

Chapter Three

Schedule 2.2: Manufacturing Enterprises

Introduction: -

The contents of this chapter include important definitions and concepts needed for the fieldwork, detailed description of items in schedule 2.2 and most of the frequently asked questions, based on earlier surveys on similar subjects. The terms 'enterprise' has been used to represent all types of enterprises, be it an OAME, NDME or DME, in some of the discussions on various concepts and procedures to be adopted in this survey.

- The survey will cover all unorganised enterprises engaged in manufacturing activities. NIC codes to identify the enterprises will be **as per NIC-2004**. All activities coming under the purview of NIC 2004 codes 01405 and divisions 15 to 37 will be under the survey coverage.
- The enterprises registered under Sections 2m (i) or 2m (ii) of Factories Act, 1948 **will not** be covered in the survey on unorganised sector. Similarly, Bidi and Cigar units registered under the Bidi and Cigar Workers (Condition of Employment) Act, 1966 and appearing in the latest frame of the Annual Survey of Industries (ASI) will not be considered as unorganised manufacturing enterprises. Government and public sector undertakings **will also be outside** the survey coverage.
- In short, all non-Government/non-PSU enterprises under industry-section 'D' (manufacturing) as well as code 01405 of NIC 2004 and are not under the purview of the ASI will be covered in this survey.
- Registered co-operative societies, irrespective of whether it has some share of Government agencies or not, will be considered as a co-operative society. Thus, these will be under the purview of the survey.
- The **eligibility criterion** for enterprises to be covered in the survey is at least 30 days of operation (15 days of operation for seasonal enterprises) during last 365 days.

A Few important concepts and definitions:-

3.0.1 Unorganised manufacturing sector: Manufacturing enterprises in the unorganised sector are the target units for this survey. For the purpose of this survey all manufacturing enterprises, which are not covered under the ASI will be considered to constitute the unorganised sector. Government and public sector undertakings, as well, will not be under the survey coverage. In the unorganised sector, in addition to the proprietary or partnership enterprises, enterprises run by cooperative societies, trusts, associations, private and public limited companies, with a minimum of 30 days of operation during the last 365 days (15 days of operation for the seasonal enterprises) will be covered. The NIC 2004 codes for the activities covered are 01405, 15111 to 37200. Cotton ginning, cleaning and baling (NIC code 01405) is being covered to have parity with ASI coverage.

3.0.1.2 “While-you-wait” services under printing of textiles (NIC-98 code 1712) and engraving of metals (NIC-98 code 2892) have been classified under repair of personal and household goods (NIC-2004 code 52609) in the current updated version of NIC (NIC 2004). Hence, these services will not be covered in the current survey, although these were covered under the 56th round of NSS. Some examples of these activities are:

- i) Households giving new/ old clothes to a shop for block printing, embroidery, etc.
- ii) shop-owners writing name-plates, etc. on metal,
- iii) Boutique shops purchasing sarees and doing art-work either themselves or through outsourcing before sale, etc.

3.0.2 Reference Period: The reference period for recording details of various items will depend primarily on whether the enterprise under survey can provide information from their books of accounts, or they can provide information orally.

3.0.2.1 If the enterprises **are providing only oral information**, three kinds of reference periods will be used to collect data in different blocks of the schedule, which are *reference month*, *reference year* and *last date of the reference month*.

3.0.2.1.1 **Reference Month:** This period will be used to collect data on various receipts and expenses as well as value added, employment, emoluments, rent and interest payments for the enterprises providing oral information.

For perennial and casual enterprises, ‘Reference Month’ will refer to the **last 30 days** (preceding the date of survey) *irrespective of the number of days of operation*.

For seasonal enterprises, consider the following two cases-

- **Case 1: Working continuously for 30 days or more (including scheduled holidays) in the current season:** - ‘Reference Month’ will refer to the last 30 days (preceding the date of survey).
- **Case 2: Worked for less than 30 days in the current season:** - ‘Reference Month’ will refer to an average month in the last working season.

In the case of items **“rent payable”** and **‘interest payable’**, the monthly average of yearly values will be reported, be it a perennial, seasonal or casual enterprise.

If an enterprise is unable to provide information for the last 30 days, but can provide it for the latest completed calendar month, this calendar month will be considered as ‘Reference Month’.

3.0.2.1.2 '**Reference year**': Among the items other than those mentioned in 3.0.2.2.1, net additions to fixed assets owned, number of months operated, number of other economic activities pursued etc., data will be collected for the entire '*Reference Year*'. It will be last 365 days prior to the date of survey, if '*reference month*' of that enterprise is '*last 30 days*'. For the enterprises where '*reference month*' is '*last calendar month*', '*reference year*' will be last 12 calendar months taken together. For seasonal enterprises of case 2 above (i.e., seasonal enterprises which have operated for less than 30 days during the current season), '*Reference Year*' will be a continuous period of 365 days starting from the first day of the corresponding working season.

3.0.2.1.3 '**last date of the reference period**': For some of the items like value of fixed assets, amount of loan outstanding, etc., this reference period will be used. It will be last date of the '*Reference Month*', which is same as the last date of the '*Reference Year*'. However, opening stock of semi-finished goods manufactured, opening stock of goods traded will be collected for the beginning of the first day of the '*Reference Month*'.

3.0.2.2 If data from the enterprises **are collected from their books of accounts**, two kinds of reference periods will be used to collect data in different blocks of the schedule, '*Reference Year*' and '*last date of the reference year*'.

3.0.2.2.1 **Reference year**: This will be the last completed accounting year of the enterprise under survey. Various receipts, expenses, value added as well as employment, emoluments, rent, interest, net additions to fixed assets owned, for the enterprises will be recorded for the last completed accounting year. To identify the '*Reference Year*' consider the following:

- **Accounts have been closed on any day between 1st April 2004 and a date before the date of survey**: '*Reference year*' will refer to the accounting year for which the books of accounts have been closed between these dates.
- **Accounts not closed between 1st April 2004 and the date of survey**: Consider it as a case for oral enquiry.

3.0.2.2.2 '**as on first/ last date of reference period**': For some of the items like value of fixed assets, amount of loan outstanding, etc., this reference period will be used. It will be last date of the '*Reference Year*'. For items like opening stock of semi-finished goods manufactured, opening stock of goods traded, the beginning of the first date of the reference year will be the point of reference.

3.0.2.2.3 Whenever data for an enterprise is collected from its books of accounts, and the enterprise provides a copy of its balance sheet/ profit and loss account, the **same will be attached with the schedule invariably**.

The different reference periods corresponding to different items of schedule 2.2 are also given below in a tabular form:

Block No.	Item number/ description	Surveyed enterprise providing information from	
		Books of accounts	orally
2	all items except 205, 214, 234-236	reference year	reference year
	205	reference month	reference month
	214	reference year	reference month
	234, 235	last 5 years	last 5 years
	236	last 3 years	last 3 years
3 to 7	all items except opening/ closing stock	reference year	reference month
4	closing stock	last date of reference year	last date of reference month
	opening stock	first date of reference year	first date of reference month
8	value of assets owned and hired	last date of reference year	last date of reference month
	net addition to fixed asset, rent	reference year	reference month
9	outstanding loans	last date of reference year	last date of reference month
	interest	reference year	reference month

3.0.3 Mixed activity: Mixed activity is defined as more than one activity (classified under NIC codes 2004) carried out by one single enterprise. The activities may be mixed at any level of NIC, but for the present survey it will be restricted to 2-digit level of NIC-2004. If the enterprise sells any material incidental to manufacturing in the same condition as purchased, it will not be considered as mixed activity. This concept will be useful in filling up **items 201 and 206 of block 2**. Some examples of mixed activities are given below-

1. A bakery selling cold drinks
2. A rice mill selling sugar
3. A factory running a hospital

Some instructions to be followed in case of mixed activities: -

- If more than one economic activity is carried out from the same premises, each of such activity is to be treated as a separate enterprise if separate books of accounts are maintained for these activities and information for them is separately available.
- If the accounts are not separable and the activities are different at 2-digit level of NIC 2004, then these activities will be considered as activities pursued by one enterprise and the enterprise will be classified as having mixed activities. Data for an enterprise will be collected as a whole encompassing all the activities pursued by the enterprise. The appropriate NIC in such cases will be determined on the basis of **major** activity.

- There may be cases, where, at the listing stage, an enterprise pursuing mixed activity was classified under manufacturing, although at detailed enquiry stage, it was found that the major activity during the 'reference year' was non-manufacturing. Then also, data for the enterprise may be collected as a whole, after recording the appropriate NIC code based on major activity during the reference year found during the detailed enquiry stage. Similarly, if major activity of an enterprise during the reference year was manufacturing, although the enterprise has pursued one or more of the minor activities during the reference month, data pertaining to the reference month will be for both the manufacturing and non-manufacturing activities.

- Determination of major activity of the enterprise pursuing mixed activity-
Step 1: Major activity will be the activity providing highest **income** during the reference year. If activity wise income is not available, go to next step.
Step 2: Major activity will be the activity providing highest **turnover** during the reference year. If that is also not available then go to next step.
Step 3: Now, it will be the activity where **employment** during the reference year was highest.

Some examples of mixed activities and method followed for determining the industry-section as per NSS convention is given in page C43 of this chapter.

3.0.4 Multiple activity: Since many of the entrepreneurs belonging to the unorganised sector operate at small or marginal levels, the phenomenon of carrying out more than one activity simultaneously or at different points of time 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 is taken as "mixed activity". Carrying out of more than one economic activity by the entrepreneur during the reference year is called multiple activities. *It differs from mixed activities in the sense that former is with respect to the entrepreneur whereas the latter is with respect to the enterprise.* However, an entrepreneur of a manufacturing enterprise manufacturing woollen garments before winter and cotton clothes before summer will not be considered as carrying out multiple activities. This concept will be useful in filling up **item 207 of block 2** in the detailed schedule. Some examples of multiple activities are-

- 1) A person carrying out agriculture activity at sowing/harvesting season and doing carpentry at the same time or at other times,
- 2) A household servant is making paper envelopes in free time,
- 3) An agricultural worker engaged in handicraft making during non-harvesting season of the year.
- 4) A lady working as regular wage/salary earner and also running a tailoring shop in the evenings, etc.

3.0.5 Enterprise with branches: If an enterprise has its office/ factory at more than one location it will be considered as an enterprise with branches. In such cases, the following steps may be taken:

Step 1: If a branch office is selected then collect information pertaining to that branch. In case they cannot provide any information go to next step.

Step 2: If the head office can provide information for that selected branch office then it should be collected from the head office. If they are also unable to provide data on branch office then go to next step.

If the information is to be collected from the head office, and the head office falls under a different SRO then the SRO under whose jurisdiction the head office falls will collect data. Then the filled in schedule can be sent back to the SRO from where the request has been made. The concerned SROs can interact with each other directly provided the RO is kept informed. In State samples also, similar procedure may be followed.

Step 3: When information for the selected branch is not separately available, either in the branch office or in their head office, data on receipts, expenses, wages, rent, interest etc. are to be apportioned using the number of workers in the selected branch and the number of workers considering all the branches and head office (let us call it 'the group'). An illustration is given below-

E=total expenses of the group,

W=total number of workers in the group

w=number of workers in the branch

e=expenses of the branch (which we have to calculate)

$$\text{Then, } e = E \times \frac{w}{W}$$

Similar procedure will be adopted if the head office is selected for the survey.

3.0.6 **Worker:** -

- According to Factories Act, 1948, a worker is defined as the persons working within the premises of the enterprise.
- This definition is extended in case of bidi and cigar workers (NIC code 16) as per the Bidi and Cigar Workers (conditions of employment) Act, 1966. According to this Act, workers include persons engaged or employed in any premises by or through a contractor with or without the knowledge of employer in any manufacturing process and employee means any person engaged or employed through an agency, whether for wages or not in any establishment to do any work, skilled, unskilled, manual or clerical and includes any labourer who was given raw material by any employer or a contractor for being made into bidi and cigar or both at home.
- However, for this survey, a worker is defined as all persons working within the premises of the enterprise, whether for wages or not. There is an exception to this case. A salesman may not work within the premises but he gets salary/wages from the enterprise for selling its products. He also will be considered as a worker of the enterprise.

- Some enterprises do not hire individuals like porters, sweepers, accountants, etc., on a fairly regular basis. These individuals **work in many enterprises** in a locality and usually receive service charges as and when they render such services to the enterprise, either on a piece rate basis or at some particular period of the year. Such persons will not be considered as workers.
- As a guideline for determining the number of workers of an enterprise, consider the following example:

An enterprise where figures are being collected from the books of accounts worked for 300 days during the reference year. On at least 151 days, it worked for 8 hours per day. Suppose, i) for at least 151 days, people have worked in 3 positions for more than 4 hours per day; ii) for at least 151 days, people have worked in 2 other positions for at least 1 hour (but at most 4 hours) per day iii) for 45 days, 1 person have worked for 6 hours per day, iv) for 30 days 4 persons have worked for 1 hour per day. Then, number of full-time workers will be recorded as 3 and number of part-time workers will be recorded as 2. Payments made to persons given in serial numbers iii) and iv) will be considered as service charges paid to other concerns. It may further be noted that workers mentioned in iii) and iv) are supposed to be considered as self-employed persons (i.e., separate enterprises belonging to some NIC division depending on their principal activity) at the listing stage.

3.1 Structure of Schedule 2.2:

Total number of blocks: - **12**

Blocks 0 and 1: - identification of the enterprise

Block 2: - Some operational characteristics and background information of the enterprises

Blocks 3, 3.1, 4 and 4.1:- These blocks of the schedule will be used to record the operating expenses and receipts of the enterprise. Blocks 3 and 4 will record the principal expenses and receipts whereas blocks 3.1 and 4.1 will record the other expenses and receipts. Care may be taken so that there is no omission or duplication of entries on expenses between blocks 3 and 3.1. Similarly, omission or duplication of recording receipts may be avoided between blocks 4 and 4.1. Schedule 2.2 has been designed in such a way that the different types of receipts and expenses for mixed activity of enterprises can also be accommodated within the framework of blocks 3 and 4. To meet this objective, each of these two blocks has been subdivided into 2 sub-blocks. The first sub-block is meant for specifically recording the manufacturing activity whereas the second sub block is for recording the other activities, if any, including the purchase/ sale of commodities without any transformation. If the enterprise is carrying out mixed activities of two or more types of manufacturing, the data of blocks 3 and 4 will refer to all the manufacturing activities taken together.

Block 5: Calculation of gross value added of the enterprise will be done here. If the value of the receipts in block 4 is collected at ex-factory price, then

distributive expenses will not be recorded in this block. In normal situations, gross value added is found as positive. However, if the gross value added arrived at is negative, remarks justifying the reason of the same must be provided.

Blocks 6 and 7: The employment and emolument related particulars of the enterprise would be recorded here.

Blocks 8 and 9: information on fixed assets and outstanding loans of the enterprise would be recorded in these blocks.

- After arriving at the selected enterprise for detailed enquiry, the field worker will first ascertain whether the enterprise can provide financial data from its books of accounts. If not, only then financial data may be collected through oral enquiry. An example of filling-in schedule 2.2 using books of accounts is given in pages C44-C51. Whenever data for an enterprise is collected from its books of accounts, and the enterprise provides a copy of its balance sheet/ profit and loss account, the **same will be attached with the schedule invariably.**
- Moreover, data for the schedule will be for all activities pursued by the enterprise, i.e., if the enterprise is pursuing mixed activities, and accounts are not separable, data will cover all the individual activities.
- If the enterprise was in operation in one location and has shifted to the current location during the reference year, data will pertain to entire operation carried out during the reference year considering all the locations where the enterprise has operated.
- While recording data through oral enquiry, lump-sum receipts/ expenses, compensation to workers etc. for entire reference year will be apportioned. For apportioning, the divisor will be 12 for perennial and casual enterprises and it will be the number of months operated for the seasonal enterprises.

Detailed description of Schedule 2.2 and major instructions for each item

3.1.1 At the top of the first page of Schedule 2.2, two items have been given in boxes. The box on the left hand side relates to whether the schedule is being canvassed in rural or urban area. On the right hand side, type of sample (central/ state) has been given. A tick mark (✓) may be put against appropriate items in the boxes.

Block 0: Descriptive Identification of Sample Enterprise

3.1.2 This block has been designed to collect the descriptive identification of the sample enterprise. The items are mostly self-explanatory. There are 9 items in the block. For urban sample, village name and serial number of hamlet will remain blank. Similarly, for a rural sample, ward/ inv. Unit/ UFS block is not applicable.

Block 1: Identification of Sample Enterprise/ Establishment

3.1.2.0 Block 1 has 20 items. Most of the items of this block are coded. The codes are described either beside the items or at the bottom of the block. **Items 12 to 16** of this block are **not applicable** for the enterprises surveyed through the **list frame**.

3.1.2.1 **Items 1 and 2:** These items will be copied from the sample list/ list frame. In urban areas, some registered SSI enterprises are being surveyed **directly from a list of such units**. This list is called the list frame. Serial number given for these SSI enterprises appearing in the list frame will be recorded in item 1 and code in item 2 for these enterprises will be 1. Thus, code 1 in item 2 can appear only in urban areas. **The enterprises selected through the listing schedule (schedule 0.0) are called the enterprises belonging to the area frame. Although a list of enterprises to be surveyed in segment 9 of some villages belonging to area frame is being provided to the field staff, these enterprises will be considered as belonging to the area frame.** For them, serial number of the village or urban block, as given in the sample list, will be recorded in item 1 and code in item 2 for these units will be 2.

3.1.2.2 **Items 3 to 11:** These items will be copied from schedule 0.0 except for items 3 and 4, which are already printed in the Schedule. For the list frame enterprises, code in item 10 (sub-sample) will always be 1.

Items 12 to 16 are applicable only for the enterprises belonging to the area frame, i.e., enterprises for which code in item 2 is 2. Items 17 to 20 will be applicable for all enterprises. For the enterprises surveyed through list frame, '-' will be given in each of the items 12 to 16.

3.1.2.3 **Items 12 to 16:** Entry against items 12 and 13 will be copied from the sample list, while items 14 to 16 will be copied from block 2 (for segment 9) or block 5b (for segments 1 or 2) of the listing schedule.

- In case an enterprise is classified as one type (eg.-OAME of BMG 1) during the listing stage, and later, after selection of enterprises, during the detailed enquiry stage, it is found to be of another type (eg.-NDME of BMG 3) then also, no change in codes may be made in the listing schedule. Moreover, code in item 15 of block 1 of schedule 2.2 will be the same as the one recorded in block 2 (column 13) or block 5b (SSS number printed in one of the columns 36 to 41) of schedule 0.0 (e.g., code 1 and **not** code 6).

3.1.2.4 **Item 16: Sample enterprise no:** Eligible enterprise serial number will be copied from column 14, block 2 of schedule 0.0 *for segment 9 enterprises*. In case of enterprises selected from segment 1/2, sample enterprise number will be copied from the **relevant column**, which is one of the columns 36 to 41 of block 5b of Schedule 0.0. *Copying 'manufacturing enterprise serial number' from column 3, block 2 or column 23, block 5b of schedule 0.0 should never be done.*

3.1.2.5 **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 / partner – 1,
 manager – 2,
 others working in the enterprise– 9.

Items 18 and 19 will be filled after completing the detailed enquiry.

3.1.2.6 **Item 18: Response code:** The type of informant, considering his co-operation and capability in providing the required information, will be recorded against this item in terms of specified response codes. The codes are:

Informant:

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

3.1.2.7 **Item 19: Survey code:** If the originally selected enterprise is surveyed, code against this item will be 1. If the originally selected enterprise is substituted and the substitute enterprise is surveyed code will be 2. If neither the original nor any substitute could be surveyed, code will be 3. For the enterprises appearing in the list frame, there will not be any substitution. Hence, code 2 will not be applicable for such enterprises.

- The list frame and segment 9 of area frame is being prepared based on data of census of Small Scale Industries done during the year 2003. There may be cases where at the time of current survey, a manufacturing unit with a different name or under a different management is found in the same location. Such an unit, as long as its activity falls under the coverage of the current survey in terms of NIC 2004, will be surveyed.
- Similarly, while doing the survey, it may be found that the enterprise appearing in the list frame or segment 9 of area frame has been split into two or more separate enterprises or a part or whole has been rented out to some other person. A combined schedule considering all the enterprises which pursued manufacturing activity in the given location during the reference year will be filled in such cases.
- If the code in this item is '3', only blocks 0, 1, 10, 11 and 12 are to be filled in and the word 'CASUALTY' may be written on the top of the Schedule. Care may be taken to despatch the 'CASUALTY' schedules as well.

3.1.2.8 **Item 20: Reason for: casualty (list frame and segment 9 of area frame)/ substitution of original enterprise (segment 1/2 of area frame):** As the description suggests, this item will serve a twin purpose. On one hand, reason for casualty for an enterprise belonging to either list frame or segment 9 of area frame will be recorded here. On the other, if an enterprise of either segment 1 or segment 2 was originally selected but a substitute was ultimately surveyed, the reason for first substitution will be recorded in this item.

- If an enterprise belonging to the list frame or segment 9 of area frame can not be surveyed, it will be treated as casualty. Such an enterprise may become 'CASUALTY' due to several reasons. It may be currently under the latest ASI frame, which renders itself outside the survey coverage. The enterprise may even turn out to be a Government or PSU unit. Alternatively, during the entire reference year, the unit may not be operating at all or was closed due to some reason or other like strike, lock-out, etc. These different reasons of the list frame (or segment 9 of area frame) unit becoming a 'CASUALTY' will be captured in this item. Detailed description of the actual reason for code '9' in such enterprise will be written. The corresponding codes are:
 enterprise: Government/ PSU/ registered under Section 2m(i) or 2m(ii) of Factories Act, 1948/ Bidi and Cigar Workers (Condition of Employment) Act, 1966 and under the coverage of ASI – 1,
 non-operative/closed during the reference year/ non-traceable – 2,
 in operation during the reference year but data could not be collected – 3,
 others(specify) – 9.
- Suppose enterprise 'A' belonging to segment 1 was originally selected. Since the informant was non-co-operative, it was substituted with enterprise 'B'. This enterprise was again substituted as the informant was busy and finally enterprise 'C' was surveyed. Then, in this item code will be 3 and not 1. The different codes applicable for reason for substitution of an enterprise belonging to segment 1 or segment 2 of the area frame will be:
 informant: busy – 1, not available – 2, non - cooperative – 3, others – 9.

Block 2: Particulars of Operation and background information

3.2.0 In this block some background information about the nature and operation of the enterprises and the exact reference month/ year of data collection will be recorded. Care may be taken so that invalid codes are not entered, particularly in case of codes pertaining to NIC. The item numbers in this block have been provided after the item description to facilitate data entry. Care may be taken so as to maintain clear gap between the item numbers printed in the schedule and the codes recorded by the field staff.

3.2.1 **Item 201: 5-digit code as per NIC-2004:** The actual description of the entrepreneurial activity (*not a copy of the description given in the book of NIC 2004*) may be recorded in the space provided in this item. Below the description, NIC code as per the NIC-2004 may be written at **5-digit level**. Each box will contain one digit and no box will remain empty. The different NIC divisions under coverage (two-digit codes of NIC 2004) are given below:

NIC 2004 code	Description of activity (as per NIC 2004)
01405	Cotton Ginning, Cleaning and Baling
15	Manufacture of Food Products And Beverages
16	Manufacture of Tobacco Products
17	Manufacture of Textiles
18	Manufacture of Wearing Apparel; Dressing And Dyeing Of Fur
19	Tanning And Dressing of Leather; Manufacture of Luggage, Handbags Saddlery, Harness And Footwear
20	Manufacture of Wood and of Products of Wood And Cork, except Furniture; Manufacture of Articles of Straw And Plating Materials
21	Manufacture of Paper and Paper Products
22	Publishing, Printing And Reproduction of Recorded Media
23	Manufacture of Coke, Refined Petroleum Products and Nuclear Fuel
24	Manufacture of Chemicals And Chemical Products
25	Manufacture of Rubber and Plastic Products
26	Manufacture of other Non-Metallic Mineral Products
27	Manufacture of Basic Metals
28	Manufacture of Fabricated Metal Products, Except Machinery and Equipments
29	Manufacture Of Machinery And Equipment N.E.C.
30	Manufacture of Office, Accounting And Computing Machinery
31	Manufacture of Electrical Machinery and Apparatus N.E.C.
32	Manufacture of Radio, Television and Communication Equipment and Apparatus
33	Manufacture of Medical, Precision and Optical Instruments, Watches and Clocks
34	Manufacture of Motor Vehicles, Trailers And Semi-Trailers
35	Manufacture of other Transport Equipment
36	Manufacture of Furniture; Manufacturing n.e.c.
37	Recycling

3.2.2 Item 202: Nature of operation: This item intends to capture the seasonality of the enterprise under survey. The guiding factor will be the duration of operation of the enterprise during the reference period. The different types are:

Nature of operation of the enterprise during the reference year	Nature of enterprise	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

An enterprise operating for the major part of a year and manufacturing different seasonal items during different months/seasons of the year will not be considered as a seasonal enterprise, if it does not keep separate accounts for these activities. For example, suppose an OAME manufacturing plastic goods made *pichkaris* during *holi* and plastic pitchers during rest of the year. If accounts are not separable, it will be considered as a single perennial enterprise. Again, suppose an OAME manufactured *agarbatti* during one season, fire-crackers during some other season and woollen clothes during a third season. The accounts for these activities are not separable. As the enterprise has run throughout the year, it will be considered as a perennial enterprise and not a seasonal one. Rice mills, etc. operating for major part of the reference year will be considered as a perennial enterprise and not a seasonal one.

3.2.3 Item 203: Number of months operated during the reference year: The number of months should be given in whole number. Here, month means a continuous block of 30 days, including scheduled holidays.

3.2.4 Items 204 and 205: Number of hours the enterprise normally worked in a day: Self-explanatory. In these items, normal working hours in a day within the reference month/year, including days spent on maintenance of machinery will be reported. In item 204, such working hours may be arrived at by considering all the days during the reference year (for seasonal enterprises, days belonging to operating months only), while for item 205, days within the reference month will be considered to get the required number of hours.

3.2.5 Item 206: Mixed activity: Code will be 1 for mixed activity and 2 otherwise. If the response is 1, care must be taken to fill up item 201 (as per instructions in paragraph 3.0.3 above).

3.2.6 Item 207: Type of ownership: The definition of different types of ownership and corresponding codes are:

Type of ownership	Description	Code
Proprietary	Here, an individual is the sole owner of the enterprise.	Male - 1
		Female - 2
Partnership	It means 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.	Persons from the same household - 3
		Persons from different households - 4

Type of ownership	Description	Code
Co-operative society	It is a society formed through the co-operation of a number of persons (members of the society) to benefit the members. The funds are raised by members' contributions/ investments and the members share the profits. The government or government agency can also be a member or shareholder of a registered co-operative society but this fact cannot render the society into a public sector enterprise for the purpose of the present survey.	5
Limited Company (outside public sector)	'Company' is an enterprise registered under the Companies' Act, 1956. A private company means a company which by its Articles, (a) RESTRICTS the right to transfer its shares, if any, (b) LIMITS the number of its members (not including its employees) to 50, and (c) PROHIBITS any invitation to public to subscribe for any shares or debentures of the company. Public company means a company which is not a private company	6
Others	These are the enterprises not falling under any of the above categories, e.g., public limited company.	9

- Partnership may be based either on formal registration or on the basis of tacit understanding. If ownership of an enterprise is with a Hindu Undivided Family (HUF), the treatment will be same as for proprietary enterprises.

Items 208 to 212 will be recorded if the enterprise is of proprietary or partnership one, i.e., if code in item 207 is any one of the codes 1 to 4. For other enterprises, put '-' in each of items 208 to 212.

3.2.7 Item 208: Did the working owner (s) undertake any other economic activity during the reference year: If the working owner (s) carried out multiple activities during the reference year, then code in this item will be 1. If the surveyed enterprise was his (their) only source of income throughout the reference year, code will be 2.

3.2.7.1 In case of partnership enterprises, if all the partners are from the same household (enterprises with ownership code 3), working owner will mean all the partners together. This approach will also be followed if the ownership is HUF. If the partnership is between members from different households (enterprises with ownership code 4), working owner will be the major partner. Major partner 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 will be the major partner. If this also

does not relate to a single individual, major partner will be the senior most partner by age.

For working owners who pursued activities other than the one of the present enterprise (entry in item 208 being 1), items 209 to 211 will also be filled. If code in item 208 is 2, put '-' in each of items 209 to 211.

3.2.8 Item 209: Is the present enterprise major source of annual income of the owner: Here, the 'owner' will refer to the same person(s) for whom data was collected in item 208. Suppose the owner (or one of the owners) worked as a casual labour in agriculture in addition to the activity of the enterprise during the reference year. If major part of his annual income was derived from this enterprise, then the entry to this item will be 1. Otherwise it will be 2.

If major income of the owner is not derived from the surveyed enterprise (code in item 209 being 2), items 210 to 211 will also be filled.

3.2.9 Items 210 and 211: most important other activity: Entry '2' in item 209 means that the owner derives a **minor** part of his annual income from the surveyed enterprise. This part of annual income of the owner as a percentage of his total annual income will be recorded in item 210. The description of the activity from which the owner derived maximum annual income and corresponding industry-section as per NIC 2004 will be recorded in item 211. For example, suppose the owner derived an income of Rs.3988 from production of rice, Rs.1200 from a tea stall and Rs.4812 from the manufacturing enterprise during the reference year. Then, entry in item 210 will be 48 and the entry in item 211 will be 'A'.

The different industry sections of NIC 2004 to be considered here are:

NIC '04 section	Description of activity (as per NIC 2004 book)
A	Agriculture, Hunting and Forestry
B	Fishing
C	Mining and Quarrying
D	Manufacturing
E	Electricity, Gas and Water Supply
F	Construction
G	Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods
H	Hotels and Restaurants
I	Transport, Storage and Communications
J	Financial Intermediation
K	Real Estate, Renting and Business Activities
L	Public Administration and Defence; Compulsory Social Security
M	Education
N	Health and Social Work
O	Other Community, Social and Personal Service Activities

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3.2.10 Item 212: General educational level of the working owner: For the proprietary or partnership enterprises, the educational qualification of the owner should be entered in codes. The codes are:

not literate – 01, literate without formal schooling – 02, literate but below primary – 03, primary – 04, middle – 05, secondary – 06, higher secondary – 07, diploma/ certificate course – 08, graduate – 10, post-graduate or above - 11

- In case of partnership, or HUF, 'working owner' will be the major partner. Major partner 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 will be the major partner. If this also does not relate to a single individual, major partner will be the senior most partner by age.

3.2.11 Item 213: Whether Accounts maintained: Three codes have been provided for this item. If the enterprise maintained books of accounts and information on receipts, expenses, assets, etc. is collected from it, code will be 1. If the enterprise informs that they maintained books of accounts, but provides financial information orally, code will be 2. If the enterprise did not maintain any usable books of accounts, then the code will be 3.

3.2.12 Item 214: Data of blocks 3 to 7 collected for the period: From the discussion on the reference period, it is clear that if the enterprise is ready to provide information from their books of accounts, data will be collected from it for the entire accounting year, which, in most of the cases will be one year. On the other hand, if the enterprise provides information orally, data on operating expenses, receipts, employment, emoluments, etc. will be collected for a one-month period prior to the date of survey. The actual period for which information from the enterprise is collected will be recorded here. There are two sets of six cells in this item for recording the first and last dates of this period in date-month-year (DD-MM-YY) format. For example, if data is collected for 1st April 2004 to 31st March 2005, it will be recorded as: from 010404 to 310305. Similarly, if data is collected from 1st November 2005 to 30th November 2005, it will be recorded as: from 011105 to 301105. If a seasonal enterprise has worked for less than 30 days in the current season, this entry may be given as '- - - - -'. This may, however, be reflected through remarks.

3.2.13 **Item 215: Location of the enterprise:** Six codes have been provided for this item. The codes and some corresponding explanations are:

Location:

Within household premises		1
outside household premises:		
with fixed premises and with permanent structure	Any structure made out of bricks, mud, bamboos etc. will be treated as a permanent structure if it cannot be removed as a whole without dismantling	2
with fixed premises and 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 he is going to, i.e. if the location of the enterprise inside each market is fixed	5
without fixed premises (street vendors, etc.)	Street vendors	6

If, both the codes 5 and 6 are applicable for an enterprise, major time criterion will decide the appropriate code.

3.2.14 **Item 216: Registered/ recognised under any act/ authority:** If the enterprise is registered under one or more Acts/ Authorised agencies, code will be 1. Otherwise code will be 2.

If the enterprise is registered/ recognised under any agency (code in item 216 is 1), items 217 to 218 will also be filled.

3.2.15 **Items 217 and 218: registered under (code):** codes for a maximum of two agencies under which the enterprise got itself registered/ recognised will be noted in items 217 and 218. The codes for various acts/ authorities of registration are:

District Industries Centre as Small Scale Industry (SSI)	01	silk board	06
khadi and village industries commission	02	jute commissioner	07
development commissioner, handicrafts	03	section 85 of factories act	08
development commissioner, handlooms	04	municipal corporation, panchayat, local body	10
coir board	05	other (please specify)	19

- If the enterprise is registered under only one registration agency, then only item 217 is to be filled, and 218 will be crossed. If the enterprise is registered under two registration agencies, items 217 and 218 will be filled.

- If it is registered with more than two agencies, then items 217 and 218 must be filled up according to the preference given in the above table, as per the following illustrative example:-

Suppose one enterprise is registered under state directorate of industries (including District Industries Centre)(code-01), municipal corporation, panchayat, local body (code-10) and Development Commissioner, handlooms (code-04). Then the entries will be:

Item 217	01
Item 218	04

- The preference of the respondent **will not be considered** in this case.

3.2.15 Items 219 to 222: Source/ destination agency: The objective here is to find the nature of forward and backward links of the enterprise with its immediate supplier of basic inputs and immediate purchaser of the goods/ services.

- If there is only one source/ destination agency, it should only be noted in item 219/ 221.
- In case the number of source/ destination agencies is more than one, the top two sources/ destinations may be considered in terms of highest purchase/ sale for recording the codes. The relevant codes are:

Government – 1, co-operative/marketing society – 2, private enterprise – 3, contractor/ middleman – 4, private individual/household – 5, no specific source agency – 6, others - 9.

- Code 6 is applicable for item 219 only.

3.2.16 Items 223 to 228: Nature of problems faced, if any, during the reference year: Different types of problems faced by the unorganized manufacturing enterprises during the reference year in their day-to-day operation will be recorded against these items in terms of codes. The codes for items 223 to 227 is 1 if the problem exists, else it is 2.

- For item 228, provision has been made to record code for one additional problem, which is not included in the list of items from 223 to 227. The codes for additional problem are:

local problems/ harassment – 1
 competition from larger units – 2
 non-availability of labour/ labour problems – 3
 fuel not available or available at exorbitant price – 4
 non-recovery of service charges/ fees/ credit – 5
 lack of other infrastructure facilities – 9
 no specific problem – 6

For code 9, the problem may be mentioned in the space provided to the right of the item. If there is no specific problem other than the ones mentioned in items 223 to 227, code 6 will be recorded in item 228. If more than one code is applicable, the problem most important according to the informant (among problems with codes 1 to 5) will be recorded in item 228.

3.2.17 Item 229: Did the enterprise undertake any work on contract basis: The enterprises in the unorganised sector tend to be small units. In many cases, the enterprises are observed to be working as per the orders from a bigger unit. In such cases, certain conditions are put on the server unit by the contractor or master unit. Conditions may be on the sale of products, may be on the mode of payment or may be on the supply of raw materials, etc. If the surveyed unit does any amount of work under contract, code against this item will be 1. Otherwise, code will be 2.

- A branch enterprise doing its jobs as specified by its head office will not generally be considered as working on contract. However, if the head office got some job on contract from outsiders and got it done through the branches, then the branch will be considered as working on contract..
- Jobs done for households who are final consumers of the product (e.g., making 25 shirts and *shalwars* for persons of a household for their use during festival season), will not be considered as a work done on contract, although the households may specify the type of product they want.

If an enterprise undertakes work on contract basis (code 1 in item 229), items 230 to 233 will be filled in. If code in item 229 is 2, put '-' in each of items 230 to 233.

3.2.18 Item 230: Type of contract: The codes are:

working: solely for enterprise/contractor – 1

mainly on contract but also for other customers – 2

mainly for customers but also on contract – 3

3.2.19 Items 231/ 232: Equipment/ raw materials supplied by (code): The same set of three codes is applicable for these two items. These are -

raw materials/ equipment procured by the entrepreneurs on their own - 1

raw material/ equipment supplied by the master unit/ contractor - 2

both - 3.

3.2.20 Item 233: Design specified by contractor? (yes– 1, no– 2): In certain cases the contractor specifies the design of product to the server unit. This is common in garment manufacturing, shoe manufacturing, tailoring, etc. In such situations, code 1 will be recorded. Otherwise, the code will be 2.

3.2.21 Items 234 and 235: Types of assistance received during the last 5 years (code): The enterprise might have received some assistance at some stage of its operation. It can come either from government or from some non-governmental organization or some private agency/individual. Different codes have been provided to record the same. An enterprise may receive more than one type of assistance mentioned in different codes. Two most important assistances received during the last 5 years are to be reported in codes in descending order of the importance of assistance in items 234 to 235. The codes are:

financial loan (institutional) – 1, financial loan (non-institutional) – 2, subsidy – 3, machinery/ equipment – 4, training – 5, marketing – 6, procurement of raw material – 7, others – 9, no assistance received from any source – 8.

An institution here refers to all credit agencies described in paragraphs 3.9.2.1 and 3.9.2.2 below (agencies corresponding to items 901 and 902 of the schedule).

3.2.22 Item 236: Status of the enterprise over the last 3 years: The objective of this item is to record the owner's impression about the growth or decline of the enterprise in the recent past (last three years). The codes are:

expanding – 1, stagnant – 2, contracting – 3, operated for less than 3 years – 4.

- If the enterprise started its operation within 3 years of the date of survey, code will be 4. Otherwise, the codes will be recorded depending on owner's perception.

3.2.23 Item 237: enterprise type during the reference year: The actual enterprise type on the basis of total number of workers and number of hired workers normally worked during the reference year will be recorded here. If the enterprise normally ran without any hired worker during the reference year (irrespective of whether it had hired workers during the reference month or not) it will be considered as an OAME and the code will be 1. If it normally ran with 1 or more hired workers, code will be 2 or 3 depending upon whether the total number of workers (working owners, hired workers and other workers all taken together) during the reference year was less than 6 or not.

➤ There is a possibility of finding at this stage that the enterprise type found now differs from the one recorded during the listing stage (e.g., an enterprise is actually an NDME although it was listed as a OAME). In such cases, no change/adjustment in any of the two schedules will be made. This change is not required even if all enterprises of a village/UFS block are surveyed.

Blocks 3 & 3.1: Principal and other operating expenses

3.3.0.1 Blocks 3 and 3.1 are the two blocks where operating expenses of the enterprises will be collected. The principal expenses will be covered in block 3 and operating expenses not included in block 3 will be covered under block 3.1. The reference period for the blocks will be reference year if information is recorded

from the books of accounts, and reference month if information is received orally, as mentioned in paragraph 3.0.2.

- If some expenses are made on yearly or half-yearly basis, those are to be properly apportioned for the reference month and recorded.
- For items where payments are not yet made, payable amount may be obtained and recorded. Estimated charges may be recorded in such cases.
- If any of the items of block 3.1 is already covered under block 3, then it should not be repeated in block 3.1. Both these blocks should be filled up in such a way that there is no duplication and omission.

3.3.0.2 This schedule covers manufacturing activity. But, manufacturing can also be mixed with any other non-agricultural activity. So, block 3 has been divided into 2 sub-blocks. For each sub-block, relevant NIC-2004 codes have been provided so that information pertaining to the respective NIC(s) only is recorded in the sub-blocks. Both quantities and values to be collected in these sub-blocks will be in whole number only.

- The first sub-block records the principal expenses for manufacturing only.
- In case an enterprise sells any goods incidental to manufacturing, the purchase value of such goods is to be recorded in item 311 of second sub-block (e.g., if a shoemaker purchases shoe soles, uses some of them for making shoes and sells a few soles, then purchase value of the shoe soles sold will appear in item 311, while the purchase value of soles consumed for manufacturing shoes will be reported in one of the items 301-305). Similarly, suppose an oil mill manufacturing cotton seed oil, purchases cotton, uses cotton seed to manufacture oil and sells some cotton. The purchase value of cotton sold will be reported in item 311, while cotton, etc. used for manufacturing will appear in items 301-305).
- In case an enterprise sells any material in the same condition as purchased, and the material is not something used for its core activity (i.e., manufacturing) the purchase value of such transaction is to be recorded in item 312 of second sub-block (e.g., sweetmeat shop selling *beedi*, flour mill selling sugar, *beedi* maker selling *pan*, etc.).
- In case of mixed activity, any other principal operating expense relating to activities other than the manufacturing activities should be reported in items 311 – 313 of second sub-block.

3.3.1 First sub-block: manufacturing activity

3.3.1.1 **Items 301 to 306:** This sub-block will record the **materials consumed in the manufacturing process**. Information in respect of at most five major raw materials (excluding intermediate products) used in the manufacturing process is to be recorded in items 301 – 305 for the reference period. Item 306 will record combined value of the remaining raw materials consumed during the reference period. For items 301 – 305, names of the raw materials consumed are to be given in column 2. In column 3, codes are to be given for each of the raw materials mentioned in

column 2 using the latest Annual Survey of Industries Commodity Classification (ASICC) codes. In column 4 code for unit of quantity for respective commodities is to be given. In columns 5 and 6 the quantity consumed in the manufacturing process and corresponding value is to be recorded for the reference period.

- The reference period for this block will be a reference month, if the enterprise is providing information orally. It will be the reference year if information is provided from their books of accounts. The same reference period will be used to collect information on most of the items of blocks 4 to 7 and also information on rent and interest payments of blocks 8 and 9 respectively.
- It may be noted that in items 301 – 306, the quantity of raw materials **consumed** during the reference period **is to be recorded** and it should **not** be the **quantity purchased** during the reference period. Value of corresponding products and by-products and/or semi-finished goods will be recorded in block 4.
- Any material produced at home and used in the enterprise as raw material, will be included in this sub-block.
- For raw materials collected free of cost, labour charges and/or transport charges incurred, if any, will be taken as the value of the raw materials. But if no expenditure is incurred for such free collection, **no imputation** needs to be made.
- Since the activities and sizes of the enterprises are heterogeneous, quantity consumed may be small or large. Although the ASICC codes will be same as the ones used in ASI 2003-2004, to capture the heterogeneity, codes have been provided to record the unit in column 4 in which the quantity figures are recorded. It is important to notice that the unit of quantity mentioned in ASICC codebook will not be considered. (e.g., for iron ore n.e.c, ASICC code 22129 will be used irrespective of whether the same is reported in tonne or in kg, the unit of quantity code will be 02 if it is reported in kg and will be 03 if it is reported in tonne). The unit of quantity codes for column (4) are:

No. – 01, Kg – 02, tonne – 03, metre – 04, Sq. metre – 05, Cu. Metre – 06,
Litre – 07, pair – 08, gram – 09, carat – 10, Kwh – 11,
no. in '00 – 12, no. in '000 – 13, others – 19.

3.3.1.2 Valuation: The valuation of the consumption of material is done in terms of purchase price, which means delivered value including agent's commissions and taxes/ duties paid if any. In case of homegrown raw materials, ex farm price will be considered. Imputation of values for freely collected materials will not be made. However, any labour charge, transportation charges actually incurred will be recorded.

3.3.2 Second sub-block: trading and other activities

Trading is defined as an act of purchase and sale of goods without any transformation. eg.- a grocery shop , a fruit vendor. A manufacturing enterprise indulges into such an activity due to a variety of reasons. Some enterprises purchase materials required for producing the items manufactured. It simultaneously sells a part of these materials as well. Some enterprises, in addition

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to manufacturing, purchases and sells some other commodities. To capture these two types of activities separately, two items have been provided in this sub-block, viz. items 311 and 312. Purchase value of all the materials (which the unit can also use for its manufacturing activity) sold in same condition as purchased, termed as 'goods incidental to manufacturing' will be recorded in item 311. The combined value of purchase of the remaining items traded will be reported against item 312. If the enterprise pursues manufacturing activity mixed with some service activity other than trade, (e.g. restaurant), purchase value corresponding to the items consumed for running this service activity will be recorded in item 313.

Some Do's and Don'ts

- ✓ Report value of credit-purchase also.
 - ✓ Full value of the commodities will be reported. Purchase price will include transport charge, sale tax, octroi and any other incidental charges.
 - ✓ Include items purchased for the purpose of sale.
 - ✓ If enterprise is pursuing mixed activity then relevant data can be recorded in items 311 to 313.
- Barter trading should not be treated as trading activity.
 - A manufacturer selling its products manufactured is not trade.

Block 3.1: Other operating expenses: all activities

3.3.3.1 Block 3.1 will record the other operating expenses not covered in block 3. If some of the items have already been covered under specific activities in block 3, they ***should not be reported again*** in block 3.1. Duplication of recording expenses should be avoided.

3.3.3.2 Items 321 and 322: electricity charges and fuel & lubricant:

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

3.3.3.3 Item 323: raw materials consumed for own construction of building, furniture and fixtures:

Own constructions for the enterprise will include materials consumed for-

- construction of passage, raising wall, digging well, etc.,
- construction of rooms, roof, etc. of building or entire building,
- Making furnitures, fixtures and small machineries of the enterprise.

3.3.3.4 Items 324 to 328: minor repair and maintenance: These items will show the expenses made for **minor** repair and maintenance. Both the value of materials used in repair and service charges paid for maintenance will be included. Replacement of some **major** parts of fixed assets, involving considerable expenditure, and which increases the life of the fixed asset **will not** be included here. Some examples of expenses not to be included here are major overhauling of motors of a machine, retreading of tyre of car, replacing hard disk of a computer, changing roofing material of a room, etc. On the other hand, minor repairs such as whitewashing of rooms, routine maintenance of machinery, repair of punctures of transport equipment, etc. will be included here.

3.3.3.5 Item 331: rent payable on fixed assets (other than land and building): Rent on assets other than land and building may be noted against this item. Hiring of machinery and equipment by the enterprise is a common phenomenon for many of the unorganised enterprises. But there may be cases where assets are neither owned nor hired (i.e. encroached). Assets may also be of freehold type. In such cases, rent may be shown as 'zero' and no imputation need be done.

- Rent payable reported against this item will be equal to the rent payable reported in column 6 for items 802 to 805 of block 8.

3.3.3.6 Item 332: service charges for work done by other concerns (contract, sub-contract, legal, audit, advertising and other accounting services, warehousing expenses, commission expenses, etc.): This item will include-

- Charges payable for work done by other concerns, i.e., commissions payable to agents and payment towards contract and sub-contract services availed by the enterprise,
 - Payments which are made/ due to be made to other concerns for work done on materials supplied to them by the reporting enterprise,
 - Charges paid to home-workers or sister concerns,
 - Charges paid to other agencies for the services of night-watchman, driver, etc.,
 - Charges paid to porters, sweepers, accountants, etc., who generally work for many enterprises in a locality.
- When payments made by the enterprise to some individuals are recorded in this item, persons receiving these payments will not be counted as workers of the enterprise and payments received by them will not be considered as emoluments.

3.3.3.7 Item 333: travelling, freight and cartage (transport) expenses: Expenses on transportation of materials will be entered against this item. If these are already included in the value of materials consumed, these items should not be filled in separately. It may be noted that expenditure proportionate to the materials consumed during the reference period is only to be recorded. The travelling expenses associated with the entrepreneurial activity will also be shown against this item. Transportation charges associated with selling of products are part of distributive expenses of an enterprise. These will not be included here.

3.3.3.8 Item 334: communication expenses (telephone, telegram, fax, postal, courier, e-mail, etc.): Expenses on communication like telephone, telegram, fax, postal, courier, e-mail, voice-mail, etc. are to be recorded here.

3.3.3.9 Item 335: purchase of consumable stores, packing materials, etc.: Expenses on consumable stores, packing materials, etc., will be reported in this item. Care should be taken to exclude the materials consumed for the construction of fixed assets. The value of packing materials like paper, cloth, etc. will be recorded against this item. However, packing materials should not be confused with direct materials. The treatment of packing cost depends on the nature of products/ services sold. If the cost of packing forms part of the prime cost, i.e., the articles cannot be sold without a package or a container e.g., medicines, perfumes, etc., the package will be treated as direct materials. Stock of tins, cartons, wrappers, cases, boxes etc. in such cases must be treated in the same manner as the stock of raw materials.

3.3.3.10 Item 336: paper, printing and stationery expenses: For any enterprise, some amount is paid for purchasing materials like paper, printing of bills or logos and other stationery articles. All such charges may be recorded against this item. It may be noted that the stationery may be purchased at one time and used for several months. In such cases, monthly consumption may be estimated and reported.

3.3.3.11 Item 337: license fees, cess charged by local bodies, other local rates (building tax, etc) (excise duties and other indirect taxes are not to be included): This will include license fees, municipal/*panchayat* taxes on land and/or building and any other cess or taxes for the reference period. However, fines or penalties for any breach of contract or non-compliance of law relating to running of the enterprise will be shown against those items for which penalties have been demanded. Local subscriptions, if any, may also be included here. Subscription to business associations will be recorded against this item. Road tax and toll tax in respect of transport equipments of the enterprises will also be recorded here. However, indirect taxes and excise duties are not to be recorded here since they form part of distributive expenses.

3.3.3.12 Item 338: royalties and insurance charges payable: Sometimes the enterprises have to pay royalties for making a product to some other individual or organisation. Enterprises also insure its properties like building, machinery, transport equipment, etc. These charges will be recorded here. Insurance premiums paid for the employees of the organisation, however, are a part of compensation to the employees and this will not be recorded here.

3.3.3.13 Item 341: other expenses: Any other operating expenses of the enterprise, which are not covered under any of the items 321 to 338, will be reported against

this item. Regular *puja* expenses, expenses towards customer entertainment, purchase of daily newspaper, etc. are a few expenses of this type.

Block 4: Principal receipts

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

3.4.1 First sub-block: Manufacturing activity

The purpose of this block is to record the quantities and values of finished products and by-products produced in the enterprise during the reference period. Products and by-products will be the commodities produced, including the semi-finished ones, using the raw materials consumed during the reference period (recorded in block 3). Change-in-stock will be recorded for the semi-finished goods only. Procedure of valuation of output has been given in paragraph 3.4.1.2. The reference period will be the same as the one used for block 3.

3.4.1.1 Items 401 to 406: products and by-products manufactured: Names of five major products/by-products, ASICC code, unit of quantity, quantity and value of their output will be recorded in columns 2 to 6 against each of the items 401 to 405. For each commodity, the appropriate commodity code is to be taken from ASICC and recorded against items 401 to 405 together with the unit of quantity and quantity produced. If the number of products and by-products exceeds five, the values of remaining products will be added together and the total will be shown against item 406.

✓ The intermediate products are defined as the products which are produced by the enterprise and used in the production of final products of the manufacturing unit and lose their identity in the final product. These items will not be included in these items.

✓ The units of quantity should be same as for items 301 to 305.

✓ The quantities and values will be recorded in whole number.

✓ Entry in items 301 to 306 means that some consumption of materials was done during the reference period, which in turn implies that some products and by-products were manufactured or some articles are in semi-finished stage. Value of these products and by-products, whether sold or not, will be reported in items 401 to 406 and value of the semi-finished goods will be reflected in items 411 to 413. Although there are some exceptions, a positive entry in item 309 implies positive entry in item 419 (along-with its constituent items). Some examples of exceptions are use of thread and button in tailoring enterprises, purchase of tobacco by *beedi* makers doing only job-work, etc. However, all the cases where item 309 is positive but item 419 is not must be substantiated with proper remarks.

3.4.1.2 Valuation: The value of finished products and by-products which were produced and made ready for sale/use/free distribution/home consumption and the value of intermediate products, if any, that were produced and made ready for sale during the reference period, will be recorded in whole number of rupees. All semi-finished goods should be evaluated **at cost price including labour cost**. For the finished goods, the value can be recorded **either at ex-factory value or at sale value**. If value is recorded at ex-factory value, distributive expenses will not be reported subsequently. Value of manufactured products lost by theft, damaged/destroyed by fire, etc., during the reference period will also be included in the valuation. Sale value means the gross sale value of the products and by-products as charged from the customers. It includes excise duty payable, sales tax/VAT realised by the enterprise on behalf of the Government as also all the other distributive expenses such as, discount or rebate, allowances for returnable cases and other packing or any other drawback allowed to customers, charges for carriage outward (i.e., outward transportation including insurance charges, etc. payable on them), commission to selling agents, etc. While computing the distributive expenses such as VAT, net amount transferred from the enterprise only will be considered. Please see the example at **paragraph 3.5.2** for the method to be followed for calculation of values embedded with components such as VAT, excise duty, etc. transferable to Government. The gross sale value of the product manufactured during the reference period may be calculated using the average sale price of the products sold. **Care may be taken that the distributive expenses included in column 6, block 4 are consistent with those recorded in item 502 of block 5.**

3.4.1.3 Items 411 to 413: opening, closing and change in stock of semi-finished goods: Semi-finished goods are defined as goods, which are yet to be processed to transform into final product.

Item 411: stock of semi-finished goods *at the beginning* of the reference period

Item 412: stock of semi-finished goods *at the end* of the reference period

Item 413: net balance (= item 412 – item 411), which can be *either positive or negative*, and should be reported with *appropriate sign* ('+' for increase and '-' for decrease).

In some manufacturing enterprises, item-wise opening and closing stock figures may not be available in its books of accounts. Arriving at item-wise consumption of raw materials becomes tedious in such cases, particularly if the books of accounts are not accompanied with 'additional information pursuant to the provisions of part II of schedule VI to the Companies' Act, 1956'. In such cases, if entire purchase of raw materials is reported in block 3, opening and closing stock of raw materials also should be recorded in these items and not with stock figures of goods traded. Such an example has been given in last part of **paragraph 3.5.1**.

3.4.1.4 Item 419: total: Total (= item 409 + item 413) will give the total principal receipts of the manufacturing unit.

Second sub-block: Trading and other activities

3.4.2.1 Items 421 to 424: trading: commodities sold, opening, closing and change in stock:

Item 421: It will include the sale value of all goods incidental to manufacturing, which were sold during the reference period in the same condition as they were purchased. This will also include the sale value of goods bought exclusively for re-sale. Consistency of entry in this item with entries made in items 311 and 312 will be checked.

Items 422 and 423: In any trading, generally some goods are left in stock at any point of time. Items 422 and 423 will record the opening and closing value of such stock at purchase price. The value of stock should include the credit purchases also. It is not easy to get the stock figures for the commodities traded. As a proxy measure, capital locked up in stock may be collected.

Item 424: The estimates of the stock figures, for trading activities will be noted for the beginning and for the end of the reference month. The difference (item 423 - item 422) will be noted with proper sign against item 424, which will refer to the change in stock of trading goods.

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

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

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

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

Block 4.1: Other receipts: all activities

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

3.4.3.1 **Item 441: receipts from services provided to others including commission charges:** This is the main item of this block. Service provided to other concerns will mean work done for other concerns whether such services are rendered inside or outside the premises of the reporting enterprise. In rendering services, the materials for processing or repairing are generally supplied by the reporting enterprise. In such cases, service charge should include the material cost. Even if

the payment is not yet received, the amount receivable for job done during the reference period will be recorded here. If materials are purchased for the customer, who will reimburse the amount subsequently, price of the materials will be excluded while recording the service charges. If charges received for work done are already taken care of in block 4 (e.g., cost of materials reported in block 3 and cost of materials and charges received for making the products together reported in block 4), duplication should be avoided. Service charges received in kind are to be imputed.

3.4.3.2 Item 442: value of own construction of building, furniture and fixtures: This is the receipt item corresponding to the item 323 in block 3.1. In addition to the expenses reported in item 323, value of own and hired labour charges will be added to arrive at the figure for this item. Non-hired labour charges may be imputed at the prevailing local market rates.

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

3.4.3.4 Item 444: rent receivable on fixed assets (other than land and building): If a manufacturing unit hires out its assets, except land and building, the receipts from these may be recorded against this item, since value added by this marginal activity will otherwise be missed.

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

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

3.4.3.6.2 Other receipts will *exclude* interest and dividend receipts, since these are not accrued due to entrepreneurial activity. Similarly, in operating expenses, rent on land and building will not be included. Please note that these components are not included for computation of gross value added of the enterprise, both in the ASI and the unorganised sector surveys. However, in the ASI, interest and rent

receipts are collected to arrive at the *profit before tax* figure of the enterprise, and it is used to check overall consistency of data with respect to the books of accounts.

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

Block 5: Calculation of gross value added for the reference period

3.5.0 This block has only three items. The items 501 and 503 are transfer entries from blocks 3, 3.1, 4 and 4.1 and are mostly self-explanatory. Item 502 will be used to record the distributive expenses which include excise duty, sales tax, VAT, commission to selling agents, outward freight and transport charges, etc. of the enterprise as mentioned in paragraph 3.4.1.2 above. Care may be taken so that the sum of distributive expenses recorded in item 502 is consistent with those incorporated in column 6 of block 4. If values of receipts are collected at ex-factory price, distributive expenses should not be recorded. The value-added figure is obtained against item 509 with proper sign and in whole number of rupees. *In case of negative entry, further queries may be made and appropriate comments may be added.*

3.5.1 An example of recording operating expenses and receipts:

A rice mill purchased 1000 kg of paddy for Rs.5000 and 500 kg of sugar for Rs.6000 during a month. During the month it manufactured 300 kg rice using 500 kg of paddy. Of the remaining, it sold 200 kg of paddy for Rs.1500. It sold 300 kg sugar for Rs.6000 and 250 kg rice for Rs.2500, used 100kg husk as fuel, sold 100 kg husk for Rs.200 and informed that ex-factory price of rice is Rs.8 per kg. The enterprise owner also told that the remaining paddy will be first transformed to rice and then rice will be sold in the next month and he did not have any stock of paddy or sugar in the beginning of the month.

Then, entry in item 301 will be: Paddy seeds, ASICC code 12302, unit of quantity 02, quantity 500, value Rs.2500;

Entry in item 311 will be paddy, value Rs.1000 (value of 200 kg paddy sold)

Entry in item 312 will be sugar, value Rs.6000.

There will not be any entry for value of husk used as fuel by the same enterprise.

Entry in item 401 will be Rice, ASICC code 12311, unit of quantity 02, quantity 300, value Rs.2500+Rs.8×50=Rs.2900 (value of items sold reported at sale value and remaining manufactured but not sold at ex-factory value);

Entry in item 402 will be: Husk, ASICC code 12931 (assuming that the owner knows it will not be used as animal feed), unit of quantity code 02, quantity 100, value Rs.200;

Entry in item 421 will be Rs.1500+Rs.6000=Rs.7500;

Entry in item 422 will be 0

Entry in item 423 will be Rs.2400 (value of 200 kg sugar only)

Note that at end of the month 300 kg of paddy was still in the enterprise, which the owner intends to use for his manufacturing activity in the next month. Hence, it has not been considered either in block 3 or in block 4 as the approach followed for manufacturing activities is consumption.

However, if information is collected from books of accounts, figures will be copied from written books of accounts and value of stock of all raw materials and products, whether manufactured or traded may have to be recorded in the schedule. Thus, if entry is from books of accounts, assuming that the same transaction was carried out during entire reference year, and consumption of raw materials is not separately available in the books of accounts of the enterprise, operating expenses will be item 301: paddy seeds-Rs.5000 and item 312: sugar-Rs.6000; receipts will be item 401: Rs.2900 (sale of rice- Rs.2500 + rice produced but not sold-Rs.400), item 402: husk- Rs.200, item 421: Rs.7500 (paddy sold-Rs.1500+ sugar sold-Rs.6000). In the closing stocks, paddy and sugar will both be considered and the entries will be item 411: 0, item 412: Rs. 1500 (stock of 300 kg paddy), item 422: 0, item 423: Rs.2400 (stock of 200 kg sugar).

Note that, assuming that there are no other receipts or expenses for this enterprise, in both the approaches, gross value added is same (Rs.3500).

3.5.2 Example of method to be followed for recording distributive expenses

Suppose a manufacturer of iron buckets purchases iron sheets for Rs.100, produces 10 buckets using these sheets and sells all of them an ex-factory price of Rs.30 per bucket. Moreover, suppose there is no opening or closing stock of any goods and he does not have any other expenses or receipts. If he does not give any excise duty/ sales tax/ VAT transferable to government, and there is no commission to selling agents, etc., his total receipt is Rs.300. In schedule 2.2, we shall record Rs.100 as expenses in block 3, Rs.300 as receipts in block 4 and 0 in item 502 of block 5 to arrive at a gross value added of Rs.200. Now, suppose instead of Rs.100, he is paying Rs.104 for purchasing the iron sheets of which Rs.4 is VAT. His enterprise can be paying or not paying VAT on its sales depending on its scale of operation. Accordingly, he can fix his selling price either i) inclusive of VAT or ii) without it.

Suppose, sale price in case (i) is Rs.35 per bucket, of which he is collecting Rs.3.75 per bucket as VAT and Rs.1.25 for meeting his expenses towards outward transportation charges. His total receipt is Rs.350, of which Rs 37.50 is VAT and Rs 12.50 is for outward transportation charges. This enterprise has to deposit Rs.33.50 as VAT (as Rs.4 will be its Input Tax Credit). In such a case, it is preferable to record Rs.100 as cost of raw materials and Rs.300 as receipt (ignoring all the components of distributive expenses). However, if Rs.104 is recorded as cost of raw materials, Rs.350 will appear in block 4 and Rs.46 will be recorded as distributive expenses in item 502. Again, components related to VAT may be separable, but separating and subsequently ignoring the component of outward transport, etc., sometimes become difficult. Suppose, instead of showing cost of inward and outward transport separately in its books of accounts, the enterprise has shown the entire amount as transport charges and the same has been recorded in item 333. In such cases, record Rs.100 as cost of raw materials and Rs.(350 – 37.50 = 312) as receipt in block 4. As Rs.12 has already been considered as a part of transport charges in item 333, it will not be repeated in item 502.

On the other hand, suppose in case (ii), per unit selling price is Rs.32 of which Rs.1.50 is for commission to selling agents. Here, the owner may or may not know the VAT component on his cost of raw material. Here, Rs.104 will appear in block 3, Rs.320 will appear in block 4 and Rs.15 will be recorded as distributive expenses in block 5. In addition, suppose, he pays Rs.1 as Turnover Tax. Then, the distributive expenses will be Rs.16.

For excise duty payable and duty drawback received, similar approach will be followed. If values of products and by-products are recorded at ex-factory value, neither excise duty payable nor duty drawback received will be recorded. If sale values inclusive of excise duties are recorded in block 4, these components also have to be considered. The net excise duty (excise duty payable – duty drawback received as per profit and loss account) can be recorded in item 502. Alternatively, excise duty payable will appear in item 502 and duty drawback received will be recorded in item 445.

Block 6: Employment particulars of the enterprise during the reference period

3.6.0.1 Worker: Definition of worker is already given in 3.0.6. The worker may serve the enterprise in any capacity - primary or supervisory. He/she may or may not receive wages/salaries in return to his/her work incidental to or connected with the entrepreneurial activity. The reference period for this block will also be same as the one used for block 3.

3.6.0.2 Particulars in this block will relate to all workers - paid or unpaid. The average number of persons usually working on a working day during the reference period (for reference period, see paragraph 3.0.2) shall be recorded in this block. All categories of workers such as supervisory and managerial staff, clerks, typists, etc. will be recorded separately for male and female. This includes working proprietors and apprentices (paid or unpaid), unpaid helpers and part-time workers as long as they are engaged on a fairly regular basis. A worker need not mean that the same person will be working continuously; it will only refer to a position. As mentioned above, the average number of workers engaged on a working day during the reference period shall be recorded separately for different categories of workers. Some enterprises do not hire individuals like porters, sweepers, accountants, etc., on a fairly regular basis. These individuals work in many enterprises in a locality and usually receive service charges as and when they render such services to the enterprise, either on a piece rate basis or at some particular period of the year. Payments made to these individuals are to be recorded in item 332. Such persons will not be considered as workers here.

3.6.1.0 Calculation of average number of workers - full time and part time: Average number of workers is to be given always in whole numbers.

Part-time worker:- 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:- 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.

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.

Few common instructions for filling up items 601 to 615

- *entries may be done first for the females, followed by males.*
- All the calculations of average worker corresponding to the entries of items 601-616 have to be done according to the method of calculation of average number of workers illustrated in this paragraph.
- Working owner, hired worker, other workers can be either full-time or part-time according to the definitions given above.
- For seasonal and casual enterprises, if figures are collected from books of accounts, average number of workers will be calculated based on number of working months.
- Generally, for an enterprise, there will be at least one worker.

3.6.1.1 Items 601, 604, 611, 614: Working owner: In case of proprietary or partnership enterprises, if the owners personally work in the enterprise on a fairly regular basis, then they will be considered as working owner.

- For full-time female/male working owner, item 601/ item 611 will be positive.
- For part-time female/male working owner, item 604/ item 614 will be positive.

3.6.1.2 Items 602, 605, 612, 615: Hired worker: A hired worker is a person employed directly or through any agency on payment of regular wage/ salary in cash or kind. Apprentices, *paid or unpaid*, are to be treated as hired workers. Paid household workers, servants and resident workers of the enterprise are also to be considered as hired workers for the purpose of making entry against this item.

- For full-time female/male hired worker, item 602/ item 612 will be positive.
- For part-time female/male hired worker, item 605/ item 615 will be positive.

3.6.1.3 Items 603, 606, 613, 616: Other workers: Information regarding the workers not covered in items mentioned in above two paragraphs shall be recorded against this item. This includes all persons belonging to the household of the proprietor or households of the partners who are working in or for the enterprise *without regular salary or wages*. Persons working as exchange labourer in the enterprise without salary or wages will also be covered in this category. All unpaid household

workers/ helpers who are associated with the activities of the enterprise during the reference period will be considered for recording entries against these items.

- For female/ male full-time other workers, Item 603/ item 613 will be positive.
- For female/ male part-time other workers, item 606/ item 616 will be positive.

3.6.1.3 Item 619: Total workers: The entry is the sum of all the entries from items 601 to 616.

Block 7: Compensation to workers during the reference period

3.7.0 This block is applicable for enterprises where salary/ wages, bonus etc. in cash or kind or both is payable to the individual workers/ working owner (s) during the reference period. Reference period used for this block will be the same as the one used for block 3. There may be other types of payments like canteen facility, health care facility, sports/recreation club facility, etc. which are paid in kind to a group or to all the workers of the enterprise. All these types of payments, whether individual payments or payments made to a group will be recorded in this block. The entries will be in whole number of rupees.

3.7.1 Items 701 and 702: Salary/wages, allowances and other individual benefits (cash & kind): Salaries/ wages payable for the reference period will be recorded first for the working owners and then for the hired workers in these items. This will include:-

- 1) stipulated pay,
- 2) other allowances like dearness, house-rent, over-time, shift allowance, etc.
- 3) regular payments in kind as salary or wages or as a part of salary or wages, evaluated at cost to the employer,
- 4) bonus, retirement benefits, other individual benefits like ex-gratia payment, employer's contribution to ESIC fund, provident fund, etc., apportioned for the reference period.

- Payments of type (4) above are generally made once in six months or once in a year or at the time of retirement. For these kinds of one-time payment the apportioned amount for the reference period will be included. Suppose an enterprise paid Rs.24000 as gratuity to its employees during one year and the reference period for data collection is a month. Then, $\text{Rs.}24000 \div 12 = \text{Rs.}2000$ will be recorded.
- Compensations made to working owners will be recorded separately in item 701 followed by payments to hired workers in item 702.

3.7.2 Items 703 and 704: Imputed value of group benefits (including employer's contribution towards canteen, sports, insurance, etc.): This includes expenses (*net cost* to the enterprise) made by the employer to provide amenities and benefits in kind to workers as a whole, either free of cost or at subsidised rates. It includes:

- (i) Provision of canteen, crèches, sports & recreation clubs, dispensary, etc.

(ii) Provision of food, beverages, tobacco, uniforms, lodging, transport to office and back & other kind benefits.

- Apportioned values of these group benefits may be recorded, e.g., for reference month, divide the yearly figure by number of months operated.
- Group benefits derived by working owner will be recorded separately in 703. If it is for the hired or other workers, then entry will be in item 704.

3.7.3 **Item 709: Total emoluments:** Total of items 701 to 704, the total emoluments payable to all the workers for the reference period shall be recorded here.

Block 8: Fixed assets owned and hired

3.8.0.0 This block is meant for recording value of fixed assets owned and hired by the enterprise. Three reference periods have been used in this block-

Items	Reference period
Value of fixed assets (columns 3 and 4)	Last date of reference year/ month
net addition to owned fixed assets (column 5)	Year
rent payable on hired assets (column 6)	Same as block 3

3.8.0.1 **Fixed assets:** Fixed assets are assets held for the purpose of producing or providing goods or services and they are not held for resale in the normal course of entrepreneurial activities. These cover all old and new goods that have a *normal economic life of more than one year* from the date of purchase. Information regarding fixed assets is to be recorded by physical approach, i.e., all fixed assets available in the premises of the enterprise will be considered here. Values of hired assets may not be available in the books of accounts of an enterprise, although rent payable on them will be available. In such cases, value of the hired assets may be ascertained through additional oral enquiry and recorded.

3.8.0.2 Fixed assets will include: -

- 1) assets used for production, transportation, living or other facilities (recreation etc.). Full value of assets taken on hire purchase/ instalment (whether fully paid or not) excluding interest should be considered.
- 2) assets under construction, i.e. construction of building etc., installation of plant and machinery, preparation of chassis of truck, etc. (transport equipment) may be reported under the relevant items.
- 3) additions to fixed assets (as distinct from minor repair work) during the reference year are to be included.

Fixed assets will not include: -

- 1) intangible assets like goodwill etc.

- 2) advance payment for fixed assets not yet received.
- 3) fixed assets owned but rented out.

3.8.1 Item 801: Land and Building:

- Land will mean the land on which the enterprise is accommodated together with the surrounding area, which is used for the enterprise. This will also include improvement to land. However, if only a portion of the land belonging to the residence of a household is utilised for the enterprise, only that portion of the land may be considered as capital assets for the enterprise. Land owned with permanent heritable possession with or without right to transfer the title would come under this item. Land held on long-term lease, say, 30 years or more will also be treated as land owned. For encroached land, market value will be recorded in column (4) and entry will be '0' in column (6) with supporting remarks in block 11/ 12.
- 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.

3.8.2 Item 802: Plant and machinery: Plant is generally the name given to an assembly of machinery/ equipment/ devices installed for the operation of entrepreneurial activities. Machinery means an implement or mechanical device used in the entrepreneurial activities. These are assets of durable nature and can be easily identified. The full value of the machinery should be reported even if the machinery was purchased during the year on hire-purchase basis. Advance payments made for the purchase of machinery (not in possession during the reference year) will not be recorded as the approach for recording information here is by physical approach.

3.8.3 Item 803: 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 805. If the equipment is used both for domestic as well as enterprise purposes, the criterion to be followed is major time disposition of the equipment i.e., whether equipment is used more for domestic purpose or for use in enterprise. Transport equipment that is occasionally rented out will be included if it is mainly used for the activities of the enterprise.

3.8.4 Item 804: Hardware and Software: Considering the growing importance of computers and softwares used in various industries, a separate item on this has been made during this round. Computers and all kinds of software used by the enterprise must be entered in item 804.

3.8.5 Item 805: 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 801 to 804 above), which are used for the entrepreneurial activity

either directly or indirectly. These will include furniture, fixtures, laboratory equipment, office equipment, mobile handset, etc. Livestock used in oil mills 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 803 or item 805 depending upon major time spent.

3.8.6 Item 809: Total: This is total of items 801 to 805.

3.8.7 Columns (3) & (4): Market value of assets as on last date of reference period: Market value of the fixed assets as on last date of reference period separately for owned and hired assets shall be recorded in columns (3) & (4) respectively. Market value means the value that the equipment will fetch in the open market in present condition. However, if an enterprise provides information from its books of accounts, net closing value as per the books may be recorded. Value of hired assets may be ascertained by oral enquiry and incorporated even if it is not available in the books of accounts.

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

3.8.8.1 Net addition to the fixed assets can be:

- through purchase,
 - through own construction, where values need to be estimated by considering:
 - i) value of purchases of all materials used for the purpose,
 - ii) amount paid for labour or service charges on that account,
 - iii) imputed value of goods/services supplied by the household, if any
 - iv) homegrown materials, if any, are to be evaluated at ex-farm price,
 - v) value of any material already lying with the household for a long time, at cost price (cost to the household).
 - received otherwise (e.g., gift), valued at the full cost incurred, i.e., 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, i.e., which increases the economic life of an asset, will be considered for inclusion. (Cost of routine repair and maintenance of fixed assets reported in block 3.1 against appropriate items from 324 to 328 will be excluded from block 8).

3.8.7.2 Depletion of assets is obtained by considering the assets sold and discarded during last 365 days. 'Sale' that is only agreed upon but not affected during the reference year will not be included even if money has been taken in advance. But,

the value of assets sold will be included though payment is yet to be received. The value of assets disposed of in any manner other than sale, will be treated as value of assets discarded. Besides obsolescence (gone out of use) of an asset, this will include loss due to theft, damage, accident etc.

3.8.8 **Column (6): rent payable on hired assets during the reference period (Rs):**

It has already been mentioned in paragraph 3.8.6 that the present market value of hired assets used by the enterprise on the date of survey will be recorded in column (4). The rent payable for the reference period (i.e., period used for collection of data in blocks 3 to 7) on the assets hired by the enterprise will be recorded in this column. If no rent is payable for any asset put '0' in column (6) for that particular type of asset with appropriate remarks in block 11/12. If an enterprise is located in a rented house where the household resides as well, rent may be apportioned on the basis of floor area occupied by the enterprise. For rent paid in kind, imputed value may be given. If the enterprise runs in one's own house, rent need not be imputed.

Block 9: Loans outstanding as on last date of reference period

3.9.1 Any borrowing in cash or kind to be repaid in cash or kind is termed as loan. When a loan is granted by a banker/financier to an enterprise, the whole amount is placed at the disposal of the enterprise and interest at an agreed rate is charged thereon from the date of disbursement of the loan. The reference period for amount of loan outstanding will be reference year, while for interest payable, reference period will be the same as one used in blocks 3 to 7. All entries in this block will be made in whole number of rupees.

The following points may be noted for inclusion/exclusion of an item as loan:

Included are:

- loans taken for the purpose of utilising the same in the entrepreneurial activities of an enterprise will be included even if such loans are used for other purposes.
- While loans are generally given in cash from agencies listed in item 901, it can be either cash or kind or both from other agencies.
- In case of hire purchase also, loan outstanding on the date of survey, including interest will be considered in block 9 against the corresponding serial number.

Excluded are:

- loans taken for other purposes but ultimately used in the enterprise,
- Amounts due to merchants/shopkeepers, unpaid bills of lawyers/firms, outstanding taxes/revenue/rent payable to Government or public bodies etc.
- Amounts payable within a short period (current liabilities) like sundry creditors, etc.

3.9.2 The description of different type of credit agencies are mentioned below.

3.9.2.1 Item 901: central and state level term lending institutions, government (central, state, local bodies), banks & societies (public sector, commercial, co-operative): This will include 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
- vii) Different Ministries/Departments of Government or the local bodies (i. e., *panchayat*, municipality, etc.)
- viii) All scheduled and unscheduled banks including the State Bank of India and its subsidiaries like the State Bank of Travancore, State Bank of Mysore, State Bank of Bikaner & Jaipur, State Bank of Patiala etc.
- ix) Cooperative institutions like primary cooperative credit societies, district and central cooperative banks, primary or central land mortgage banks, and loom weavers' cooperative societies and other industrial or other types of cooperative societies etc.

3.9.2.2 Item 902: Other institutional agencies: Loans advanced by institutions/ agencies like Khadi and Village Industries Commission, Life Insurance Corporation, Chit Funds, etc. not covered under item 901 above will be recorded against this item.

3.9.2.3 Item 903: Moneylenders: A money lender is any person who has advanced a loan which carries interest irrespective of his being a friend or relative of the entrepreneur.

3.9.2.4 Item 904: Business partner(s): In the case of a partnership enterprise, loans may be made available by partner(s) of the enterprise. For such type of loans entries shall be made against this item. If the partner happens to be a moneylender then also entry shall be made against this item.

3.9.2.5 Item 905: Suppliers/ contractors: Sometimes an enterprise is provided with loans by the supplier of basic inputs/ raw materials and equipment to the enterprise. In the case of an enterprise working on contract basis, it may so happen that the contractor himself gives that loan. All such loans shall be recorded against this item.

3.9.2.6 Item 906: Friends and relatives: Any non-institutional loan which is **interest-free** will be included in this item.

3.9.2.7 **Item 907: Others:** Loans taken from any other agency not covered above will be recorded under this item.

3.9.2.8 **Item 909: Total:** Total of items 901 to 907, giving total amount of loans outstanding on last date of reference period and total interest payable during the reference period will be recorded against this item.

3.9.3 **Column (3): Amount (Rs):** Amount of loan outstanding, as mentioned in paragraph 3.9.1, shall be recorded in this column against the appropriate source(s) of loan.

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

Block 10: Particulars of field operation

3.12.0 Items in this block are self-explanatory. While filling up the schedules, care is to be taken to record the time taken in canvassing the schedule in minutes (and not in hours) against item 2 of this block. Dates of survey/inspection, etc. should be made as DD/MM/YY since these will be required in data processing.

Blocks 11 & 12: Remarks by investigator and comments by supervisor(s)

3.13.0 Blocks 11 and 12 are meant for noting down investigator's remarks/supervisor's comments / suggestions regarding the entries made in Schedule 2.2. Their observations will be very important for understanding various entries in the schedule, particularly the abnormally high or low figures (e.g., value added) and also helps in understanding the field situation and accordingly improve the system of data collection and processing in future.

3.13.1 Remarks depicting the actual reasons for unusual entries may be clearly written in the schedule in clear handwriting. Such reasons are normally ascertained from the informant by the investigator or supervisor in the process of recording or verifying unusual figures in the schedule. Mere confirmations of some doubtful entries, however, do not serve the same purpose. A lucid description of occurrences which are non-general in nature, beside the entries/ at bottom of the page where the entry is recorded or in these blocks helps a great deal in further processing of data.

Some differences between the schedule structures of 56th round and 62nd round

62 nd round	56 th round
Reference period	
Please see instructions on reference period in paragraph 3.0.2	
Information from accounts	
Reference period is accounting year	It was for last month
Block 1	
Two frames are used: list and area. Items 12 to 17 have to be filled up only for area frame.	Only area frame was used.
Block 2	
1) Number of hours the enterprise normally worked in a day during reference year/month, 2) when major source of income is some other activity, few information about that activity in items 208-210. 3) General educational qualification of the owner 4) agencies of registration (items 216-217) to be filled up according to the preference already present in the list.	items not in 56 th round respondent's preference was considered.
Block 3.1	
1) A new item (Item 338) 'royalties and insurance charges payable' has been included.	
Blocks 4 to 5	
If products and by-products are evaluated at ex-factory price, distributive expenses need not be collected	Instruction same, only emphasised
Block 6	
for definition of worker, please refer 3.0.6, presentation of block changed	-
Block 7	
Salary/wages and imputed cost of other group benefits have to be given separately for working owner and hired/other workers	
Block 8	
Separate item for hardware and software introduced	

Blocks 10 and 11 of schedule 2.2 canvassed during the 56th round has been dropped this time.

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)	selling balloon after filling it with gas	"	"
(5)	selling coconut after removing outer fibre	"	"
(6)	selling of firewood after cutting	"	"
(7)	selling of fish after cleaning	"	"
(8)	selling water after cooling (<i>nimbu pani</i>), coloured ice	"	"
(9)	making and selling bamboo basket	"	manufacturing
(10)	buying old goods and selling them after repair	"	"
(11)	meat shop	"	manufacturing, if live animal is slaughtered and sold; trade otherwise
(12)	selling of flowers, garland, bouquet	"	manufacturing, if garland and bouquet fetches major income; trade otherwise
(13)	tailoring shops selling clothes	"	manufacturing, if tailoring fetches major income; trade otherwise
(14)	selling ground-nut after frying/ boiling	manufacturing & restaurant	restaurant
(15)	selling boiled egg	"	"

Example of filling in schedule 2.2 using books of accounts**BAYZ ENTERPRISE**Balance Sheet as on 31st March 2005

	schedule	31 st March 2005	31 st March 2004
<u>Sources of Funds</u>			
Shareholder's fund			
Share Capital	A	1500	
Reserve and Surplus	B	7144	
		8644	
Loan Fund			
Secured loans	C	15435	
Unsecured loans	D	3520	
		18955	
	Total:	27599	
<u>Applications of Funds</u>			
Fixed Assets			
Gross block	E	8204	
Less: Depreciation		5484	
		2720	
Investments	F	39	
Current Assets, Loans and Advances			
Interest accrued on investments		8	
Inventories	G	7371	
Sundry debtors	H	10988	
Cash and bank balances	I	211	
Loans and advances	J	9232	
		27810	
Less: current liabilities & Provisions			
Current liabilities	K	2964	
Provisions	L	6	
		2970	
Net current assets		24840	
	Total:	27599	
Notes on Account	R		

The schedules referred above form an integral part of the Balance Sheet.

This is the balance sheet referred in our report of even date.

(XYZ)

Partner

For PQR & Co.

Chartered Accountants

Place:

Date:

BAYZ ENTERPRISE
Profit and Loss Account for the year ended 31st March 2005

<u>Income</u>	schedule	31 st March 2005	31 st March 2004
Sales	M	28681	
Other Income	N	1546	
		30227	
<u>Expenditure</u>			
Purchases		120	
Expenses	O	24801	
Interest	P	1600	
Increase/Decrease in stock	Q	2235	
		28756	
Profit before Depreciation and taxation		1471	
Less: Depreciation		794	
		677	
Add: Prior years adjustments (Net)		0	
Profit before taxation		677	
Less: Provision for taxation		225	
Profit after taxation		452	
Add: Balance brought forward from last year		1279	
		1730	
Appropriation			
Transfer to general reserve		1000	
		730	
Notes on Account	R		

The schedules referred above form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred in our report of even date.

(XYZ)
Partner
For PQR & Co.
Chartered Accountants
Place:
Date:

<u>Schedule A</u>	31 st March 2005	31 st March 2004
Share Capital		
Shares issued	1500	
<u>Schedule B</u>		
Reserve and Surplus		
General Reserve as per last account	4001	
Add: Transfer from Profit and Loss account	1000	
	5001	
Investment Allowance Reserve as per last account	163	
Export Allowance Reserve as per last account	1250	
Profit and Loss Account	730	
	7144	
<u>Schedule C</u>		
Secured Loans		
DEF Bank		
Cash Credit Account	1167	
Bill Purchase Account	14268	
	15435	
<u>Schedule D</u>		
Unsecured Loans		
From Shareholders	3450	
From other Body Corporate	10	
Interest accrued thereon	60	
	3520	
<u>Schedule F</u>		
Investments		
National Savings Certificate	18	
Share investment	21	
	39	
<u>Schedule G</u>		
Inventories		
Finished Goods (at cost)	5032	
Raw materials (indigenous) (at cost)	1445	
Lubricants and fuel	620	
Stores and spare parts	274	
	7371	
<u>Schedule H</u>		
Sundry Debtors (considered good)		
Outstanding for more than six months	18	
Others	10970	
	10988	

<u>Schedule I</u>	31 st March 2005	31 st March 2004
Cash and Bank Balances		
Cash in Hand	214	
Current Account in GHI bank	(3)	
	211	
 <u>Schedule J</u>		
Loans and Advances		
Loans	6824	
Interest accrued thereon	350	
Advances recoverable in cash or kind	1664	
Duty Drawback receivable	21	
Deposits	339	
Interest accrued on deposits	34	
	9232	
 <u>Schedule K</u>		
Current Liabilities		
Sundry Creditors	1648	
Other liabilities	1316	
	2964	
 <u>Schedule L</u>		
Provisions		
Taxation	425	
Less: Advance tax paid	419	
	6	
 <u>Schedule M</u>		
Sales		
Export	20185	
Local	8496	
	28681	
 <u>Schedule N</u>		
Other Income		
Dividend	5	
Interest	457	
Duty Drawback	263	
Service charge	821	
	1546	
 <u>Schedule P</u>		
Interest		
To bank	1592	
To others	8	
	1600	

<u>Schedule Q</u>	31 st March 2005	31 st March 2004
Decrease/ Increase in Stock (Finished Goods)		
Opening Stock	7267	5973
Closing Stock	5032	7267
	2235	

Schedule O

Expenses	
Raw materials consumed	13154
Stores and spare parts consumed	1220
Power and Fuel consumed	1203
Freight and Transportation	4030
Packing and Forwarding	1097
Rent (Building: 150, machinery: 28)	178
Salary, Wages and Bonus	1580
Contribution to Provident fund	41
Rates and Taxes	15
Insurance	157
Repairs to:	
Machinery	116
Others	5
Fabrication charges	65
Travelling and conveyance	473
Printing and Stationary	37
Advertisement and subscription	42
Central Excise Duty	503
Sales Tax	286
Commission Paid to selling agents	25
Staff welfare expenses	21
Legal charges	85
Miscellaneous expenses	444
Auditor's remuneration	24
	24801

Schedule E Fixed Assets as on 31st March 2005

particulars	Gross block				depreciation				Net block	
	cost as on 31 st March 2004	additions during the year	sales/ disposals during the year	cost as on 31 st March 2005	Upto 31 st March 2004	For the year	Adjustm ents during the year	Upto 31 st March 2005	as on 31 st March 2005	as on 31 st March 2004
Leasehold land and development	102		0	102	67	3		70	32	35
Building	721		0	721	427	26		453	268	294
Plant and Machinery	5043	58	2	5099	3149	513		3662	1437	1894
Computer	122	67	0	189	58	44		102	87	64
Car	1785	308	0	2093	989	208		1197	896	796
Total	7773	433	2	8204	4690	794		5484	2720	3083

The corresponding entries in different items of blocks 3, 3.1, 4, 4.1, 5, 7, 8, and 9 are shown below with some explanatory notes.

First, data is recorded from the balance sheet using schedules C, D and E. These will be used for filling up most of the entries of blocks 8 and 9. Remaining entries of blocks 8 and 9 will be recorded from schedule P (interest payments), and schedule O (rent payment).

Entries in Block 8 will be:

[8] fixed assets owned and hired					
srl. no.	type of assets	market value of assets (Rs.) as on last date of reference period		*net additions to <i>owned</i> assets during reference year (Rs.)	rent payable on hired assets during reference period (Rs.)
		owned	hired		
(1)	(2)	(3)	(4)	(5)	(6)
801.	land and building	300	7000		150
802.	plant and machinery	1437	300	56	28
803.	transport equipment	896	-	308	-
804.	software and hardware	87	-	67	-
805.	tools and other fixed assets	-	-	-	-
809.	total (items 801 to 805)	2720	7300	431	178

Entries have been recorded from:

column 3: net block as on 31st March 2005 of schedule E.

column 4: collected separately from management.

column 5: (additions– sales/disposals during the year) of the gross block of schedule E.

column 6: rent payment in the profit and loss account (schedule O on expenses).

Entries in Block 9 will be:

[9] loan outstanding as on last date of the reference period			
srl. no.	source of loan	amount (Rs.)	interest payable during the reference period (Rs.)
(1)	(2)	(3)	(4)
901.	central and state level term lending institutions, government (central, state, local bodies), banks & societies (public sector, commercial, co-operative)	15435	1592
902.	other institutional agencies	10	1
903.	moneylenders		
904.	business partner(s)	3510	7
909.	total (901 to 907)	18955	1600

Entries have been recorded from

column 3: figures as on 31st March 2005 of schedules C and D.

column 4: schedule P (Break-up between items 902 and 904 collected from the management)

Entries in blocks 3, 3.1, 4, 4.1, 5 and 7 will be recorded from the Profit and Loss Account of the enterprise. Schedules M, N, O and Q will be used for this purpose.

Entries in Blocks 3, 3.1 and 7 (using Schedule O) will be:

[3] principal operating expenses during the reference period (whole number of rupees)							
manufacturing activity (NIC-2004 codes 01405, 15111 to 37200)							
item no.	raw materials consumed	ASICC code			unit of quantity (code)	quantity (in whole no.)	value (Rs.)
(1)	(2)	(3)			(4)	(5)	(6)
301.							13154
309.	total (items 301 to 306)						13154

Assume that there is only one raw material. Here, consumption figure is directly available in the books of accounts. If entire purchase of raw materials is reported here, opening stock and closing stock of raw materials, along-with opening and closing stocks of goods traded will be recorded in items 422 and 423.

[3.1] other operating expenses during the reference period: all activities			
item no.	item	Value (Rs.)	
(1)	(2)	(3)	
321.	electricity charges	1203	
325.	minor repair and maintenance of (major repairs will not appear here)	plant and machinery	116
328.		tools and other fixed assets	5
331.	rent payable on fixed assets (other than land and building)	28	
332.	service charges for work done by other concerns (contract, sub-contract, legal, audit, advertising and other accounting services, warehousing expenses, commission expenses, etc.) 65+85+24	174	
333.	travelling, freight and cartage (transport) expenses 4030+473	4503	
335.	consumable stores, packing materials, etc. 120+ 1220+1097	2437	
336.	paper, printing and stationery expenses	37	
337.	license fees, cess charged by local bodies, other local rates (building tax, etc.) (excise duties and other indirect taxes are not to be included)	15	
338.	royalties and insurance charges payable	157	
341.	other expenses (<i>puja</i> , customer entertainment, etc.) 42+444	486	
349.	total (items 321 to 341)	9161	

Excise duty, sales tax and commission to selling agents have not been recorded here as these are part of distributive expenses and will be recorded in item 502.

[7] compensation to workers during the reference period			
item no.	type of emoluments		value (Rs.)
(1)	(2)		(3)
701.	salary/ wages, allowances and other individual benefits (cash & kind including bonus, retirement benefits, etc. apportioned for the reference period) 1580+41	working owners	21
702.		hired workers	1600
703.	imputed value of group benefits (including employer's contribution towards canteen, sports, insurance, etc.)	working owners	6
704.		hired and other workers	15
709.	total emoluments (items 701 to 704)		1642

Separate figures for working owners and hired workers was recorded after enquiry from management

Entries in blocks 4 (using M and Q), 4.1 (using N) and 5 (using O) will be:

[4] principal receipts during the reference period (Rs. in whole number)								
manufacturing activity (NIC-2004 codes 01405, 15111 to 37200)								
item no.	products and by-products manufactured	ASICC code				unit of quantity (code)	quantity (in whole no.)	value* (Rs.)
(1)	(2)	(3)				(4)	(5)	(6)
401.	28681+(5032-7267)							26446
409.	total (items 401 to 406)							26446
411.	opening stock of semi-finished goods							
412.	closing stock of semi-finished goods							
413.	changes in stock of semi-finished goods (item 412 – item 411)							
419.	total (item 409+item 413)							26446

Assume that the management informed there is only one product.

Computation of column 6 in item 401:

Production = items sold + (closing stock - opening stock) of finished goods.

information on columns 2, 4 and 5 will be separately collected from the management.

[4.1] other receipts during the reference period : all activities (Rs. in whole number)		
(The overall receipts of the enterprise will be recorded here. If some items have already been covered under specific activities in block 4, they should not be reported here again.)		
item no.	item	value (Rs.)
(1)	(2)	(3)
441.	receipts from services provided to others including commission charges	821
445.	funding / donations received (including recurring govt. grants and subsidies)	263
446.	other receipts (including royalties receivable)	
449.	total (items 441 to 446)	1084

Interest and dividend receipts not considered although they are in schedule N

[5] calculation of gross value added for the reference period (Rs. in whole number)		
item no.	item	value (Rs.)
(1)	(2)	(3)
501.	total operating expenses: [items (309+319+349)]	22315
502.	distributive expenses, if any [@] 503+286+25	814
503.	total receipts: [items (419+439+449)]	27530
509.	gross value added (item 503 - item 502 – item 501) [put (-) sign in case of negative value] [#]	4401

As gross sale value has been recorded, excise duty, etc. payable has also been recorded in distributive expenses. Hence, duty drawback received has appeared as subsidy. Alternatively, net excise duty, i.e., (excise duty paid – duty drawback received) can also be considered in distributive expenses, but recording duty drawback in subsidy will not be done in subsidy in such case. If values are recorded at ex-factory value, neither excise duty nor drawback received on it will be recorded.

Interest and dividend receipts have not been recorded in other receipts.

Frequently Asked Questions

SI no.	Query	Reply
(1)	(2)	(3)
Coverage, reference period and block 1		
1	Street Vendors selling food items for immediate consumption without provision of sitting space for the customers to take food. Whether it has to be classified under manufacturing or taken as restaurants?	May be taken as restaurant.
2	Whether assembling of cycle parts are to be considered as manufacturing of cycle?	If cycle parts are purchased independently from the market and assembled by the enterprise and sold as a cycle, then this is to be treated as manufacturing. But assembling made against the company's supplied parts will not be treated as manufacturing.
3	If a particular enterprise was started during the current year and worked less than 30 days only. What will be the average month & reference period?	The reference period will be last 30 days if it is a seasonal enterprise; otherwise it is an ineligible enterprise.
4	If a seasonal enterprise worked for less than 30 days during the current season, last month will refer to the average month of last working season. What does ' average ' stand for?	Illustration with example:- Suppose a seasonal enterprise has worked for 4 months in last season and their total expenditure was 40000 in that season. Then expenditure for an average month will be $40000/4=10000$.
5	If a particular seasonal enterprise worked for 25 days in current working season while it had worked for 20 Days in the last month of last season. What will be the reference period?	Reference period will be taken as average month of the last working season.
6	In case of casual enterprise, what is the reference period?	Last calendar month or last 30 days, if it is done through oral enquiry.
7	If a manufacturing unit (perennial) has not functioned for the last 30 days preceding the date of survey for some reason but it is not closed, what will be the reference period?	The information for the last 30 days preceding the date of survey will be recorded, if oral information is collected.
8	An enterprise is maintaining books of accounts and providing information from same. Whether this will be treated as accounts maintained or is it necessary to prepare audited balance sheet also?	Yes, it is treated as accounts maintained irrespective of audited balance sheet maintained or not.

Sl no.	Query	Reply
(1)	(2)	(3)
9	Which informant code will be given if the informant has given information partly and for the rest he was telling, 'I am busy'?. And no further information is given?	The code for item is given only after filling the full schedule. Hence, this is to be substituted if full information is not provided.
block 2: operation and background information		
10	Two manufacturing activities like tailoring and embroidery is 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.
11	A master bidi contractor supplies raw material to households who after using its instruments produce the bidi and return to the master contractor. The master contractor pays the household on piece rate. Who will be the manufacturing enterprise master contractor or the household?	Both. Master contractor and the household are to be treated as separate manufacturing enterprises.
12	Will private limited Co. or public Limited Co. be taken up for survey for which code have been provided in the schedule?	They will be covered if they are not registered under section 2m (i) or 2m (ii) of the Factories Act, 1948 or Bidi and Cigar Workers (Condition of Employment) Act, 1966.
13	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.
14	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 a case of mixed activity if the articles manufactured are different at 2-digit level of NIC 2004. Refer paragraph 3.0.3 for details.
15	If the proprietor does not stay at the place of manufacturing activity and no information is available regarding his other activity, what will be the relevant code for multiple activity?	Treat the situation as if the proprietor does not have any other activity.

SI no.	Query	Reply
(1)	(2)	(3)
16	In case of multiple activities which NIC code will be recorded in item 201?	In item 201, NIC code for activity of the enterprise will be recorded. If this is not the major source of income for the owner then the NIC code of the most important activity in terms of major source of income to the owner has to be entered against item 211.
17	Whether description should be as per NIC 2004 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.
18	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 periodicity of operation during reference year.
19	What ownership code shall be assigned to the enterprise jointly run by husband & wife with equal intensity?	Code 3 (partnership between members of same household).
20	A sweet manufacturer visits <i>shandies</i> (hat) on different days & prepares sweets at hat & sells. What location code is to be given for such enterprise?	Enterprise is to be listed at the residence only & code 5 (mobile market) may be given for such enterprise against item no. 215.
21	For a carpenter what code will be entered in item 215 if he does not work at one place?	Code 6 will be entered.
22	Carpenter doing work at construction site. What code should be given for item 215?	Code 6 will be given.
23	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 registered enterprise and code 19 will be put in item 217 and the name of the licensing authority will be specified.
24	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 23.

Sl no.	Query	Reply
(1)	(2)	(3)
25	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 taken to be registered on the basis of its application only. In such a case code 2 will be given against item 216.
26	Whether the registration code of the enterprise will be incorporated as per informant's verbal opinion or from his record. Please explain it.	As per information given by the enterprise. Verification of records is not required.
27	An enterprise has applied for de-registration with the chief Inspector of Factories. Whether this unit will be taken up for Survey as an unorganised Manufacturing or not?	So long as it remains as part of ASI frame, it will not be taken up for survey as an unorganised enterprise.
28	What will be the code for source agency (item 219-220) if the raw material is obtained from nature free of cost or by theft?	Code will be 9 (others).
29	What will be the source code for raw materials (item 219-220) in case of 'job work' if no raw material is needed? eg. - flour mill	Code will be 6 (no specific source agency).
30	Whether item 223 and 224 of block 2 are applicable even for the enterprise not requiring electricity for their work?	Yes. Code will be 2 if they have not applied for it.
31	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 the respective item will be 1 or 2?	It will be 1 ('Yes') as reference period for this item is full year.
32	What problem code is to be given for competition among the enterprises?	For such a problem, code 2 can be given.
33	What is the reference period for item 229 of Block 2?	Unless otherwise mentioned, reference period for all items of block 2 is reference year.
34	Individual customers give work with specification to custom tailor. Will it be considered as a contract?	In case of bulk order it will be considered. But otherwise it will not be.

Sl no.	Query	Reply
(1)	(2)	(3)
35	If the enterprise has run for 5 days in Nov., 3 days in Dec. and 10 days in Jan., the months of operation will be recorded as 3 or all the days put together will be counted a month?	In the given example Nov, Dec and January wherein the enterprise operated will be considered as operational months, i.e., three months. Please note that if this is a perennial enterprise and this has operated only for these many days, in the last 365 days, then this is not an eligible enterprise.
36	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.
37	If an enterprise has operated for one day in a month. Whether it will be treated as operated in the month?	Yes.
Blocks 3 and 3.1: Operating expenses		
38	Whether the approach for Block 3 'Principal Operating Expenses' is paid approach?	No, for blocks 3 and 3.1 the approach is payable approach. Unless otherwise specified, it is payable/receivable approach for all blocks.
39	A manufacturing of bakery products enterprise carries out trading activities of other goods as well, as also carries out restaurant activity in his selected trading establishment. Elucidate on recording of consumption and receipts in this case wherein accounts are not separable?	This is a case of manufacturing mixed with trading and restaurant activity. Therefore, purchase value (delivered value) of all trading goods sold in the same condition as purchased may be reported in item 311. Consumption costs (delivered cost) of items consumed in Restaurant activity may be reported in item 312. On receipt side, receipts with respect to trading activity may be shown against items 421 to 424 of Block 4, receipts with reference to restaurant activity may be shown against item 431. Further, consumption/ production entries for manufacturing also to be made in items 301-306, 401-406, etc..
40	Bakery buys back unsold breads from its salesmen. Against which item will this expenditure be reported?	If the bakery uses them as raw material for manufacturing some other product then it will be reported in block 3. Otherwise it should not be reported.

Sl no.	Query	Reply
(1)	(2)	(3)
41	Whether unit of quantity code is to be given as per ASICC or as per instructions or as per reporting of informant?	Separate codes have been provided for codes of quantities in the schedule. Please follow it.
42	Small units give information on products manufactured by specifying brand names. This poses difficulty to match it with the description in ASICC code.	Brand name cannot be given. Efforts should be made to give correct and appropriate ASICC codes in the schedule to match it with actual description of commodity.
43	If enterprise is receiving all raw materials from customers, how block 3 will be filled?	Block 3 will remain empty in this case.
44	If manufacture and sale of sweet meats is being done by an enterprise in addition to serving of tea as well as providing STD services at one premise, the entries in Block 3 will be made in which manner?	If the accounts are not separable and manufacturing is the major activity, then consumption of materials for manufacturing activities will be recorded against items 301 to 309, while purchases for trading activity will appear in item 311. Expenses for tea and STD services together will be reported against item 312.
45	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 4?	Both blocks 3 and 4 will be left blank. Other relevant and applicable blocks/ items/ columns may be recorded. Proper remarks may be entered in blocks 10-11.
46	If the owner himself does free collection of raw materials, whether the days he was engaged in free collection of raw materials will be calculated for calculation of imputed value?	No. Price will be '0' with a remark. However if he has incurred some expenditure for bringing the material to the site of the enterprise the expenditure for transportation will be taken as the cost of the material.
47	For free collection whether to include imputed cost?	No imputed value has to be reported. Only if there is any collection or transportation charges then that will be reported.
48	Packing materials under direct materials have to be treated as raw materials. Will the value of such materials be considered for selection of five most important raw materials?	Yes. This is to be followed when the product can not be sold without such packing e.g. medicines, perfumes, etc.

Sl no.	Query	Reply
(1)	(2)	(3)
49	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.
50	For seasonal enterprises: products were sold during the ref. month but no raw materials were consumed during the ref. month. What will be entry under block 3?	For seasonal enterprises raw materials consumed and products manufactured etc. are to be given for average working month of the previous season, if it has operated for less than 30 days in the current season.
51	A household receives a particular amount of raw materials to produce 1000 bidis. If the household produces 1000 bidis using lesser quantity of the raw materials and the saved raw materials are used to manufacture extra bidis, which are sold in the market, how the block 3, 3.1, 4 & 4.1 will be filled?	Raw material saved will be treated as raw material freely collected. Relevant comments must be added in appropriate block.
52	What criterion is to be taken to make the entries against item 311 & 312?	For manufacturing enterprise having mixed activities and for enterprises engaged in sale of any material (incidental to manufacturing) in the same condition as purchased, the major commodity of the trading enterprise will be recorded against item 311. The combined value of purchase of the remaining items will be reported against item 312. For mixed activities other than trading also, major items should be given in item 311 and remaining in item 312.
53	In case of penalties/fine imposed on a shopkeeper for adulterated milk/sweets, whether the penalties be recorded in block 3 or 3.1?	It should be shown in either of items 301 to 306 or 321 to 338. As per instructions, fines or penalties for any breach of contract on non-compliance of law relating to running of enterprise will be shown against those items for which penalties have been demanded.
54	In case of illegal electricity connection, how the entries are to be made against item 321?	Value in such cases is not to be imputed. However, if some payment is made for the connection the same may be recorded.

SI no.	Query	Reply
(1)	(2)	(3)
55	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.
56	Owner is paying house rent only in which electricity charges are included. How to report the entries against item 321?	The consumption of electricity will be estimated & consumption will be reported accordingly against item 321 & remaining amount will be reported in block 8 as rent.
57	Whether fuel & lubricant will be reported against item 322 of block 3.1 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.
58	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'.
59	An enterprise engaged in the manufacturing of basket uses candles in the night. Whether the expenditure on candles be treated as fuel?	No, item 322 will be left blank. The entry will be made in item 338, other expenses.
60	If one or two by-products are consumed as fuel (e.g., husk) by the enterprise, whether the value of that by-product will come under item 401 to 406 of Block 4 or under item 322 of Block 3.1?	The amount of the by-products consumed as fuel will be entered in item 322 and total amount of by-product manufactured will be entered in items 401-406
61	Where to include the Feeding expenses on animals used in the enterprises for transporting purpose?	Under item 327.
62	Rent payable on land & building is not accounted for in block 3.1 item 331. Hence rent receivable on land and building must not be shown against item 444 Block 4.1.	It should not be recorded against item 444 Bl. 4.1.
63	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 period.
64	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 332 of block 3.1.

SI no.	Query	Reply
(1)	(2)	(3)
65	How to apportion expenses of irregular nature such as travelling expenditure?	Irregular expenses incurred during reference year may be apportioned based on reference period for data in block 3.
66	If the enterprise has installed new telephone connection during last 30 days and no previous bills are available to give an idea about the average monthly expenditure, how entry will be made in item 334?	The rental charges for the connection period will have to be necessarily paid and so pro rata rental charges for the connection days can be calculated. Further, probing can be made as to the number of calls generally made on a day and on this basis likely telephone charges can be calculated adjusting the rentals.
67	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.
68	Whether bank draft charges/postal charges will be entered here or not?	Postal charges will be put in item 334 and bank charges in item 341.
69	For brick manufacturing industry, salt is also used, against which item salt is to be taken?	Salt is to be consider as a consumable stores and recorded in item 335.
70	Is plastic containers used in oil industries, polythene bags used in milk dairy are to be considered as packing materials?	These are to be considered as raw materials in block 3, as the product can not be sold without these.
71	What is the consumable store?	Things that lose their identity in the process of manufacturing and helps processing of raw material into final product.
72	In a manufacturing unit, the proprietor sends most of the packing materials i.e., thread, label, wrapping paper, cartoon and the manager has no idea on the value.	Manager is supposed to know. Substitute such enterprises where information cannot be given by the manager/informant.
73	Will the SSI registration fee for 5 years, paid prior to reference period, be apportioned for the reference period & noted?	Yes.
74	If bribe is given in addition to license fees, whether that bribe amount is also be noted?	Yes.
75	In the case of damage while doing the job work and compensation given to customers whether these expenses are to be considered?	Yes, it is to be considered as expenses under item 341 (other expenses).

Sl no.	Query	Reply
(1)	(2)	(3)
76	Where the entry will be made for expenditure on periodicals, magazines and books?	It will be recorded against item 341. However, for the books purchased for library & amount capitalised, the amount will be reported in item 805 of block 8.
77	Is insurance made on manufactured goods in transit to be included against item 338?	Such expenditure made are treated as distributive expenditure and recorded in bl. 5, item 502, provided the same is considered while recording gross sale value in block 4. This insurance is made for delivery of manufactured goods at select locations. 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 338, group insurances made on employees are part of emoluments and to be recorded in block 7.

Blocks 4 and 4.1: Receipts

78	If there are entries in items 301 to 306 of block 3 then can there be nil entries in Block 4 item 401 to 406?	Yes, it is possible in a few cases. Even among them, in most of these cases, there will be positive entry in item 413 of block 4. Only for units doing job work, there may not be any entry in block 4.
79	It may be clarified whether the quantity manufactured and not sold is to be valued at ex-factory value or not?	The part of the quantity manufactured during the month, but non-sold will be valued at ex-factory value.
80	How to evaluate stocks of finished goods?	First of all, It may be understood that stocks of finished goods are not considered for the survey. However, stocks in the sense that no sales are made out of the manufactured quantity during the month, the same may be valued at ex-factory value. It may be noted that in Bl.3, consumption of raw materials towards the quantity manufactured during the reference period only will be considered.
81	Whether semi finished goods/finished goods given to employees or consumed by owner will find place in item 443 or in block 4 or in block 7?	It can come in item 443, if it is not reported in items 401-406. Care may be taken that there is no duplication of entries in blocks 4 and 4.1. On the other hand, expenses on those materials will preferably appear in block 7 and not in block 3 or 3.1.

Sl no.	Query	Reply
(1)	(2)	(3)
82	A manufacturing enterprise lost all its manufactured goods produced during the reference month. How to report "value" in col. (6)?	Multiply the quantity manufactured and lost by ex-factory value of the most recent months.
83	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 received or not, the details of manufacturing should be given in col. 4 to 6 against the relevant items 401 to 406. The amount may be imputed as per terms of receipts and apportioned for the reference period.
84	In chalk manufacturing unit, it was being reported that there was a breakage of 10%. These broken pieces were given free. How to record the value in block 4?	The gross sale value of the products made ready for sale and by-products, if any, are to be recorded. In case of broken chalk pieces value might be zero.
85	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-firm price may be used.
86	Some sweets are given particular shape before selling. But these can be sold without giving any shape also. How to consider the amount produced as finished product and semi-finished goods?	The part, which is manufactured for sale without giving shape and part that has been given shape (out of total meant to be sold after giving shape) will be finished product. The rest (total meant to be sold after giving shape <u>minus</u> part which has been given shape) will be semi-finished product.
87	Receipts from other activities. The owner of the enterprise received commission from share trading activity. Whether it will find place here.	Yes, if it is mixed activity.
88	In some of the cases suppose the construction has not yet been completed and it is not possible to get the market value of the assets, then what value should be taken?	In item 442, the value of the asset may be taken as the cost incurred for the construction (including labour cost) during the reference period.
89	For constructions started earlier and also going on during the month, whether cost of raw materials can be taken as value in item 442?	Cost of raw materials and labour cost during the reference period may be noted against item 442. Value of own labour will be imputed.

Sl no.	Query	Reply
(1)	(2)	(3)
90	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 445 bl.4.1?	Subsidy receivable during the reference period only will be covered under item 445 of block 4.1.
91	Gifts received & given incidental to enterprising activities, whether it will find place here?	Donations, gifts etc. received by the enterprise will come in items 445. Gifts given as a measure of sales promotion will come in item 341.
92	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 446.
93	In case of mfg. of Nuts & Bolts industry, sale of scrap should be reported against item 446.	Scrap is a by product hence its sale should find place against item 406 of block 4.
94	If a unit has charged interest on late payment by the customer, whether the same may find place under the item 446?	No. The amount of interest on the late payment by the customer will not find place under the item 446.
95	A unit engaged in job work has sold left out or wastage. Where the amount received will be reported?	It will be reported under item 446.
96	Whether the amount received through sale of used <i>bardan</i> (gunny bags) will be recorded against item no.446?	Yes
97	A seasonal enterprise puts the earnings of a season in short term fixed deposits, earns interest and pumps in the amount (Principle + Interest) in the entrepreneurial activity in the second season which is also within the last 365 days. Whether the Interest earned in this case can be included against this item?	Interest received will not be taken as it has not accrued due to manufacturing activity.
Block 6: number of workers		
98	Whether unpaid worker will be treated as hired worker?	Unpaid apprentices will be treated as hired workers.
99	If a worker works for just an hour a day, will he be considered part time worker?	Yes, provided if he gets salary/wages and the normal working hours of the enterprise is more than 2 hours a day.

Sl no. (1)	Query (2)	Reply (3)
100	During listing stage, an enterprise is reported as OAME, 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 6?	In block 1 of sch. 2.2 enterprise type will be same as given in listing schedule. In block 6, actual no. of workers will be given including hired one. Changing of code in listing schedule or block 1 of detailed enquiry schedule is not required even if it is subsequently found that it operated with hired labour throughout the reference year.
101	If owner of enterprise draws remuneration, will he be treated as hired worker?	No. The owner will be shown against item 601 or 611 of block 6 depending upon whether she/he is female/male 'working owner'.
102	How child labours will be treated in block 6?	Child labour will be reported according to their gender since no specific information regarding adult workers and child workers is required in the schedule.
103	If some enterprises (e.g., tailoring), people are working to get hands-on-experience by paying some lump-sum to the owner of the enterprises. In such cases, where they will be reported?	They will be hired workers. Block 7 entry for them will be '0' with remark. The amount paid by them to the enterprise will come under other receipts (item 446).
104	If 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.
105	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 a case irrespective of the fact that the workers are same or different.
Block 7: compensation to workers		
106	Whether expenditure on group insurance will be reported against item 701/702 or 703/704 of block 7?	Group insurance will come in block 7 item 703/704.
107	One enterprise is closed. Suppose it is giving salary to the employees. Whether entry will be made in block 6?	Yes.

Sl no.	Query	Reply
(1)	(2)	(3)
108	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 (i.e. divide by no. of months operated if information is collected orally) and reported.
109	Cooler facility is provided to workers in an enterprise. Is this expenditure be taken under group benefits i.e against item 703/704 of block 7?	No, Coolers are part of assets of the enterprise. Electricity expenses for running it will come under item 321.
110	Whether for some industries like chemicals, food processing, etc. special dresses necessary to carry out the job are to be included.	Such special dresses necessary to carry out specific jobs are treated as consumable stores if life of such dresses is less than 1 year, otherwise, it will be a part of fixed assets. Generally, uniforms will be treated as group benefits.
Block 8: fixed assets		
111	If the enterprise gives data from accounts, how the market value of assets would be given in block 8?	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.
112	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 through purchase/sale, etc. of the owned fixed assets.
113	If an enterprise without fixed premises keeps its vehicle somewhere, whether that piece of land will be considered as fixed asset?	No.
114	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.
115	Sometimes soft drinks manufactures provide fridge to the retailers with the condition that a specified no. of crates will have to be sold in a specified period. The fridge is neither owned nor hired. How such cases will be treated?	It may be taken as an hired asset of the retailer with rent '0'. It will not appear as assets of the soft-drinks manufacturer.

Sl no.	Query	Reply
(1)	(2)	(3)
116	The 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 same entry will report here also?	The same entry will come in column 5 also.
117	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 801 of block 8?	If the land is taken on long-term lease (a term of 30 years or more) then the land is to be considered as owned. However, rent is also to be reported in column 6 with remarks. If it is not a long-term lease then the market value of the structure is to be recorded in column 3 and that of the land is to be recorded in column 4.
118	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.
119	Whether scissors, needles will be considered as tools?	Scissors will be tools and needle will generally be a consumable item.
120	Under which item to report ceiling fan, tube light fittings, telephone installation, internal wiring, etc.?	Item 805. However, Internal wiring may come as a part of building if deriving separate value for it becomes difficult.
121	In 'net addition' do we get value after deducting depletion from addition of fixed assets during the reference Period?	Yes.
Block 9		
122	Whether interest free loan will be considered for Block 9?	Yes. It will be reported in item 906.
123	a) Loans incurred 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 9?	a)Yes b)No.
124	Is there any provision to include subsidy in block 9?	No, only loan will be included. Subsidy for the reference period will come in block 4.

SI no.	Query	Reply
(1)	(2)	(3)
125	The master weaver gives a loan of Rs.3000 and as per terms, no interest is charged but till total repayment, the master weaver pays service charges of Rs. 70 as against Rs. 80 per day, deducting Rs. 10 per day. How the entries have to be made?	It seems that the weaver has taken interest free loan of Rs. 3000/- which he is repaying for 300 days @ Rs. 10/- per day. In that case, block 9 column 3 will have entry 3000. Entry in col. 4 will be '0'. In item 441, total receivable for the month @ Rs. 80/- per day may be taken. On the other hand, if the enterprise has to repay Rs.3000 and in lieu of payment of interest, agrees to receive Rs.70 per day for a period of say, 180 days, within which he repays the principal amount, then Rs.1800, i.e., difference in service charge for these 180 days of work is the amount of interest paid by him. Here, his receipt in block 4 will be calculated @ Rs.80 per day and Rs.1800 will be entered as interest payment.
126	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.
127	Whether money advanced by contractor is to be considered as loan?	Advance payment is not a loan.
128	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 before 5 months 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.	The enterprise is giving oral information. Present market value of 10 bags will be reported in column 3. Since the interest payable is for 6 months hence value of 1 bag is to be divided by 6 and reported in column 4.

Sl no.	Query	Reply
(1)	(2)	(3)
129	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. Suppose reference period for block 3 was last month. The outstanding loan amount on last day of the reference year will appear in column 3 of Block 9. Interest payable for the reference year will be apportioned for the month and reported in column 4, block 9. '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.
