severity of the problems) will be reported against item 221 and item 222 in terms of codes. Codes are:

erratic power supply/ power cuts.....	1	non-availability of labour as and when needed.....	6
shortage of raw materials.....	2	non-availability of skilled labour as and when needed.....	7
shrinkage /fall of demand .....	3	labour disputes and related problems .....	8
non-availability / high cost of credit .....	4		
non-recovery of financial dues .....	5	others ( <i>specify</i> )	9

In case code 9 is reported, the problem may be described in the space provided under the item description.

**4.5.22 Item 223: 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.

**4.5.23 Items 224-225: Types of assistance received from the government during the last three years (code):** This item will be canvassed only for those enterprises which have reported to have received some assistance from the government during the last three years (i.e, code 1 against item 223). An enterprise might have received more than one type of assistance. Two most important type of assistances received during the last 3 years are to be reported in codes in descending order of the importance of assistance to the enterprise against items 224 to 225. The codes are:

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

**4.5.23.1** 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 equipment etc.

**4.5.24 Item 226: 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. Code 2 will be recorded in those cases where the enterprise has remained stagnant in the last 3 years. In the other case, if the owner thinks that the enterprise has shrunk, code 3 will be recorded. If an enterprise is running for less than 3 years, then code 9 is to be recorded.

**4.5.25 Item 227: Whether registered under any act/ authority? (yes-1, no-2):** If the enterprise is registered under one or more Acts/ Authority, code will be '1'; otherwise code will be '2'.

**4.5.26 Items 228-233: Types of registration of the enterprise:** Information on types of registration will be recorded in items 228-233. 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.

**4.5.26.1 Items 234-236: Registration in any other industry-specific Act/ Authority:** An enterprise may be registered under more than one industry specific agency or authority. For such cases, provision is kept to record the agencies of registration. At most three codes may be written based upon the registration of the enterprise under survey. A list of such Acts and their corresponding codes are given below:

State directorate of industries .....	01	District Supply and Marketing Society.....	10
Khadi and Village Industries Commission/ Board.....	02	Technical Consultancy Services Organisations/ Council for Technological Upgradation.....	11
Development Commissioner of Handicraft /handloom.....	03	Sale Tax.....	12
Commodity boards (Coir board, Silk Board, Jute Commissioner etc.).....	04	Indian Charitable Act .....	13
Directorate of education /AICTE/NCTE	05	Cinematograph act .....	14
Pollution Control Board.....	06	Money lender's Act . .....	15
Directorate General of Foreign Trade/ other export promotion agencies.....	07	Societies Registration Act, 1860 (including the State variants).....	16
State Financial Corporation/Industrial Cooperative Banks/Industrial Development Banks/ SIDBI.....	08	Indian Trust Act/Public Trust Act (including the State variants).....	17
Food safety and Standard Authority.....	09	Employees Provident Fund Organisation.....	18
		Others.....	99

**4.5.27 Items 237: Does the enterprise undertake any work on contract basis? (yes -1, no -2):** The enterprises in the unincorporated 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 enterprise under survey does any amount of work under contract, code against this item will be 1. Otherwise, code will be 2. This item will be canvassed for all enterprises.

**4.5.27.1 Item 238: Type of contract (code):** Three types of contract are envisaged. The codes are:

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

**4.5.27.2 If the enterprise reported code ‘1’ against item 237 has undertaken any manufacturing work under items 239 to 241 are to be filled in.**

**4.5.27.3 Item 239 & 240: Equipment / raw materials supplied by (code):** The same three codes are applicable for these two items. Code 1 will be given when the raw material/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.

**4.5.27.4 Item 241: Design specified by contractor (yes– 1, no– 2):** In certain cases the master unit/ 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 241 will be 1. Otherwise, code 2 may be recorded.

**4.5.27.5 Item 242: Does the enterprise provide any manufacturing services? (yes-1, no-2):** This item has been introduced to see whether the enterprise is providing any manufacturing services **without having any contract with another unit/ contractor.** Accordingly this item will be canvassed only if code 2 is reported against item 237.

**4.5.28 Item 243: Is the enterprise a franchisee outlet? (yes-1, no-2):** Franchising is a type of license that an operator (franchisee) acquires to allow them to have access to a firm's (the franchisor) proprietary knowledge, processes and trademarks in order to allow the operator to sell a product or provide a service under the firm's brand name. In exchange of obtaining the right to use the franchise, the franchisee usually pays the franchisor initial start-up and annual licensing fees. In this survey the franchisee outlet (if unincorporated) is considered for coverage. If the enterprise under survey is such a franchise code ‘1’ may be reported against this item, otherwise code ‘2’ may be given.

**4.5.29 Item 244: Does the enterprise have toilet facility? (code):** This item records the status of availability and access of toilet facility at work place. For the purpose of this item, toilet includes latrine facility also. If the enterprise has own toilet and it is in usable condition, code ‘1’ will be given. If the toilet owned by the enterprise is not in usable condition, code ‘2’ will be given. If the enterprise/workers has access only to the common toilet in the market place/ building, code ‘3’ will be given. In case no toilet facility is available (either owned or public) code ‘4’ will be given.

**4.5.30 Item 245: Does the enterprise have provision for solid waste management? (code):** The status of availability of arrangement for solid waste management by the enterprise will be reported against this item in terms of codes. The relevant codes are as under:

yes, regularly collected by local/civic authority.....	1	no, throw it on the roadside.....	4
yes, disposes off in the waste treatment centre/authorized dumping ground.....	2	no, leave it at the location of enterprise/activity .....	5
yes, has own waste treatment system.....	3	enterprise does not generate any solid waste.....	6

The option 'enterprise does not generate any solid waste' is a rare option and corresponding code should be entered in the schedule only after exhausting the possibility of other options in this regard.

**4.5.31 Item 246: Does the enterprise have provision for liquid waste management? (code):** The status of availability of arrangement for liquid waste management by the enterprise will be reported against this item by way of codes. The relevant codes are as under

Yes, has own liquid waste treatment system.....	1	No, liquid waste is discharged on the road/ nalla/river.....	3
No, liquid waste is disposed off in the usual waste water discharge.....	2	Enterprise does not generate liquid waste..	4

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

**5.1 Items 251-264:** 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. Thirteen 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. Due diligence should be taken for Item no. 258 which corresponds to the broad activity category 'financial activities' including some special codes for chit fund – 64193, Self-help Group (engaged in financial intermediation) – 64309, investment club – 64921, activities of private money lenders – 64929. 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 expenditures in these blocks are 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 334 of block 3 and not against item 527 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 Structured three-digit product codes:** Block 3 has provision to report 3-digit product codes in respect of inputs consumed by the enterprises in the form of goods. For the purpose of the survey a structured 3-digit product classification has been devised by National Accounts Division (Given at **Appendix I**). Each product is classified based on the industry of its origin. The first digit of the classification defines the broad industry Group. At two digit level specific group is identified and the actual product is then seen at three digit (ultimate digit) level. Probable items are printed and pre-coded under various activities as far as possible. In respect of the specific input reported by the enterprise relevant 3- digit codes may be recorded in the three cells under column 3 of the block. The product codes are **not** collected for inputs in the form of services.

**6.4 Expenditures which are treated as part of operating expenses and not as part of compensation of employees:** 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 provided in kind to 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 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:* 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:

**6.8** The following types of goods and services provided to employees must be treated as part of compensation to 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, non-captive power generation and transmission activities**

**6.9.1 Items 301 to 305:** This sub-block will record the raw materials consumed in the manufacturing process during the reference month. Four **major** raw materials may be recorded in items 301 to 304 in the order of their importance (in value terms). **The 3-digit product codes in respect of the raw materials reported against item 301 to 304 need to be reported in the designated cells under col. 3. If two or more major items have same product code, then they should be combined and recorded as a single item.** The combined value of all the remaining raw materials consumed during the reference month will be

reported against item 305. 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 at ex-farm price. 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 needs 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. In respect of the trading activity of a manufacturing enterprise, if the item wise details of expenditure and receipts are separately available, the same may be reported under the specific sub-block of trading. If no such details are available, the combined purchase value of such goods traded may be reported against item 306. The intention of this item is not to miss out any expenditure incurred (even if minor) by the enterprise. At the same time, care may also be taken to avoid duplication of expenditure.

**6.9.3 Item 307:** Expenses incurred for manufacturing services will be reported here. The definition of Manufacturing Services is given in para.2.7. All the expenses incurred by the enterprise *to provide the manufacturing services* will be reported here. However, the emoluments paid to hired workers engaged by the enterprise (if any) for manufacturing services activities will not be reported here but in block 9.

**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 3-digit product codes in respect of these four major commodities purchased for trading will be reported against each of them under col.3. Different items with the same product code need to be combined and reported as a single item with proper item description and product code.** 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 normally reported by the informant can include transport charge, sale tax and any other incidental charges mixed up with the cost of commodities. **If the transportation charges can be segregated, the same may be excluded from the purchase price and reported against the item on relevant mode of transport in block 4.** Barter trading should not be treated as trading activity. **Selling of own produce is also not covered under trade.**

## 6.11 Third sub-block: Activities of transportation, travel agency and tour operators

**6.11.1 Items 321 to 327:** This sub-block is meant for enterprises engaged in activities of transportation, travel agency, tour operators and other travel related reservation services. Value of fuels such as petrol and diesel and value of lubricants consumed during the reference month will be entered in item 321. Expenses on LPG and CNG will be reported against item 322. **Care should be taken that if item 321 or 322 is reported; the same is not recorded again in item 522.** Expenses incurred on rubber products such as tube, tyres, etc. will be reported against item 323 and expenditure on batteries, accumulator and cell will be reported against 324. If the enterprise consumed any other items as a principal expenditure for its activities during the reference month, two such major items may be reported against item 325 and 326 along with relevant three-digit product codes. Expenditure on all other items consumed may be clubbed together and reported against item 327.

**6.11.3 Items 328 to 333:** Travel agents/ tour operators, for making tour/ travel arrangements for their customers, will have to make expenses towards passenger fare/ goods transportation charge to different transport agencies who actually conduct the tour/ travel/ transportation. These are the main expenses of enterprises engaged in activities of travel agency/ tour operation. In respect of the bookings done during the reference month, the total of passenger fare/ goods fare payable will be reported against these items based on the mode of travel/ transport (viz. Railways/ Land/ Air/ Water). The tour/ travel arrangements are made as a package in some cases, which includes arrangements for travel, lodging, boarding, etc. In such cases only the passenger fare actually payable to the transportation agency will be reported against these items. Expenses made on hotel booking, restaurant charges should not be reported against these items. Instead such expenses may be reported against item 338. **It may please be noted that the travel/ tour for which bookings are made during the reference month need not take place in the reference month itself.**

**6.11.4 Item 334:** When Charges incurred for *minor* repair and maintenance of the transport equipment will be entered in item 334. 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 334. **Care should be taken that if anything is reported against item 334; the same is not recorded again in item 527.**

**6.11.5 Item 335:** The expenditure incurred in respect of insurance charges will be reported against this item.

**6.11.6 Item 336:** Charges paid towards storage and warehousing of goods will be recorded in item 336.

**6.11.7 Item 337:** Parking fee paid for vehicles will be reported against item 337.

**6.11.8 Item 338:** Expenditure incurred on hotel and restaurant service charges (room rent, food, drinks, etc.) will be reported against this item.

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

**6.12.1 Items 341 to 345:** Expenditure incurred on consumable stores used in the warehouses such as jute, cloth, etc. will be recorded in item 341 and expenditure on pesticide, insecticide, weedicide, fungicide etc., will be reported against item 342. In respect of other input items consumed by the enterprise during the reference month, expenditure incurred on two major items may be reported against items 343 and 344 along with relevant three-digit product codes. Expenditure on all remaining input items may be combined together and reported against item 345.

**6.12.2 Item 346:** The warehousing enterprises are generally insured for some risk coverage. The insurance charges payable for the commodities stored will be reported in item 346. In case the insurance charges are paid for the whole year, monthly charges may be derived and reported against item 346.

**6.12.3 Item 347:** Contract, sub-contract, commission charges paid by the enterprise will be reported against this item. **Please ensure that the same expenditure is not duplicated in item 533 in block 4.**

**6.12.4 Item 348:** The service charges paid to other concerns for carrying of goods will be recorded in item 348.

### **6.13 Fifth sub-block: Postal and courier activities**

**6.13.1 Items 351 to 355:** The expenditure on major items consumed as inputs will be reported against these items. Expenditure on paper (such as used in printer, fax etc) will be recorded against item 351 and expenditure on paper products such as paper stationery articles and postal articles will be reported against item 352. Expenses on spares and accessories of electronic equipments (ink cartridges used in printer, fax machine, etc.) will be reported against item 353. In respect of other input items consumed by the enterprise during the reference month, expenditure incurred on two more major items (if any) may be reported against item 354 and item 355 along with relevant three-digit product codes. Expenditure on all other input items consumed during the reference period will be combined together and reported against item 356.

**6.13.2 Item 357:** This item will include insurance charges paid by the enterprise.

**6.13.3 Item 358:** Expenditure incurred on computer related services such as software development, Annual Maintenance Contract (AMC) etc., will be reported against this item. If the payments are made on annual basis, the same need to be apportioned for the reference month.

### **6.14 Sixth sub-block: Accommodation and food service activities**

**6.14.1 Items 361 to 385:** An enterprise engaged in accommodation and/or food services activities may consume a number of items as input for providing the services. These may include agricultural and allied products like grain mill products, eggs, meat, poultry products and dairy products, bread and bakery products, vegetables, fruits, beverages (alcoholic and non-alcoholic), edible oil and fats, etc. It may also incur expenditure on items of semi-durable nature like crockery, glassware, bedding, readymade garments of different types, etc. Some of these items will be sold by the enterprise in the same form as purchased. The expenditure incurred in respect of various such articles consumed for preparation of food and drink,

providing accommodation services and those sold in the same condition as purchased will be reported item-wise **as given against item 361 to 381**. In respect of other major input items (those not listed in the sub-block) consumed during the reference month, three major items will be reported against items 382 to 384 along with relevant three-digit product codes. Expenditure on all other items consumed will be combined together and reported against item 385. Care may be taken to report items with the same product code combined against the relevant product code as a single item.

**6.14.2 Item 386:** This item will include insurance charges paid by the enterprise.

**6.14.3 Item 387:** Expenditure incurred on computer related services such as software development, Annual Maintenance Contract (AMC) etc., will be reported against this item.

### **6.15 Seventh sub-block: Information and communication activities**

**6.15.1 Items 391 to 396:** The expenditure on various input items consumed by the enterprise during the reference month will be reported against item 391 to 396. Expenditure on paper and paper products (other than paper stationery articles) will be given against item 391. Expenses on spares and accessories of electronic equipments (ink cartridges used in printer, fax machine, etc.) will be reported against item 392. Expenses on stationery articles of paper will be reported against item 393. Of the other input items consumed, major two items along with relevant three digit product codes will be reported against items 394 and 395 and expenditure on remaining input items will be combined together and reported against item 396.

**6.15.2 Item 397:** The communication expenses for local call/ STD / ISD, cyber café, 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.

**6.15.3 Item 398:** This item will include insurance charges paid by the enterprise.

**6.15.4 Item 401:** Expenditure incurred on computer related services such as software development, Annual Maintenance Contract (AMC) etc., will be reported against this item. If the payments are made on annual basis, the same need to be apportioned for the reference month.

### **6.16 Eighth sub-block: Financial activities**

**6.16.1 Items 411 to 416:** The expenditure on various input items consumed by the enterprise during the reference month will be reported against item 411 to 416. Expenditure on paper and paper products (other than paper stationery articles) will be given against item 411 and expenses on spares and accessories of electronic equipments (ink cartridges used in printer, fax machine, etc.) will be reported against item 412. Expenses on paper stationery articles will be reported against item 413. Of the other input items consumed, major two items along with relevant three- digit product codes will be reported against items 414 and 415 and expenditure on remaining input items will be combined together and reported against item 416.

**6.16.2 Item 417:** 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.**

**6.16.3 Item 418:** 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. It may please be noted that this will not include interest payments to banks.

**6.16.4 Item 421:** Expenditure incurred by the enterprise during the reference period for availing legal services will be reported in this item.

**6.16.5 Item 422:** Expenditure incurred by the enterprise during the reference period for services availed such as audit, advertising, accounting, book keeping, architecture, engineering, photocopying will be reported in item 422.

**6.16.6 Item 423:** Expenditure incurred on computer related services such as software development, Annual Maintenance Contract (AMC) etc., will be reported against this item. If the payments are made on annual basis, the same needs to be apportioned for the reference month.

## **6.17 Ninth sub-block: Real estate, rental and leasing activities**

**6.17.1 Items 431 to 433:** These items are meant to record the major expenditures incurred by the enterprise in consuming input items during the reference month. Provision has been kept to record the expenditure on two major input items (along with relevant three- digit product code) in items 431 and 432. The combined expenditure on all other input items will be recorded against item 433.

**6.17.2 Items 434 to 435:** These items report the expenditure on minor repair and maintenance of (i) building and fixtures and (ii) tools and other fixed assets, respectively. 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. Expenses on minor repairs such as whitewashing of rooms, routine maintenance of machinery, etc. will be included here. The charges for minor repair and maintenance of hired assets will also be reported if the expenses are made by the enterprise.

**6.17.3 Items 436 to 438:** These items are meant for recording expenditure incurred on service charges for work done by other concerns such as contract, sub-contract, commission expenses (item 436), legal services (item 437) and hotel & restaurant service charges viz. room rent, food, drinks, etc. (item 438). **Care may be taken not to duplicate the expenses against similar items under block 4 (items 533, 535).**

**6.17.4 Item 441:** Insurance charges payable for the reference month will be reported against

this item.

### **6.18 Tenth sub-block: Business and professional service activities**

**6.18.1 Items 451 to 453:** These items record the expenditure incurred by the enterprise in consuming input items during the reference month. Provision has been kept to record the expenditure on two major input items (along with relevant three-digit product code) in items 451 and 452. The combined expenditure on all other input items will be given against item 453.

**6.18.2 Item 454:** Expenditure incurred on hotel & restaurant service charge (room rent, food, drinks, etc.) will be given in this item.

**6.18.3 Items 455 to 458:** These items are meant for recoding expenditure incurred on service charges done by other concerns such as contract, sub-contract, commission expenses (item 455), legal services (item 456), audit, advertising, accounting, book keeping, architecture, engineering, photocopying (item 457) and training, education, coaching (item 458). **Care may be taken not to duplicate the expenses against similar items under block 4.**

**6.18.4 Item 461:** Rental payable on hired fixed assets such as office building, etc. is one of the main expenses of enterprises engaged in business and professional services. Rental payable on such produced fixed assets (such as building, and other relevant fixed assets (other than land)) for the reference month will be reported here. **Care may be taken not to duplicate the expense in item 532 of block 4.**

### **6.19 Eleventh sub-block: Educational activities**

**6.19.1 Items 471 to 484:** The expenditure incurred by the enterprise on various input items consumed during the reference month will be reported against these items. Some important input items generally consumed by the enterprises engaged in educational activities are listed in items 471 to 481. If the enterprise consumed other input items also, two of such major input items may be reported against items 482 and 483 along with relevant three digit product codes. Expenditure on the remaining input items will be combined and reported against item 484.

**6.19.2 Item 485:** Expenditure on hotel & restaurant service charges (room rent, food, drinks, etc.) will be reported against this item.

### **6.20 Twelfth sub-block: Human health, social work and veterinary activities**

**6.20.1 Items 491 to 501:** The expenditure incurred by the enterprise on various input items consumed during the reference period will be reported against these items. Some important input items generally consumed by the enterprises engaged in health, social work and veterinary activities such as drugs and medicine, medical, precision and optical instruments, organic and inorganic chemicals used in laboratory, hospital, etc. and uniform, linen and laundry material etc. are already listed against items 491 to 496. If the enterprise consumed any of these items during the reference month for providing its services, the expenses payable on the same need to be reported against the relevant items. If the enterprise consumed other input items also, two of such major input items may be reported against items 497 and 498 along with relevant three-digit product codes. Expenditure on the remaining input items will be combined and reported against item 501.

**6.20.2 Item 502:** Expenditure on hotel & restaurant service charges (room rent, food, drinks, etc.) will be reported against this item.

### **6.21 Thirteenth sub-block: Other personal service activities**

**6.21.1** This sub-block will collect information in respect of the personal services like washing, dry-cleaning, hairdressing, funeral related activities and other such personal activities listed under NIC 2008, Div-96. A separate sub-block has been newly incorporated in the schedule because of the large number of such enterprises in the unincorporated sector.

**6.21.2 Items 511 to 517:** All expenditure incurred by the enterprise in consuming input items during the reference period will be reported against these items. Items 511 to 514 have listed out some major input items usually consumed by these enterprises. If they consume any other input items, two of such major inputs will be reported against items 515 and 516 along with relevant three-digit product codes. Expenditure on all remaining input items will be combined together and reported against item 517.

### **6.22 Block 4: Other operating expenses during last 30 days/ last month:**

**6.22.1** Block 4 will record the other operating expenses not covered in block 3 for the above thirteen types of activities. **In general, for service sector enterprises not covered under block 3 (i.e. for NIC divisions 37, 38, 39, 90, 91, 92, 93, 95 and groups 941, 949) this block will record the entire operating expenses.**

**6.22.2** This block has 31 items. These will cover electricity charges, fuels, lubricants, raw materials consumed for own construction of building, furniture and other fixtures, expenditure on minor repair and maintenance of fixed assets, rental payable on fixed assets (other than land), service charges for work done by other concerns, travelling, freight and cartage (transport) expenses by different mode of transports, communication expenses, financial charges. **When ‘other operating expenditure’ is filled up in respect of some activities reported in block 3, sufficient care may be taken not to duplicate the expenses which are already reported in its respective sub-blocks under block 3.**

#### **6.22.3 Items 521 and 522: 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 period 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. If the electricity charges are paid for the entire year/ more than one month, the figure apportioned for the reference month may be recorded against item 521.
- In respect of own account enterprises operating from the household, the electricity charges are to be recorded only after apportioning the same based on the actual use by enterprise and household activities
- If the electricity charges are included with the rent, the electricity charges should be estimated based on consumption and the same should be deducted from the rent.

- 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*.

**6.22.4 Item 523: Raw materials consumed for own construction of building:** All materials consumed for own construction including that of passage, raising wall, digging well, etc. for the enterprise may be recorded against item 523. Materials like cement, sand, stone chips will be treated as raw materials for own construction of building.

**6.22.5 Item 524: Raw materials consumed for own construction of furniture and fixtures:** Materials used for own construction of furniture and fixtures and for small machineries of the enterprise will be recorded at purchase cost against item 524.

**6.22.6 Items 525 to 531: Minor repair and maintenance:** These items will show the expenses made for **minor** repair and maintenance. This also includes all minor repair and maintenance expenses related to plumbing and sanitary fittings. 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. The charges for minor repair and maintenance of hired assets will also be reported if the expenses are made by the enterprise.

**6.22.7 Item 532: Rental payable on fixed assets (other than land):** Rental on hired fixed assets other than land 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 column 6 entries against items 1002-1007 in Block 10. Care may be taken not to duplicate the expenditure already reported against item 461 of block 3.

**6.22.8 Items 533 to 545: Service charges for work done by other concerns (contract, sub-contract, legal, audit, advertising and other accounting services, warehousing expenses, commission expenses, etc., will be reported under respective items.** The various services listed under these items will include-

- commissions payable to agents and payment towards contract and sub-contract services availed by the enterprise - **item 533**
- storage and warehousing charges - **item 534**
- legal services - **item 535**
- audit, advertising, accounting, book keeping, architecture, engineering, photocopying - **item 536**
- computer related services (software development, AMC, etc.) - **item 537**
- Government administrative charges (PF administration, etc.) - **item 538**
- training, education, coaching - **item 541**

- medical services (doctor's fees, etc.) - **item 542**
- rental expenses (e.g., hiring of auditorium, sports ground, etc.) - **item 543**
- washing, cleaning, laundry, photography, etc. – **item 544**
- radio and TV broadcasting, - **item 545**

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*. Sufficient care may be taken not to duplicate expenditure already recorded against similar items in various sub-blocks under block 3.

**6.22.9 Items 546 to 552: Travelling, freight and cartage (transport) expenses:** Expenses on travelling associated with the entrepreneurial activity and transportation of materials will be entered against these items. **If these are already included in the value of materials consumed as reported in block 3, these items should not be filled in separately.** Item 546 to 551 will record the travelling/ transportation charges by mode of travel/ transport such as air, rail, land and water. Other expenses on support activities to transportation such as packaging, cargo handling, movers & packers, travel agency, etc. will be reported against item 552.

**6.22.10 Item 553: Communication expenses (telephone, telegram, fax, postal, courier, e-mail, etc.):** Expenses on communication like telephone, 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 397.

**6.22.11 Items 554 and 555:** Financial charges incurred by the enterprise during the reference month will be reported against these items. Banking, commission and brokerage charges in respect of financial services availed by the enterprise will be reported against item 554. **Please ensure that interest charges paid to the banks are not included in this item.** Enterprises also insure its properties like building, machinery, transport equipment, etc. These charges of insurance will be recorded against item 555. **Insurance premiums paid for the employees of the organisation, however, are a part of compensation to the employees and the same will not be recorded here.**

**6.22.12 Item 556: Other expenses on goods input:** This item is meant for reporting expenses incurred on inputs consumed in the form of goods for services activities not covered by any of the sub blocks of block 3 (i.e. NIC-08 Industries 37, 38, 39, 75, 90, 91, 92, 93, 95 and groups 941, 949). In addition, this also covers expenses on goods inputs used in the manufacturing enterprises which cannot be treated as raw materials for production.

**6.22.13 Item 557: Other expenses on services:** All the remaining expenses on services incurred by the enterprises (i.e. those expenses on services which are not captured by any item in block 3 or 4) will be reported against this item. Regular *puja* expenses should not be reported in this item.

## 7. Block 5: Principal receipts

**7.1** Block 5 will record the principal receipts in thirteen sub-blocks corresponding to which the principal expenses have 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 explained 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. **The approach of data collection will be the amount receivable during the reference month.**

**7.2 Three digit Product codes in respect of output products of the enterprise:** Like in the case of principal expenditure block, provision for recording the three digit product codes in respect of the output products of the enterprise have been kept in the principal receipts block also. In respect of the products manufactured by the manufacturing enterprises, goods traded by the trading enterprises and other services activities; these codes need to be recorded.

### **7.3 First sub-block: Manufacturing, non-captive power generation and transmission activities**

**7.3.1** The purpose of this block is to record the values of finished products and by-products produced, irrespective of the products are sold or not, in the enterprise during the reference month.

**7.3.2 Items 561 to 565:** Four major products/ by-products manufactured and made ready for sale along with the relevant three-digit product codes and their corresponding value figures will be reported against items 561 to 564. If the number of products and by-products exceeds 4, the value of remaining products will be added together and the total will be shown against item 565. 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.

**7.3.3 Item 566:** 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 expenses reported against item 306.

**7.3.4 Item 567:** If the enterprise provides any manufacturing service, the receipts from the same (such as service charges) during the reference period will be reported against this item.

**7.3.5 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.

**7.3.6 Items 571 to 573 :** 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 (opening stock- item 571) and at the end (closing stock – item 572) of the reference period. The net

balance (item 572 – item 571) 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 573 with appropriate sign ('+' for increase and '-' for decrease). The valuation of the semi-finished goods will be on the basis of production cost (including cost of raw materials).

**7.3.7 Item 579:** Total of items 569 and item 573 will give the total principal receipts of the enterprise.

#### **7.4 Second sub-block: Trading activity**

**7.4.1 Items 581 to 585:** 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 along with relevant three digit product codes against items 581 to 584. If there are more than four items sold, the combined value of such commodities will be recorded against item 585. Item 589 will represent the sub-total of the commodities sold. As it was already explained in case of principal expenses, commodities that can be classified under same product code need to be combined and reported as a single item.

**7.4.2 Items 591 to 593:** In any trading unit, generally some goods are left in stock at any point of time. Items 591 and 592 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 item 591 from item 592 will be recorded against item 593 with **proper sign** (+ / -) which will refer to the change in stock of trading goods.

**7.4.3 Item 594:** The trading enterprise itself may consume some part of the goods it purchased for sale. The value of the same at the purchase price will be recorded against this item.

**7.4.4 Item 599:** This item is the total of items 589, 593 and 594 and represents the total principal receipts of the enterprise from the trading activity.

**7.4.5 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 and own account consumption of goods purchased will always be at the purchase price.

#### **7.5 Third sub-block: Transportation, travel agency and tour operating activities**

**7.5.1 Items 601 to 604:** The main receipts of the enterprises engaged in transportation activities are coming from receipts from passenger traffic and goods traffic. The receipts of the enterprise from passenger traffic during the reference month will be entered in items 601 and 602 as per the mode of travel. Receipts from passenger traffic by bus, truck, taxi, auto and other land transport means will be reported against item 601. The receipts from passenger traffic by boat, steamer, ferry and similar water transports will be reported against item 602. In a similar way, receipts of the enterprise from goods traffic by land transport (bus, truck, taxi, auto, etc.) will be reported against item 603 and by water transport (boat, steamer, ferry,

etc.) will be reported against item 604. **If the same vehicle is used for passenger as well as goods transport, the total receipt may be recorded against the predominant activity, if separate accounts are not maintained.** Positive entries are expected against any of items 601 to 604 if expenses are reported against some of the items 321 to 327 under block 3.

**7.5.2 Item 605:** The payments receivable by the travel agents/ tour operators from customers for their bookings will be reported against item 605. These are the receipts of such enterprises in respect of expenses reported against items 328 to 333. As in other receipts, the reporting may be done on receivable basis. Necessary validation may also be ensured with entries against items 328 to 333.

**7.5.3. Item 606:** Receipts of the enterprise as storage charges during the reference month will be reported against this item.

**7.5.4 Item 607:** Service charges received for support activities for transportation (packaging, cargo handling, movers & packers, travel agency, etc.) will be reported against item 607.

## **7.6 Fourth sub-block: Warehousing and support activities for transportation**

**7.6.1 Item 611:** This item is intended to collect the service charges receivable by the storage and warehousing enterprises for the reference month. **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.

**7.6.2 Item 612:** Service charges received for support activities for transportation (packaging, cargo handling, movers & packers, travel agency, etc.) will be recorded in item 612.

**7.6.3 Item 613:** Porter/Coolie charges received will be reported against this item.

## **7.7 Fifth sub-block: Postal and courier activities**

**7.7.1 Item 621:** 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.

## **7.8 Sixth sub-block: Accommodation and food service activities**

**7.8.1 Item 631: 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.

**7.8.2 Items 632 to 638:** Receipts from sale of goods in same condition as purchased will be reported against these items. Of the trading items, receipt from bread and bakery products sold during the reference month will be reported against item 632; value of dairy products traded will be reported against item 633. Receipts from sale of alcoholic and non-alcoholic beverages will be reported against items 634 and 635, respectively. If the enterprise sells any other items in the same form as purchased, the sale value of the major two items will be

reported against items 636 and 637 along with relevant three digit product codes. The sale value of all other remaining items will be combined together and will be reported against item 638.

**7.8.3 Item 641:** Lodging charges, rent receivable for hiring out rooms and halls for functions, conferences by the enterprise during the reference month will be recorded against item 641.

**7.8.4 Item 642:** Receipts from transport / travel arrangements services made by the enterprise to the guests/ customers will be reported against this item.

**7.8.5 Item 643:** Receipts from laundry services, gym, spa, hair dressing, swimming pool, entertainment will be reported against this item.

**7.8.6 Item 644:** Receipts from catering services done by the enterprise to other concerns or individuals during the reference month will be reported against this item.

**7.8.7 Item 645:** Value of own account consumption of goods purchased/ items prepared will be reported against this item.

## **7.9 Seventh sub-block: Information and communications activities**

**7.9.1** Information and communication activities include activities such as publishing, motion picture, video and television programme production, programming and broadcasting, telecommunications, computer programming, consultancy and related activities and information services as listed under Divisions 58-63 of NIC 2008. Accordingly, the receipt sub-block for information and communication activities has separate items to report receipts from each of such activities.

**7.9.2 Item 651:** Total charges receivable from customers in respect of STD/ ISD/ courier/ fax/ internet/ e-mail, etc. services will be noted against item 651. The receipts for services provided during the reference month will only be recorded by receivable approach.

**7.9.3 Item 652:** The main receipts of enterprises engaged in publishing activities are from publishing of books, brochures, atlases, maps, charts, mailing list, directories etc. All such receipts receivable for the reference month will be reported against item 652.

**7.9.4 Item 653:** Receipts from software publishing will be reported against this item.

**7.9.5 Item 654:** Receipts from production and post- production activities of video, motion picture, television programmes will be recorded against item 654.

**7.9.6 Item 655:** Receipts from development of customised software, web-page designing, computer consultancy, installation, maintenance, etc. will be reported against this item.

**7.9.7 Item 656:** Receipts from data entry, data processing, report writing activities will be given against this item.

## **7.10 Eighth sub-block: Financial activities**

**7.10.1 Item 661: Interest receipts:** Interests received by the financial enterprises 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.

**7.10.2 Item 662: 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 received for the same will be recorded here.

**7.10.3 Item 663: Brokerage and commission:** This will constitute the brokerage and commission received by the enterprise by selling financial instruments for the reference month.

**7.10.4 Item 664: Net profit in share dealing, income earned on chit funds, net earnings from hire purchase finance:** Many financial enterprises buy and sell shares and gain (or lose) due to change in value of shares. This gain/loss 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. This item will also record net earnings of the enterprise from dealing with chit funds, if any, and net earnings from hire purchase financing (i.e. by financing purchase made by other enterprises).

**7.10.5 Item 665:** Receipts from financial consultancy activities (consultancy activities, advisory services, etc.) will be reported against this item.

## **7.11 Ninth sub-block: Real estate, rental and leasing activities**

**7.11.1** This sub-block covers activities such as real estate activities under NIC Div. 68 and rental and leasing of motor vehicles, personal household goods and other machinery, equipments etc as listed under division 77 (excluding 774) of NIC 2008. Separate items have been incorporated under this sub-block to report receipts against each of the relevant activities covered.

**7.11.2 Item 671:** Brokerage and commission charges received by agents who facilitate buying, selling and renting of real estate will be recorded here.

**7.11.3 Item 672: Rental/lease receipt from operational leasing:** An operating lease is a lease whose term is short compared to the useful life of the asset or piece of equipment being leased. All the receipt by way of rental and lease income for enterprises engaged in operational leasing of machinery, equipments etc. will be reported against this item.

**7.11.4 Item 673: Receipt from renting and leasing of personal and household goods:** Receipts by way of rental for recreational goods (such as video tapes, CD/ DVDs) sports equipments (such as pleasure boats, bicycle, etc.) and other personal and household goods (such as tent, furniture, electrical and electronic equipments, etc.) will be reported here. This will be the principal source of income for enterprises engaged in rental and leasing activities.

## 7.12 Tenth sub-block: Business and professional service activities

**7.12.1** This sub-block is meant for recording the principal receipts of the enterprises engaged in business and professional service activities. Receipt against various services activities, if applicable, will be reported against the relevant item as per the description as under:

- Consultancy services – **item 681**
- Legal services – **item 682**
- Audit, advertising, accounting, book keeping, architecture, engineering, photocopying – **item 683**
- Training, education, coaching – **item 684**
- Photography services – **item 685**
- Interior decoration, graphic designing, fashion designing – **item 686**

## 7.13 Eleventh sub-block: educational activities

**7.13.1** The principal receipts of educational enterprises include earnings from fees (tuition fee, transport fee, laboratory fee, library fee, development fee, etc.). Receipts from students on account of sale of textbooks or uniforms will also be shown. **Lumpsum fees received may be apportioned for the month and recorded.**

**7.13.2 Items 691 to 695:** Receipts of the enterprise from sale of goods in the same form as purchased will be reported against these items. Receipts from books, journals, dictionary, etc. will be reported against item 691. If the enterprise had earnings from sale of any other goods, major three of such products will be reported against items 692, 693 and 694 along with relevant three digit product codes. Receipts from the sale of remaining products will be combined together and reported against item 695.

**7.13.3 Item 696: Receipts for development fund charges, development fee:** The charges collected from the students as development fee/ development fund for the reference month will be recorded against this item.

**7.13.4: Item 697: Tuition fees and coaching fees:** Tuition fees and coaching fees receivable from the students for the reference month will be entered here.

**7.13.5 Item 698: Transport fees, laboratory fees, examination fees, fines, library fee:** The charges receivable by the educational enterprise as educational enterprises against transport fees, laboratory fees, examination fees, fines, library fee for the reference month will be recorded against item 698. This will not include hostel fee. Item 698 will **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.

**7.13.6 Item 701:** Rental receipts (e.g., letting out of auditorium, sports ground, etc.) will be reported against this item.

## 7.14 Twelfth sub-block: Human health, social work and veterinary activities:

**7.14.1** Like educational enterprises, here also receipts include earnings from consultation fees, receipts from various services provided. They may also earn income by selling drugs

and medicines. 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 given in the schedule.

**7.14.2: Items 711 to 716:** Receipts of the enterprise from sale of allopathic drugs and medicines will be reported against item 711 and receipts from sale of drugs and medicine (AYUSH) will be reported against item 712. Receipts from sale of prepared food, refreshment and drinks will be reported against item 713. Item 714 will report receipts from sale of non-alcoholic beverages. If the enterprise has earned income from sale of any other items, one of the major such items will be reported against item 715 along with relevant three-digit product code. Receipts from the sale of all remaining items will be clubbed together and reported against item 716.

**7.14.3 Item 717: Doctor's consultation fees:** This includes consultation fee for services (including veterinary services) rendered by doctors .

**7.14.4 Item 718: Charges for operation theatre and other special procedures:** This includes operation theatre charges and charges for other special procedures.

**7.14.5 Item 721: 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., receivable for the reference month will be recorded here.

**7.14.6 Item 722: Fees for training (nurses, paraprofessionals, etc.):** In this item, fee receivable for training of the nurses, para-professionals, etc. is to be recorded. Charges receivable by the enterprise for providing training programmes, counselling, etc. by social work organisations will also be recorded here.

## **7.15 Thirteenth sub-block: Other personal service activities**

**7.15.1** The enterprises engaged in other personal service activities earn their income in terms of the charges for the services provided by them. They also earn some income by selling some products. This sub-block captures all such receipts.

**7.15.2 Items 731 to 736:** The receipts of the enterprise from sale of goods in the same form as purchased will be reported against these items. Item 731 will record the receipts from sale of cosmetics and toiletries. Receipts from sale of soaps, detergents and glycerine will be reported against item 732. Receipts from sale of miscellaneous food products (dog food, cat food, etc.) will be reported against item 733. If the enterprise sells any other goods during the reference month, two such major items will be reported against items 734 and 735 along with relevant three digit product codes. Receipts from sale of all remaining goods will be clubbed together and reported against item 736.

**7.15.3 Item 737:** The service charges receivable by the enterprise for providing personal service activities during the reference month will be reported against this item.

## **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

thirteen sub- blocks of block 5, this block will record the receipts not covered there. But for all other service enterprises which are not covered in block 5, this block will provide the principal and also the incidental (other) receipts. The description of various items under block 6 is given below:

**8.2 Item 741: Receipts from services provided to others including commission charges (other than manufacturing services):** 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. **This item will not include receipts from manufacturing services (which is already captured in item 567 under sub-block for manufacturing activities).** Even if the payment is not yet received, the amount receivable for job done during the reference period will be recorded here. 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 Items 742:** Receipts from computer and related services will be reported against this item.

**8.4 Item 743: 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.

**8.5 Item 744:** Receipts from services to international and extraterritorial bodies will be reported against this item.

**8.6 Item 745:** Other receipts of the enterprise (which are not covered / captured elsewhere in the schedule) will be reported against this item. A brief description of the service concerned may also be reported in the designated column.

**8.7 Items 746 and 747:** Value of own construction (including labour charges) of building will be reported against item 746. Whereas value of own construction (including labour charges) of furniture and fixtures will be reported against item 747. These are the receipt items corresponding to the expenditures reported against item 523 and item 524 in block 4. Value of own construction of building, furniture and fixtures is usually derived on the basis of sum of costs of production.

**8.8 Item 748: Rental receivable on fixed assets (other than land):** If an enterprise hires out fixed assets (buildings, 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), the rental/lease income will be reported against item 672 in block 5 and not against this item.**

**8.9 Item 751: Grants/ funding/ donations (excluding capital transfers like building grant, etc.) 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. **Lump sum donation / grant received may be apportioned for the month and recorded.**

**8.10 Item 752: 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 752. 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.**

**8.11 Item 761: 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.

**8.12 Item 762:** Capital transfers (like building grants/ funding/ donations) from individual and non-government institutions will be reported against this item.

**8.13 Item 763:** Capital transfers (like building grants/ funding/ donations) from Government will be reported against this item.

## **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 Item 771: Total receipt:** Total receipt of the enterprise for the reference month is worked out by adding up all the receipts reported in block 5 and 6. This **does not include** grants and donations received from Government, any type of capital transfers received from individual and government/non-government agencies and any type of production subsidies/ interest subsidies received by the enterprise.

**9.3 Item 772: Total operating expenses:** Total operating expenses of the enterprise for the reference month is worked out by adding up all the expenses reported in block 3 and 4.

**9.4 Item 773: Distributive expenses:** The sale value of any product (goods or services) also includes certain distributive expenses. These expenses are realised from the customers as part of the sale price but are not actual receipt of the enterprise (manufacturer/trader/service provider). Commission to selling agents, outward freight charge, transport charges, etc. are examples of distributive expenses. **If the various receipt figures reported by the enterprise in blocks 5 and 6 are inclusive of such distributive expense, the total of the same need to be reported against this item.**

**9.5 Item 774: Toll:** These are charges need to be paid to avail certain infrastructure. A specified amount will be charged every time such infrastructure is availed/ accessed. Toll charges for using bridges, highways etc. are examples. **The total of toll charges payable for the reference month will be reported against this item.**

**9.6 Item 775: 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.* This may be charged as 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, octroi, taxes on financial and capital transactions (mainly inheritances and gifts), etc., **if the various receipt figures reported by the enterprise in blocks 5 and 6 are inclusive of such taxes on products payable for the reference month, the total of the same need to be reported against this item.**

**9.7 Item 779: Gross Value Added:** The Gross Value Added (GVA) of the enterprise is worked out against this item by deducting total operating expenses (item 772), distributive expenses (item 773), toll (item 774) and taxes on products (item 775) from total receipt (item 771). The calculated GVA figure may be reported with proper sign (+/-) in whole numbers. **In case of negative entry, further queries may be made and remarks may be recorded in blocks 16 and 17.**

**9.8 Item 781: 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, charges for permits, road tax and registration fee of vehicles, taxes on pollution (PUC Certificate), 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. **Total of all the taxes on production payable for the reference month will be reported against this item. Normally, these taxes are paid either for entire year or for a period which is more than one month. In such cases, the figures may be apportioned to arrive at the taxes on production payable for the reference month**

**9.9** The value added figure obtained against item 779 with proper sign is expected to be comparable with the entry against item 1209 of block 12 wherever available. If there is a large divergence between these two figures, further queries may be made and appropriate comments may be added in blocks 16 and 17.

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

### **10.1 Meaning of Worker in this round:**

**10.1.1** For this survey, worker is defined as persons working within the premises of the enterprise who are in the payroll of the enterprise as well as the working owners and unpaid family members who help in entrepreneurial activity. The apprentices took by the enterprise also will be treated as worker. The worker may serve the enterprise in any capacity - primary or supervisory. He/she may or may not receive wage/salary in return to his/her work

incidental to or connected with the entrepreneurial activity. Sales persons appointed by an enterprise for selling its services and apprentices, *paid or unpaid*, will also be treated as workers. **In case of SHGs, if any member (including office bearers) performs the activities of the SHG by drawing remuneration, he/she will be treated as hired worker. Members of SHG who attend meetings regularly or participate in the activities of the SHG including decision making process without taking any remuneration will not be treated as a worker for the purpose of this survey. Instead, they will be considered as ‘active members of SHG’.**

**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. A worker engaged for more than half of the normal working hours of the enterprise will be treated as **full time worker**.

**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 organisations/ 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 such 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, have some autonomy to determine the charges receivable by them 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.

**10.1.6 Skilled Worker:** If a worker of an enterprise possesses any special ability/ expertise to perform a particular task is treated as a skilled worker for the purpose of the survey. The skill will be in relation to the activities of the enterprise concerned. If a worker of an enterprise possess some kind of skill which is not applicable/ required for the activities of the enterprise he/ she is working, he/she will not be treated as a skilled worker for the enterprise. Both the skills acquired by formal training and those acquired informally are considered for the survey. Soft skills (which would include computer literacy, language and workplace interpersonal skills relevant for the sector/trade) are also considered.

## 10.2 Collection of employment particulars:

**10.2.1 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).

**10.2.2 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 10.2.1).

### 10.2.3 Data recorded through oral enquiry from enterprises which do not maintain payroll

**10.2.3.1** 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:

*Illustration of calculation of average number of workers:-*

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 period, say the last month. Then, the average number of workers for that enterprise will be:

$$[(4 \times 20) + (6 \times 6)] / 26 = 4.46 \text{ (rounded to 4)}$$

So, average number of worker is 4.

**10.2.3.2 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 such day.

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

**10.3 Item 801: Working owner.** In case of proprietary enterprises, if the owner himself/herself works in the enterprise on a fairly regular basis, entry should be made against item 801. 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 this item. In the case of partnership enterprises, if only one of the partners 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 in appropriate column(s).

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

**10.5 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 full-time worker.

**10.5.1** 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 also 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. In case of an SHG, if some or any of the members who work for the enterprise drawing remuneration on a fairly regular basis then only those members who take remuneration regularly will be treated as hired worker for the purpose of the survey.

**10.6 Item 804: Helper/ apprentice:** An apprentice is a learner or beginner who works with a skilled or qualified person in order to learn the practical aspects of a trade or a profession for a fixed time period.

**10.7 Item 805: Other worker:** Information regarding the workers not covered in items 801-804 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 who are associated with the activities of the enterprise during the reference month will be considered for recording entries against this item.

**10.8 Item 809: Total:** Total of different types of workers as recorded against the items 801-805 of this block will be entered against item 809 gender-wise under designated columns.

**10.9 Item 811: Active members of SHGs:** All the members of the SHG (including office bearers) who participate in the activities of the SHG or regularly attend the meetings including decision making processes without taking any remuneration on fairly regular basis will be treated as active members of the SHG.

## **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 such 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 section 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 to employees. However, the books of accounts of some enterprises show salary payment to one or more 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, a combined entry may be made against the major item among 901 – 903 with relevant remarks.

**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 items 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, entry may be provided against the major component.

**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, entry may be made against item 924.

**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: Land and Fixed assets owned and hired and monthly rent/rental payable on hired assets:**

**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 tangible 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 software 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:** 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.**

**12.3 Item 1002: Building:** 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.

**12.4:** Wherever separate figures for land and buildings are available, record the same in respective items 1001 and 1002. If the informant is not able to split the value of land and building, record **the aggregate value against the major component depending on the perception of the informant.**

**12.5 Item 1003: 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. Approach for recording information here is by physical approach.*

**12.5 Item 1004: 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 1005. 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.

**12.6 Item 1005: 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 1004 above) which are used for the entrepreneurial activity either directly or indirectly. These will include furniture, fixtures, laboratory equipment, office equipment, 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 1004 or item 1005 depending upon major time spent.

**12.7 Item 1006: 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 1006. 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 fixed assets. The computer software and databases purchased from 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.

**12.8 Item 1007: 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.

**12.9 Item 1008: 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.

**12.10 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.

**12.11 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.

**12.12 Column (5): Net additions to owned assets during last 365 days/ last year:** In this

column information regarding net additions to the fixed **assets owned** during last 365 days/ last year will be recorded. **Net addition may be obtained by subtracting depletion of assets from the addition made during last 365 days.** Addition to and depletion of the fixed assets are discussed below:

**12.12.1 Addition to the fixed assets** could be made through purchase (new or used) or through own construction. Addition can also be made by receiving as gifts. Improvements on land, new construction of building, shed, structure as well as assets produced on own will be considered as additions to the fixed assets. **All the additions made during last 365 days / reference year should be considered for this item. However, in case of addition through own construction, it should exclude that part made during last 30 days/ reference month.** In 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 525 to 531). 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).

**12.12.2 Depletion of assets** is obtained by considering the assets sold and discarded during last 365 days/ last year. 'Sale' that is only agreed upon but not realised during last 365 days / last year 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.

**12.13 Column (6): Monthly rent/ rental payable on hired assets:** The rent/ rental payable for the reference month on the hired assets by the enterprise will be recorded in this column. If no rent/ rental is payable for any asset put '0' in column (6) for that particular type of asset with appropriate remarks in block 16. 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.

#### **12.14 Block 10.1: Original value of plant and machinery/ equipment**

**12.14.1** This block has been introduced for the purpose of checking whether the selected enterprise is a *micro, small or medium* enterprise. Ministry of MSME classifies an enterprise as micro, medium or small depending on the original value of plant and machinery or

equipments. In case of manufacturing enterprises, original value of plant and machinery will be considered. The original value of equipments will be considered in case of services enterprises. **This is the price at which the enterprise acquired the plant & machinery/equipments.** The limits for the investment (I) in original value of plant and machinery / equipments are as under:

Type of Enterprise	Investment (Original value) in Plant and Machinery (I)	
	Plant and Machinery (Manufacturing enterprises)*	Equipments (Trade & Other Services enterprises)
Micro	$I \leq \text{Rs.}25 \text{ lakh}$	$I \leq \text{Rs.}10 \text{ lakh}$
Small	$\text{Rs.}25 \text{ lakh} < I \leq \text{Rs.} 5 \text{ crore}$	$\text{Rs.}10 \text{ lakh} < I \leq \text{Rs.} 2 \text{ crore}$
Medium	$\text{Rs.} 5 \text{ crore} < I \leq \text{Rs.} 10 \text{ crore}$	$\text{Rs.} 2 \text{ crore} < I \leq \text{Rs.} 5 \text{ crore}$
Non-MSME	$I > \text{Rs.} 10 \text{ crore}$	$I > \text{Rs.} 5 \text{ crore}$

\*Including enterprises engaged in non-captive electricity generation and transmission

**12.14.2** For the purpose of this block plant & machinery and Equipments are defined as under:

- (a) **Plant & Machinery:** Plant is generally the name given to an assembly of machinery / equipments/devices installed for the operation of entrepreneurial activities. Machinery means an implement or mechanical device used in the entrepreneurial activities.
- (b) **Equipment:** Equipment is defined as all instruments, office machines and such other electro mechanical or electronic appliances that are directly related to the service rendered but excluding furniture, fittings and other items not so related.

**12.14.3** Value of these items refers to that of physically installed as on the last day of the reference period. In case the existing plant & machinery/ equipments are purchased over different points of time, the original value (purchase value) of the same will be added up to arrive at the value as on last day of the reference period. In case of enterprises performing mixed activities, only major activity will be considered for this block.

**12.14.4 Item 1011: Original value of plant & machinery:** If the selected enterprise is a manufacturing enterprise or engaged in non-captive electricity generation and transmission (i.e, if the major activity code reported against item 202 belongs to NIC 2008 Div 10- 33, 01632, 35103, 35105, 35106, 35107, 35109), this item will be reported in terms of codes as under:

original value of plant and machinery (I)	code
$I \leq \text{Rs.}25 \text{ lakh}$	1
$\text{Rs.}25 \text{ lakh} < I \leq \text{Rs.} 5 \text{ crore}$	2
$\text{Rs.} 5 \text{ crore} < I \leq \text{Rs.} 10 \text{ crore}$	3
$I > \text{Rs.} 10 \text{ crore}$	4

**12.14.5 Item 1012: Original value of equipments:** If the selected enterprise is a Services enterprise (i.e. if the major activity code reported against item 202 *does not* belong to NIC 2008 Div 10- 33, 01632, 35103, 35105, 35106, 35107, 35109), this item will be reported in terms of codes as under:

original value of equipments (I)	code
$I \leq \text{Rs.10 lakh}$	1
$\text{Rs.10 lakh} < I \leq \text{Rs. 2 crore}$	2
$\text{Rs. 2 crore} < I \leq \text{Rs. 5 crore}$	3
$I > \text{Rs. 5 crore}$	4

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

**13.1** Any entrepreneurial activity requires financial capital both for asset formation and day to day activities. In order to have the requisite financial capital, the enterprises generally avail loans from different institutions and individuals. Block 11 records the amount of outstanding loan of the enterprise as on last date of the reference year against various sources from which loans were taken. It also provides for reporting the interest payable for the reference month in respect of each loan reported. The entries will have to be made in whole number of rupees

**13.2 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
- vi) Other Industrial and Financial Corporations set up by Central/ State Governments

**13.3 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.

**13.4 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.

**13.5 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.

**13.6 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)** access 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 credit-worthy and well-run with proven records of success.

**13.7 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.

**13.8 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.

**13.9 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.

**13.10 Item 1111: 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.

**13.11 Item 1112: Friends and relatives:** Any non-institutional loan which is interest-free will be included in this item.

**13.12 Item 1113: Others :** Loans taken from any other agency not covered above will be covered under this item .

**13.13 Item 1119: Total:** Total of items 1101 to 1113 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.

**13.14 Column (3): Amount outstanding:** 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.

**13.15 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.** In case of compound interest, the same may be apportioned for the reference month. If interest payments are reported without having any outstanding loan against some source of loan, necessary remarks may be provided.

## **14. Block 11.1: The amount of loan advanced by financial enterprises**

**14.1** This block is meant for enterprises engaged in financial activities (*excluding stock broker/ sub-broker*). As part of their activity financial enterprises provide loans to households and other institutional units. At a given point of time a specific sum of money will be due to the financial enterprises in way of principal outstanding of the loans provided by them to others. Item 1121 and item 1122 separately record the outstanding principal as on date of survey in respect of the loans provided by the enterprise to households and others (other than households) respectively.

## 15. Block 12: Factor incomes of the enterprise

**15.1** 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, **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. **Factor income need to be worked out only for non-financial enterprises.**

**15.2 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 939 of block 9 (please copy that figure here).

**15.3 Item 1202 : Rent payable :** Rent payable for the reference month on land hired by the enterprise are available in column (6) of **item 1001** of block 10 will be copied here.

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

**15.5 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 interest on outstanding loan for the reference month.

**15.5.1** 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.

**15.6 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 779 of block 7. Comments may be given in block 16 for any abnormal divergence.

## 16. Block 13: Inventories during the reference year

**16.1** This block is to be canvassed for enterprises which provide information based on the book of accounts (i.e. code 1 in item 217). The information in respect of the opening and closing stock of the inventories (as listed in the block) in respect of the **reference year/accounting year** will be collected.

## **17. Block 14: Particulars of use of information and communication technology (ICT) by the enterprise during last 365 days / last year**

**17.1** This block enquires into the use of information and communication technology (ICT) by the enterprise during last 365 days / last year. **This block will be filled up provided the enterprise under survey employs 10 or more workers as well as the codes for items 218 and/or 219 in block 2 is /are 1.**

**17.2 Item 1401: does the enterprise have a web presence as on the date of survey?:** 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.

**17.3 Item 1402: does the enterprise have an intranet as on the date of survey?: This question is applicable to those enterprises answering 'yes' to item 218.** An intranet refers to an internal communication 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 accessibility.

**17.4 Item 1403: 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 219.** 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.

**17.5 Item 1404: 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 219.** 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.

**17.6 Item 1405: did the enterprise connect to the Internet by narrowband?: This question is applicable to those enterprises answering 'yes' to item 219.** 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.

**17.7 Item 1406: did the enterprise connect to the Internet by fixed broadband?: This question is applicable to those enterprises answering 'yes' to item 219.** 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, power line, satellite, fixed wireless, Wireless Local Area Network (WLAN) and WiMAX.

**17.8 Item 1407: did the enterprise connect to the Internet by mobile broadband? :** This question is applicable to those enterprises answering ‘yes’ to item 219. 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).

**17.9 Item 1408: 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 218. A LAN refers to a network connecting computers within a localized area such as a single building, department or site; it may be wireless.

**17.10 Item 1409: does the enterprise have an extranet as on the date of survey?:** This question is applicable to those enterprises answering ‘yes’ to item 218. 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.

**17.11 The items 1411 to items 1422 are applicable to enterprises answering ‘yes’ to item 219.**

**17.12 Item 1411: did the enterprise use the Internet for sending and receiving e-mail?** Report ‘yes’ if the emails are sent/ received related to the activities of the enterprise.

**17.13 Item 1412: did the enterprise use the Internet for telephoning over the Internet/VoIP, including video conferencing?:** VoIP refers to Voice over Internet Protocol.

**17.14 Item 1413: did the enterprise use the Internet for getting information about goods and services?** Self-explanatory.

**17.15 Item 1414: did the enterprise use the Internet for getting information from general government organizations?:** General government organizations include central, state and local governments.

**17.16 Item 1415: did the enterprise use the Internet for interacting with general government organizations?** This includes downloading/requesting forms online, making online payments and purchasing from, or selling to, government organizations. **It excludes getting information from government organizations.**

**17.17 Item 1416: 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.

**17.18 Item 1417: 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.

**17.19 Item 1419: 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.

**17.20 Item 1420: 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.

**17.21 Item 1421: 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

**17.22 Item 1422: did the enterprise use the Internet for staff training? :** This includes e-learning applications available on an intranet or from the World Wide Web.

**17.23 Item 1423:** Average number of persons who routinely used computers in the reference period will be recorded here.

**17.24 Item 1424:** Average number of persons who routinely used internet in the reference period will be recorded here.

## **18. Block 15: Particulars of field operation**

**18.1** 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 1506 of this block. Dates of survey/inspection, etc. should be made as dd/mm/yy since these will be required in data processing.

## **19. Blocks 16 and 17: Remarks by Field investigator/ Junior Statistical Officer and comments by Supervisory Officers**

**19.1** Blocks 16 & 17 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)
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### Block 2: Operation and background information

1	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.
2	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.
3	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.
4	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?	The households making bidi will be treated as an enterprise providing manufacturing services / Manufacturing service provider (MSP). Entries will be accordingly made under the manufacturing sub-block.  Master contractor who supplies the raw material and has the ownership of the final product also will be considered as a manufacturing enterprise if listed.
5	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.
6	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.

Sl. no. (1)	Query (2)	Reply (3)
7	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 entry 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 0 against item 209.
8	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.
9	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.
10	What will be the entry for year of initial operation for the household enterprise carrying out business from the times of forefathers?	The year of operation of the present operator in all cases need only be considered
11	In case of mixed activity, both the activities have different initial years of operation. Which activity will be considered for the initial year of operation?	Year of initial operation of major activity will be considered.
12	What ownership code shall be assigned to the enterprise jointly run by husband & wife with equal intensity?	Code 4 (partnership between members of same household).
13	A sweet manufacturer visits <i>shandies</i> ( <i>haat</i> ) on different days & prepares sweets at <i>haat</i> & 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. 210.
14	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.
15	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 14.
16	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 227.
17	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.

Sl. no. (1)	Query (2)	Reply (3)
18	If an enterprise has operated for one day in a month. Whether it will be treated as operated in the month?	Yes.
19	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 220 will be 1 or 2?	It will be 1 ('Yes') as reference period for this item is full year.
20	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

21	Whether the approach for Block 3 & 4 (Principal & other Operating Expenses) is paid approach?	No, for blocks 3 and 4 the approach is <b>payable approach</b> . Unless otherwise specified, it is <b>payable/receivable</b> approach for all blocks.
22	If enterprise is receiving all raw materials from customers, how block 3 will be filled?	This is an example of manufacturing services. Block 3 will remain blank in this case except for item 307 if it incurred some expenses in transforming the raw materials to make products.
23	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 16-17.
24	For free collection whether to include imputed cost?	No imputed value has to be reported. Only if there are any collection or transportation charges then the same will be reported.
25	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 cannot be sold without such packing e.g. medicines, perfumes, etc.
26	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.
27	In case of illegal electricity connection, how the entries are to be made against item 521?	Value in such cases is not to be imputed. However, if some payment is made for the connection, the same may be recorded.

Sl. no. (1)	Query (2)	Reply (3)
28	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.
29	Owner is paying house rent only in which electricity charges are included. How to report the entries against item 521?	The consumption of electricity will be estimated & consumption will be reported accordingly against item 521 & remaining amount will be reported in block 10 as rental.
30	Whether fuel & lubricant will be reported against item 522 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.
31	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'.
32	An enterprise engaged in the manufacturing of basket uses candles in the night. Whether the expenditure on candles be treated as fuel?	No, item 522 will be left blank. The entry will be made in item 556, other expenses on goods inputs.
33	Where to include the Feeding expenses on animals used in the enterprises for transporting purpose?	Under item 527.
34	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.
35	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 533 of block 4.
36	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.
37	For brick manufacturing industry, salt is also used, against which item salt is to be taken?	It is to be reported against any of the items 301 to 304 if it is one of the 4 major raw materials, else, it may be reported against item 305 combined with all other raw materials.
38	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 557 (other expenses on services).

Sl. no.	Query	Reply
(1)	(2)	(3)
39	Is insurance made on manufactured goods in transit to be included against item 555?	Such expenses are treated as distributive expenses and recorded in bl. 7, item 773. 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 555, group insurances made on employees are part of emoluments and to be recorded in block 9.
40	For constructions started earlier and also going on during the month, whether cost of raw materials can be taken as value in item 523?	Cost of raw materials during the reference month may be noted against item 523.

### Blocks 5 and 6: Receipts

41	It may be clarified whether the market value of the quantity manufactured and sold only is to be reported in col. 4, block 5 or the entire market value of quantity manufactured is to be reported?	The market value of <b>entire quantity manufactured during the reference month</b> is to be reported.
42	A manufacturing enterprise lost all its manufactured goods produced during the reference month. How to report "value" in col. (4)?	Multiply the 'quantity manufactured and lost' by 'market value per unit of the good of the most recent months'.
43	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 &4 against the relevant items 561 to 565. The amount may be imputed as per terms of receipts and apportioned for the reference period.
44	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.
45	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 761 of bl.6?	Subsidy receivable during the reference period only will be covered under item 761 of block 6.
46	Where will 'gifts received & given incidental to enterprising activities', find place?	Donations, gifts etc. received by the enterprise will come in item 751. Gifts given as a measure of sales promotion will come in item 557.

Sl. no. (1)	Query (2)	Reply (3)
47	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 745.
48	In case of mfg. of Nuts & Bolts industry, where will be the sale of scrap reported ?	Scrap is a by-product; hence its sale should find place against any of the items 561 to 565 of block 5.
49	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 745.
50	Whether the amount received through sale of used <i>bardan</i> (gunny bags) will be recorded against item 745?	Yes
51	If an NPISH is selected, how to report the receipts?	NPISH is an example of enterprise engaged in non-market production. Usually NPISH will not receive any receipts for the products/ services provided by them. However, they will have receipts in the form of grants/ donations from individual, Government and other institutional units. <b>Note that GVA need not be worked out for NPISH and other non-market producers in block 7</b>
52	A <i>head office</i> selected for survey keeps the account of its branch offices (which are outside the FSU) also. In such cases How to make entries in various blocks	An enterprise selected as a 'head office' will be assigned NIC code 70100. Activity of head offices is another example of non-market production. Even if they keep the account (expenses, receipts, etc.) of its branch offices, the same should not be reported against the head office. The employment particulars also should be restricted to the employees of the head office not its branches. As in the case of NPISH, the GVA need not be calculated for such enterprises in block 7.

### Block 8: Employment particulars

53	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)
54	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 engaged <i>during the reference month</i> 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.
55	If owner of enterprise draws remuneration, will he be treated as hired worker?	No. The owner will be shown against item 801.
56	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.
57	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.
58	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

59	One enterprise is closed. Suppose it is giving salary to the employees. Whether entry will be made in block 9?	Yes.
60	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'.
61	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.
62	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 521.
63	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 may be reported under relevant sub-block with three-digit product code.

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

### Block 10: Land and fixed assets

64	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.
65	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.
66	If an enterprise without fixed premises keeps its vehicle somewhere, whether that piece of land will be considered as fixed asset?	No.
67	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.
68	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 a hired asset of the retailer with rent '0'. It will not appear as assets of the soft-drinks manufacturer.
69	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.
70	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 1001/1002 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 of item 1001 with remarks. If it is not a long-term lease then the market value of the structure is to be recorded in column 3 of item 1002 and that of the land is to be recorded in column 4 of item 1001.
71	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.

Sl. no. (1)	Query (2)	Reply (3)
72	Whether scissors, needles will be considered as tools?	Scissors will be tools and needle will generally be a consumable item.
73	Under which item to report ceiling fan, tube light fittings, telephone installation, internal wiring, etc.?	Item 1005. However, Internal wiring may come as a part of building if deriving separate value for it becomes difficult.
74	In 'net addition' do we get value after deducting depletion from addition of fixed assets during the reference Period?	Yes.

### Block 11: Loan outstanding

75	Whether interest free loan will be considered for block 11?	Yes. It will be reported in item 1112.
76	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.
77	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 761 in block 6.
78	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.
79	Whether money advanced by contractor is to be considered as loan?	Advance payment is not a loan.
80	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.

<b>Sl. no.</b>	<b>Query</b>	<b>Reply</b>
(1)	(2)	(3)
81	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.

### **Block 12: factor incomes**

82	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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**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	„	„

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