

Annual Survey of Industries (ASI)

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1.1. Annual Survey of Industries (ASI):

It is the principal source of industrial statistics in India. It provides statistical information to assess and evaluate, objectively and realistically, the changes in the growth, composition and structure of organized manufacturing sector comprising activities related to manufacturing processes, repair services, gas and water supply and cold storage. The survey has so far been conducted annually under the statutory provisions of the Collection of Statistics (COS) Act, 1953 and the rules framed there-under in 1959 except in the State of Jammu & Kashmir where it is conducted under the J&K Collection of Statistics Act, 1961 and rules framed there under in 1964. From ASI 2010-11 onwards, the survey is being conducted annually under the statutory provisions of the Collection of Statistics (COS) Act, 2008 and the rules framed there-under in 2011 except in the State of Jammu & Kashmir where it is being conducted under the J&K Collection of Statistics Act, 2010 and rules framed there under in 2012.

1.2. ASI Schedule:

ASI schedule is the basic tool to collect required data from the units selected for the survey. The schedule for ASI, at present, has two parts. Part-I of ASI schedule, processed at the CSO (IS Wing), Kolkata, aims to collect data on assets and liabilities, employment and labour cost, receipts, expenses, input items: indigenous and imported, products and by-products manufactured, distributive expenses, etc. Part-II of ASI schedule is processed by the Labour Bureau. It aims to collect data on different aspects of labour statistics, namely, working days, man-days worked, absenteeism, labour turnover, man-hours worked etc. The concepts and definition of various terms used in collection of ASI data are given in Chapter Two, and the details of the schedule, item descriptions and procedures for collecting information for each item are given in 3.

1.3 Geographical Coverage: The ASI extends its coverage to the entire country.

1.4 Reference Period: The reference period (year) for ASI is the financial year (April-March) for all items of Part – I & II. For example, reference period for ASI 2015-16 is the financial year 1st April 2015 – 31st March 2016.

1.5 Survey Period: The actual survey period for ASI is generally from the month of October (in this case 2016) to May (2017 in this case) in the subsequent year following the reference period.

1.6. Coverage of Units: It covers all factories registered under Sections 2(m)(i) and 2(m)(ii) of the Factories Act, 1948, where the manufacturing process is defined under Section 2(k) of the said Act. Details are given in Annexure IV. The survey also covers bidi and cigar manufacturing establishments registered under the Bidi and Cigar Workers (Conditions of Employment) Act 1966. All electricity undertakings engaged in generation, transmission and distribution of electricity, not registered with the Central Electricity Authority (CEA) are also

covered under ASI. However, defence establishments, oil storage and distribution depots, departmental units such as railway workshops, RTC workshops, Govt. Mints, sanitary, water supply, gas storage etc. are excluded from the purview of the survey.

1.6.1 It was decided by the Standing Committee on Industrial Statistics (SCIS) that the coverage of ASI may be extended beyond the purview of the Section 2m (i) and 2m (ii) of the Factories Act, 1948 and the Bidi & Cigar Workers (Conditions of Employment) Act, 1966. To start with, the units with 100 or more employees, not registered under Section 2m (i) and 2m (ii) of the Factories Act, 1948 but registered under any of the seven Acts / Board / Authority viz., Companies Act. 1956, Factories Act. 1948, Shops and Commercial Establishment Act, Societies Registration Act, Cooperative Societies Act, Khadi and Village Industries Board, Directorate of Industries (District Industries Center) in the Business Register of Establishments (BRE) as available with National Accounts Division and verified by Field Operations Division (FOD), are also considered for selection.

1.6.2. For data collection in ASI, an establishment approach (and not enterprise approach) is followed. An institutional unit in its capacity as a producer of goods and services is known as an enterprise. An enterprise may be engaged in one or more economic activities at one or more locations. An enterprise may be a sole legal unit. On the other hand, an establishment is defined as an enterprise or part of an enterprise that is situated in a single location and in which only a single productive activity is carried out or in which the principal productive activity accounts for most of the value of products and by-products.

1.6.3. The primary unit of enumeration in the survey is a factory in the case of manufacturing industries, a workshop in the case of repair services, an undertaking or a licensee in the case of electricity, gas and water supply undertakings and an establishment in the case of bidi and cigar industries. The owner of two or more establishments located in the same state, same sector (bidi, factory or electricity) and pertaining to the same industry group (3-digit industry code) falling under the census scheme is, however, permitted to furnish a single consolidated return, termed as 'Joint Return (JR)'. Such consolidated returns are a common feature in the case of bidi and cigar establishments & electricity undertakings.

1.7 Data Collection: As per the Collection of Statistics Rules, 2011 under the Collection of Statistics Act, 2008, the consultation of Nodal Officer of Central Government is mandatory for conducting any Survey (Section 5[2]). The Nodal Officer is a designated Officer, not below the rank of Joint Secretary, Government of India of nodal department dealing with statistical matters, for exercising powers and performing duties under these rules (Section 3[1]). Now under the rule (Rule 7), a Statistics Officer for a specified period and specified territory is required to be appointed (Section 4 of the Act 2008) to conduct the Survey. The Statistics Officer is empowered by the Act (Sub-section 4 or 6 of Section 4 of the Act) to collect or authorize officials to collect information from any industrial and commercial unit concerned.

1.7.1 Notices may be issued by the Statistics Officer to factories concerned and the field staff authorized by Statistics Officer may collect and/or verify information from the authorised persons in the factories. The powers and duties of officials engaged in ASI are as given under the COS Act, 2008. These include power to enter premises, obtain copies of relevant documents. They have to maintain secrecy and confidentiality as per the provisions

1.7.2. As per the Collection of Statistics Act, 2008, any defaulting unit may be prosecuted by or with the sanction of Statistics Officer and any person who is employed in the execution of any duty or functions under this Act fails to carry out his duties or knowingly makes any false

declaration or seeks to obtain information which he is not authorized to obtain or violation of any of the confidentiality and secrecy of the information may be prosecuted by or with the consent of appropriate Government under Section 25.

1.7.3 ASI is a statutory survey and so the units/entrepreneurs are to submit the returns along with the balance sheet and other relevant documents within the prescribed period after the receipt of notice failing which penalty process may be initiated in accordance with the COS Act.

1.7.4. After the receipt of the filled-in return, the field officials of FOD are to verify the same, and check for any discrepancy. If a unit is unable to fill up the return as per the guidelines, it may contact the concerned field office of NSSO (FOD) as mentioned in the Notice for guidance. In case any discrepancy is observed in the filled-in return, the field staff of FOD is to pay a visit to the concerned unit to verify the return from the relevant documents. Such unit has to extend all cooperation to the person visiting the unit for the purpose of verifying the return.

1.7.5. The duly filled in returns for the Central Sample are compiled and transmitted online to CSO (IS Wing) through ASI Web Portal for processing and publication of results.

1.8 ASI Frame: Availability of a complete and up-to-date frame of all the eligible units is an essential pre-requisite for any large-scale survey. In fact, availability of proper frame is one of the most critical requirements for working out correct multiplier to arrive at valid estimate.

1.8.1 The ASI frame is based on the lists of units mentioned in Section 1.6 and its subsections. The frame is being revised / updated every year before selection of the units by the Field Operations Division (FOD) of NSSO in consultation with the CIF in the state. At the time of revision, the names of the de-registered factories are removed from the ASI frame and those of the newly registered factories are added. The details of ASI frame along with the guidelines are given in Annexure II. The latest updated ASI frame is also available in ASI Web Portal. In case the State Government is conducting the survey on the state sample, FOD office concerned should also collect the feedback from the respective state governments while updating the Frame.

1.9. Sampling Design: The sampling design adopted in ASI has undergone considerable changes from time to time, taking into account the technical and other requirements. From ASI 2015-16, a new sampling design is adopted following the recommendations of the SubGroup of the SCIS under the Chairmanship of Dr. G.C. Manna and approved by the SCIS and the National Statistical Commission (NSC) subsequently.

According to the new sampling design, all the units in the updated frame are divided into two parts – Central Sample and State Sample. The Central Sample consists of two schemes: Census and Sample. Under Census scheme, all the units are surveyed.

(1) Census Scheme:

(i) All industrial units belonging to the seven less industrially developed States/ UTs viz. Arunachal Pradesh, Manipur, Meghalaya, Nagaland, Sikkim, Tripura and Andaman & Nicobar Islands.

(ii) For the States/ UTs other than those mentioned in (i),

(a) units having 75 or more employees from six States, namely, Jammu & Kashmir, Himachal Pradesh, Rajasthan, Bihar, Chhattisgarh and Kerala; (b) units having 50 or more employees from three States/UTs, namely, Chandigarh, Delhi and Puducherry; (c) units having 100 or more employees for rest of the States/UTs, not mentioned in (a) and (b) above and; (d) all factories covered under 'Joint Return' (JR), where JR should be allowed when the two or more units located in the same State/UT, same sector and belong to the same industry (3-digit level of NIC-2008) under the same management.

(iii) After excluding the Census Scheme units in the above manner, all units belonging to the strata (State x District x Sector x 3 digit NIC-2008) having less than or equal to 4 units are also considered under Census Scheme. It may be noted that strata are separately formed under three sectors considered as Bidi, Manufacturing and Electricity.

(2) All the remaining units in the frame are considered under Sample Scheme. For all the states, each stratum is formed on the basis of State x District x Sector x 3-digit NIC-2008. The units are arranged in descending order of their total number of employees. Samples are drawn using Circular Systematic Sampling technique for this scheme. An even number of units with a minimum of 4 units are selected and distributed in four sub-samples. It may be noted that in certain cases each of 4 sub-samples from a particular stratum may not have equal number of units.

(3) Out of these 4 sub-samples, two pre-assigned sub-samples (1 & 3) are given to NSSO (FOD) and the other two-subsamples (2 & 4) are given to concerned State/UT for data collection.

(4) All census units plus all the units belonging to the two sub-samples given to NSSO (FOD) are treated as the Central Sample.

(5) All census units plus all the units belonging to the two sub-samples given to State/UT are treated as the State Sample. Hence, State/UT has to use Census Units (collected by NSSO (FOD) and processed by CSO (IS Wing)) along with their sub

samples while deriving the state level estimates for their respective State/UT based on State Sample.

(6) All census units plus all the units belonging to the two sub-samples given to NSSO (FOD) plus all the units belonging to the two sub-samples given to State/UT are required for obtaining pooled estimates based on Central Sample and State Sample with increased sample size.

1.9.1 The sampling design and methodology adopted for estimation of the characteristics including estimation of error of the estimates are given in Annexure III.

1.10 Industrial Classification: From 1959 onwards, an industrial classification named 'Classification of Indian Industries' was adopted in ASI. With effect from ASI 1973-74, the National Industrial Classification (NIC) 1970 developed subsequently on the basis of UNISIC 1968 (Rev.2) was used. The NIC 1987 that followed UNISIC 1968 was adapted from ASI 1989-90 to ASI 1997-98. The NIC 1998, developed on the basis of UNISIC, 1990 (Rev. 3) was used from ASI 1998-99 to ASI 2003-04. NIC 2004, developed on the basis of UNISIC 2002 (Rev. 3.1) had been used from ASI 2004-05 to 2007-08. NIC 2008 developed on the basis of UNISIC Rev 4 is being adopted from ASI 2008-09 onwards.

1.11 National Product Classification for Manufacturing Sector (NPCMS): Central Product Classification (CPC) serves as the reference classification for all product classifications within the international system of economic classifications put in place by the United Nations. It is a complete product classification covering all goods and services that follows the definition of products within the SNA framework. Goods and services are understood as coming from a production process. The scope of the CPC covers (a) physical goods (which include transportable and non-transportable physical goods), (b) intangible goods and (c) services.

1.11.1 The National Product Classification for Manufacturing Sector (NPCMS), 2011 was prepared by CSO, IS Wing, Kolkata, based on Sections 0 to 4 of CPC, Ver. 2.0 that relate to products of manufacturing sector. The NPCMS, 2011 is a 7-digit classification and the structure is: 5-digit CPC Code + 2-digit Indian requirement and has 5 Sections, 39 Divisions, 192 Groups, 786 Classes and 1503 Sub-Classes with ultimate 7-digit products. From ASI 2010-2011 onwards, the 7-digit code and its description as per NPCMS, 2011 are being used for collecting and recording of all input and output items in ASI schedule. From ASI 2015-16 onwards, revised version of NPCMS, 2011 is used to classify the input and output items collected in ASI schedule.

2. Concepts, Definitions and Procedures

2.1 A number of accounting, economic, statistical and other terms related to the factories are used in Annual Survey of Industries. For proper compilation/verification of ASI return, it is essential that the officials engaged in the conduct of ASI properly understand the terminology used in ASI. It is in this context that the concepts and definitions of some of the important terms are given below.

2.2 Accounting Year: For the purpose of ASI, the accounting year is the period for which the factory finalizes its books of account. With the enactment of Income Tax Act, by and large, the accounting year of all factories is from 1st April of the preceding year to 31st March of the current year.

2.3 Factory (as per the Factories Act 1948): Factory is one, which is registered under Sections 2m(i) and 2m(ii) of the Factories Act, 1948. The Sections 2m(i) and 2m(ii) refer to any premises including the precinct thereof (i) wherein ten or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or (ii) wherein twenty or more workers are working, or were working on any day of the preceding twelve months and in any part of which a manufacturing process is being carried on without the aid of power, or is ordinarily so carried on. 'Power' means 'any motive power used to drive the plant and machinery of the factory except animal and human power' as per Factories Act, 1948. The above definition is slightly modified due to the amendment of the Factories Act, 1948 for the States of Rajasthan & Maharashtra, as below, which is applicable from ASI 2015-16 onwards:

“Section 2m(i) has been modified, i.e., from 10 or more workers with power to 20 or more workers with power and also Section 2m(ii), i.e., from 20 or more workers without power to 40 or more workers without power.”

2.4 Manufacturing Process: This is as per Section 2(k) of the Factories Act, 1948, [Annexure IV].

2.5 Gross Value of Plant and Machinery: Gross value of plant and machinery represents the total book value of installed plant and machinery at the end of the accounting year. It includes the book value of own constructed plant and machinery, if installed. Total value of all the plant and machinery acquired on hire-purchase basis is also included. Thus it represents the gross value of plant and machinery engaged in production process.

2.6 Fixed Capital: Fixed Capital represents the depreciated value of fixed assets owned by the factory as on the closing day of the accounting year. Fixed assets are those, which have normal productive life of more than one year. Fixed capital covers all type of assets, new or used or own constructed, deployed for productions, transportation, living or recreational facilities, hospitals, schools, etc. for factory personnel. It would include land, building, plant and machinery, transport equipment etc. It includes the fixed assets of the

head office allocable to the factory and also the full value of assets taken on hire-purchase basis (whether fully paid or not) excluding interest element. It excludes intangible assets except computer software.

2.7 Depreciation: Depreciation is consumption of fixed capital (CFC) by the factory due to wear and tear and obsolescence during the accounting year and is taken as provided by the factory owner, or if not provided by the factory this is estimated on the basis of cost of installation and working life of the fixed assets. Detailed illustrations are given in Chapter Three.

2.8 Gross Value of Additions to Fixed Capital: It represents the actual (un-depreciated) additions to the fixed capital during the reference year.

2.9 Gross Fixed Capital Formation (GFCF): Gross fixed capital formation is measured by the total value of a producer's acquisitions, less disposals, of fixed assets during the accounting period plus certain specified expenditure on services that adds to the value of nonproduced assets.

2.10 Net Fixed Capital Formation (NFCF): It is defined as the GFCF less depreciation (i.e. consumption of fixed capital).

2.11 Finished Goods: Finished Goods are those, which are manufactured by the factory for sale. Finished goods should conform to a prescribed standard.

2.12 Physical Working Capital: This is defined to include all physical inventories owned, held or controlled by the factory as on the closing day of the accounting year such as the materials, fuels and lubricants, stores, etc. that enter into products manufactured by the factory itself or supplied by the factory to others for processing. Physical working capital also includes the value of stock of materials, fuels and stores etc. purchased expressly for re-sale, semi-finished goods and goods-in-process on account of others and goods made by the factory which are ready for sale at the end of the accounting year. However, it does not include the stock of the materials, fuels, stores, etc. supplied by others to the factory for processing. Finished goods processed by others from raw materials supplied by the factory and held by them are included and finished goods processed by the factory from raw materials supplied by others, are excluded.

2.13 Working Capital: Working Capital is the sum total of the physical working capital as already defined above and the cash deposits in hand and at bank, the net balance of amounts receivable over amounts payable at the end of the accounting year. Amounts receivable include value of credit items on revenue account, such as sums due to the factory for goods

sold, amounts advanced in connection with normal factory work, bills of exchange payable to the factory, payments made in advance such as for fire insurance, telephone charges, rates and taxes, call deposits and security deposits having a normal life of less than one year, etc. It excludes unused overdraft facility, advances for acquisition of fixed assets, long-term loans including interest thereon and investment.

2.14 Invested Capital: Invested capital is the total of fixed capital and physical working capital.

2.15 Productive Capital: This is the total of fixed capital and working capital.

2.16 Outstanding Loans: Outstanding loans represent all long term liabilities of the unit for the purpose of ASI. It includes all long-term loans, whether interest bearing or not, outstanding according to the books of the factory as on the closing day of accounting year. But, in context of ASI, this represents loans, which have duration of more than one year (i.e. long-term) only.

2.17 Gross Capital Formation (GCF): Gross capital formation is measured by the total value of the gross fixed capital formation plus changes in inventories and acquisitions less disposals of valuables.

2.18 Worker: Worker includes all persons employed directly, informally or formally or through contractor on payment of wages or salaries and engaged in any manufacturing process or its ancillary activities like cleaning any part of the machinery or any premises used for manufacturing or storing materials or any kind of work incidental to or connected with the manufacturing process.

2.19 Contract Worker: All persons who are not employed directly by a factory owner/employer but engaged through a third party i.e. agency/ contractor, are termed as contract workers. Such agency charges from the factory for this job.

2.20 Total Persons Engaged: It relates to all persons engaged by the factory whether for wages or not, in work connected directly or indirectly with the manufacturing process and include all administrative, technical and clerical staff as also labour in production of capital assets for factory's own use. This is inclusive of persons holding position of supervision or management or engaged in administrative office, store-keeping section and welfare section, watch and ward staff, sales department as also those engaged in the purchase of raw materials etc. and production of fixed assets for the factory. It also includes all working proprietors and their family members who are actively engaged in the work of the factory even without any pay and the unpaid members of the co-operative societies who work in or for the factory in any direct and productive capacity.

2.21 Labour Turnover: Labour turnover measures the extent of change in the working force due to accession and separation during a given period. The term 'accession' was defined as the total number of workers added to employment during the period, whether new or re-employed or transferred from other establishments or units under the same management. Inter-departmental transfers within the same establishment are, however ignored. The term 'separation' implies termination of employment at the instance of worker or employers. It includes termination of services due to death or retirement. As in the case of accession, transfers to other establishments are included but transfers within the same establishment are ignored. Retrenchment as a result of rationalization or modernization or any other cause, is also treated as separation.

2.22 Wages: Wages are defined to include all remuneration capable of being expressed in monetary terms and also paid more or less regularly in each pay period to workers as compensation for work done during the accounting year. It includes:

(i) Direct wages and salary (i.e. basic wages/salaries), payment of overtime, dearness, compensatory, house rent and other allowances;

(ii) Remuneration for period not worked (i.e. basic wages), salaries and allowances payable for leave period, paid holidays, lay-off payments and compensation for unemployment (if not paid from source other than employers);

(iii) Bonus and ex-gratia payment paid more or less regularly (i.e., incentive bonuses and good attendance bonuses, production bonuses etc.).

2.22.1 It excludes layoff payments and compensation for unemployment except where such payments are for this purpose, i.e., payments not made by the employer. It excludes employer's contribution to old age benefits and other social security charges, direct expenditure on maternity benefits and crèches and other group benefit in kind and travelling and other expenditure incurred for business purposes and reimbursed by the employer. The wages are expressed in terms of gross value, i.e., before deductions for fines, damages, taxes, provident fund, employee's state insurance contribution etc. Benefits in kind (perquisites) of individual nature are only included.

2.23 Bonus: Profit sharing bonus, festival bonus, year-end bonus, and all other bonuses and ex-gratia payments paid at less frequent intervals are covered by this term.

2.24 Workmen and Staff Welfare Expenses: These include expenditure incurred by the employer on the maternity benefits and crèches and other benefits such as supply of food, beverages, tobacco, clothing and group lodging at concessional rates and educational, cultural and recreational facilities and services and grants to trade unions and cooperative stores meant for employees. All group benefits are included.

2.25 Emoluments: These are defined in the same way as wages but paid to all employees plus imputed value of benefits in kind i.e. the net cost to the employers on those goods and services provided to employees free of charge or at markedly reduced cost which are clearly and primarily of benefit to the employees as consumers. It includes profit sharing, festival and other bonuses and ex-gratia payments paid at less frequent intervals (i.e. other than bonus paid more or less regularly for each period). Benefits in kind include supplies or services rendered such as housing, medical, education and recreation facilities. Personal insurance, income tax, house rent allowance, conveyance etc. for payment by the factory also is included in the emoluments.

2.26 Supplements to Emoluments: These include: (i) Employer's contribution to old age benefits, i.e., provident fund, pension, gratuity, etc.; (ii) Employer's contribution towards other social security charges such as Employees' State Insurance, compensation for work injuries, occupational diseases, maternity benefits, retrenchment and lay-off benefits etc.; and (iii) Group benefits like direct expenditure on maternity, crèches, canteen facilities, educational, cultural and recreational facilities and grant to trade unions, co-operative stores etc. meant for employees.

2.27 Compensation of Employees: Compensation of employees is the total of emoluments and supplement to emoluments.

2.28 Mandays Worked: These are obtained by summing up the number of mandays worked by persons working in each shift over all the shifts on all days, i.e. both manufacturing and non-manufacturing days. This figure excludes persons who are paid but remain on leave, strike, etc. Manufacturing days will mean and include number of days on which actual manufacturing process was carried out by the unit where as Non-manufacturing days will mean and include number of days on which only repair/maintenance and construction work were undertaken.

2.29 Mandays Paid For: The number of mandays paid for is arrived at by summing up the number of employees paid for in each shift. This also includes mandays on weekly schedule holidays if paid for and those absences with pay as also mandays lost through lay off/ strike for which compensation was payable.

2.30 Working Day: Working day means the days on which a manufacturing process and/ or repair or maintenance work was carried on.

2.31 Non-working Day: Apart from manufacturing day and repair and maintenance days, there may be some non-working days. Non-working days are those days on which the workers give their attendance but due to non-availability of raw materials, power etc., no effective work is done. As the workers are paid for these days, such days are also taken into account for the purpose of labour statistics.

2.32 Basic Materials: Basic materials are the materials which are important and of key nature to the industry, on which the manufacturing process is based, viz. metal for machine, leather for shoe, wood for furniture. Such material is not lost through the process of production but only changes its forms.

2.33 Consumable Stores: All such materials which assist in the manufacturing process and lose their identity without entering the products are called consumable stores, e.g., cotton waste.

2.34 Fuel Consumed: Fuel Consumed represent total purchase value of all items of fuels, lubricants, electricity, water (purchased to make steam) etc. consumed by the factory during the accounting year except those which directly enter into products as materials consumed. It excludes that part of fuels, which is produced and consumed by the factory in manufacture i.e., all intermediate products and also fuels consumed by employees as part of amenities. It includes quantities acquired and consumed from allied concerns, their book value being taken as their purchase value and also the quantities consumed in production of machinery or other capital items for factory's own use.

2.35 Materials Consumed: Materials consumed represent the total delivered value of all items of raw materials, components, chemicals, packing materials and stores which actually entered into the production process of the factory during the accounting year. Components and accessories fitted as purchased with the finished product during the accounting year are also to be included. It excludes intermediate products. Intermediate products in the above context mean all those products which are produced by the factory and consumed for further manufacturing process.

2.36 Total Input: This comprises gross value of fuels, materials etc. consumed (as defined above) and also other inputs viz. (a) cost of non-industrial services received from others, (b) cost of materials consumed for repair and maintenance of factory's fixed assets including cost of work done by others to the factory's fixed assets, (c) cost of contract and commission work

done by others on materials supplied by the factory, and (d) cost of office supplies and products reported for sale during last year & used for further manufacture during the accounting year.

2.37 Intermediate Product: Intermediate Product is a product which is obtained and consumed during a manufacturing process, which may or may not be saleable and is not the intended final product.

2.38 Net Value of Semi-finished Goods: It represents the excess/deficit of value of semifinished goods and/or goods-in-process at the end of the accounting year over that at the beginning of year.

2.39 Products: These are defined to include the ex-factory value (i.e. exclusive of taxes, duties etc. on sale and inclusive of subsidies etc., if any) of all products and by-products, excluding intermediate products, that have been completed during the accounting year for sale whether actually sold during the accounting year or entered into inventory. Products also include fixed assets produced by the factory for its own use.

2.40 Gross Output: Gross output is defined to include the ex-factory value, (i.e., exclusive of taxes, duties, etc. on sale and inclusive of subsidies etc., if any) of products and byproducts manufactured during the accounting year, and the net value of the semi-finished goods, value of own construction and also the receipts for industrial and non-industrial services rendered to others, rent received for plant & machinery and other fixed assets, net balance of goods sold in the same condition as purchased and value of electricity generated and sold. Value of gross output and total output has been used in the text inter-changeably to mean the same thing.

2.41 Industrial Services: Any services taken or rendered from one to another unit resulting in increase in the value of material during the manufacturing process are industrial services.

2.42 Non-industrial Services: All such services which do not have a direct bearing on the manufacturing process but are needed by any manufacturing unit are called non-industrial services, say, transport services.

2.43 Gross Value Added (GVA): Gross value added is defined as additional value created by the process of production. This is calculated by deducting the value of total input from gross value of output.

2.44 Net Value Added (NVA): This is obtained by deducting the value of total input and depreciation from gross output.

2.45 Net Income: It is obtained by deducting the value of rent paid & interest paid from the combined values of NVA and rent received & interest received.

2.46 Profit: It is obtained by deducting compensation of employees (see 2.27) from net income.

3.ASI Schedule

3.0 As mentioned in Chapter One, ASI Schedule has two parts: Part-I and Part-II. Part-I of ASI schedule aims to collect data on assets and liabilities, employment and labour cost, receipts, expenses, input items – indigenous and imported, products and by-products, distributive expenses etc. Part-II of ASI schedule aims to collect data on different aspects of

labour statistics, namely, working days, mandays worked, absenteeism, labour turnover, manhours worked, earning and social security benefits.

The details of the schedules are discussed below.

Part – I of ASI Schedule

3.1 Summary Description of the Schedule: The schedule, sometimes called as return, has three parts. The Part-I, structured in 14 blocks, is the main part of the schedule and is meant for collection of economic and related categorical data of the selected unit. The other two parts of the schedule, marked as Part-A and Part-B, are meant for recording the report of scrutiny on Part-I of the return and observations of the Scrutinising Officer against certain items framed in respect of the data collected in Part-I of the schedule. A copy of the schedule is given in Annexure V. Since most of the information contained in this schedule is collected from the audited financial statements viz. Balance Sheet and Profit & Loss (PL) Account of the selected factory, a statement highlighting the correspondences between items of the financial statements and items of ASI schedule is given as a ready reference in Annexure VI to facilitate the collection of information.

3.1.1 The first block, viz. Block A, is used to record identification of selected unit. Similarly, the last two blocks, viz., Blocks M & N, are again the usual blocks to record the particulars of field operations and remarks of superintending/scrutinizing officer, respectively. Of the remaining 11 blocks, Block B is for recording the particulars of the factory like name and address of the individual unit, type of organisation, year of initial production, etc. The remaining blocks (Blocks C to L) are meant for recoding the economic particulars of the selected unit and brief particulars are given below:

3.1.2 Blocks C: fixed assets: Fixed assets are those,

- ☐ which have generally normal productive life of more than one year; these are capital items which are repeatedly used in the process of production over the duration of life of the fixed assets;
- ☐ it covers all type of assets, new or used or own constructed, deployed for productions, transportation, living or recreational facilities, hospitals, schools, etc. for factory personnel;
- ☐ it would include land, building, plant and machinery, transport equipment, etc.;
- ☐ it includes the fixed assets of the head office allocable to the factory and also the full value of assets taken on hire-purchase basis (whether fully paid or not) excluding interest element;
- ☐ it excludes intangible assets except computer software as per ASI schedule.

3.1.3 Block D: working capital and loans: This is defined to include all physical inventories owned, held or controlled by the factory as on the closing day of the accounting year such as the materials, fuels and lubricants, stores, etc. that enter into products manufactured by the factory itself or supplied by the factory to others for processing. Physical working capital also includes the value of stock of materials, fuels and stores, etc. purchased expressly for re-sale, semi-finished goods and goods-in-process on account of others and goods made by the factory which are ready for sale at the end of the accounting year. However, it does not include the stock of the materials, fuels, stores, etc. supplied by others to the factory for processing. Finished goods processed by others from raw materials supplied by the factory

and held by them are included and finished goods processed by the factory from raw materials supplied by others, are excluded.

3.1.3.1 Outstanding loans represent all 'more than one year' loans, whether interest bearing or not, outstanding according to the books of the factory as on the closing day of accounting year.

3.1.4 Block E: employment and labour cost: In this block, emoluments of the employees are to be collected. Emoluments are defined as wages paid to all employees plus imputed value of benefits in kind, i.e., the net cost to the employers on those goods and services provided to employees free of charge or at markedly reduced cost which are clearly and primarily for benefit to the employees as consumers. It includes profit sharing, festival and other bonuses and ex-gratia payments paid at less frequent intervals (i.e. other than bonus paid more or less regularly for each period). Benefits in kind include supplies or services rendered such as housing, medical, education and recreation facilities. Personal insurance, income tax, house rent allowance, conveyance, etc. for payment by the factory are also included in the emoluments.

3.1.5 Block F: other expenses: This block includes the cost of other inputs as both the industrial and non-industrial service rendered by others, which are paid by the factory and most of which are reflected in the ex-factory value of its production during the accounting year.

3.1.6 Block G: other output or receipts: In this block, information on other output/receipts is to be reported.

3.1.7 Block H: indigenous input items consumed: This block covers all the goods (raw materials, components, chemicals, packing material, etc.) which entered into the production process of the factory during the accounting year.

3.1.8 Block I: imported input items consumed: Information in this block is to be reported for all directly imported items consumed. The items are to be imported by the factory directly.

3.1.9 Block J: products and by-products manufactured by the unit: It includes information on all goods that have been produced by the factory during the accounting year for sale, i.e., either actually sold during the accounting year or entered into stocks.

3.1.10 Block K: information and communication technology (ICT) usage: It includes information on IT usage by the enterprise.

3.1.11 Block L: energy conservation (EC) measures: It includes information regarding the measures taken by the enterprise for energy conservation.

3.1.12 While all other blocks in ASI schedule relate to the production (manufacturing) process, the Blocks K and L relate to the entire establishment.

3.1.13 Block M: particulars of field operations: The name of the Superintending Officer and Scrutinising Officer associated with the compilation of the schedule, date of receipt from the factory, date of verification/ compilation/ scrutiny of schedules, despatch, etc., will be recorded in this block against the appropriate items in the relevant columns.

3.1.14 Block N: comments of Superintending Officer and Scrutinising Officer: Any remark which is considered necessary for explaining any peculiarity in the economic variables or any

other item-specific unusual feature of the unit will be noted here. Such remarks will help in understanding the entries made in different blocks of the schedule, especially when any entry is numerically very high or very low in relation to other entries recorded for the unit or as compared to the entries for the same recorded last year or entry is unusual.

Detailed Instructions for each Item

3.2 Block A: identification particulars of unit

3.2.0 This block has been designed to collect the descriptive identification of the sample enterprise. The items are mostly self-explanatory.

3.2.1 Block A, item 1: schedule despatch (DSL) no: With a view to reconciling the despatch of filled-in schedules by FOD field offices vis-à-vis receipt of the same by CSO (IS Wing), Kolkata, a unique Despatch Serial Number (DSL) has been provided for all the selected units both under Census scheme and Sample scheme and the same is to be reported by the field staff of FOD both in Parts I & II. DSL numbers are unique across the country for a particular year of survey. However, the same factory may have different DSL numbers in different years of survey.

3.2.2 Block A, item 2: permanent serial number (PSL): The Permanent Serial Number (PSL) is provided by FOD offices while collecting the list from CIF and duly numbered list is sent to CSO (IS Wing), Kolkata for updation of frame. This number is unique in State x Sector x 4-digit Industry code (NIC). Permanent Serial Numbers have been provided for all the factories selected both under Census and Sample; and the same is to be reported by the field staff of FOD both in Parts I & II.

3.2.3 Block A, item 3: scheme code: This is the code usually given for census and sample units as per sampling design. The census units will be given code 1 and sample units will be given code 2. Note that for State Sample, it will be always 2.

3.2.4 Block A, item 4: industry code as per frame: This is the 4-digit industry code assigned to a unit in the frame of ASI from which sample selection is done for a particular year of ASI. The code is given as per appropriate coverage of industry codes based on NIC2008, which is given in Annexure VII. This code will be provided along with the sample list by CSO (IS Wing).

3.2.4.1 This code is dynamically updated for the units selected in Central Sample of the current year survey through ASI Web Portal, based on the item 5 of Block – A (industry code as per return), explained below. For the non-selected units, this code should be updated by the NSSO (FOD) officials during the frame updation of the subsequent year through ASI Web Portal, based on the validated information available with the field officials of NSSO (FOD) and/or information available with State/UT DES and/or any other reliable sources, duly examined and validated by NSSO (FOD). Proper care should be taken for updation of industry code. The code, valid as per NIC-2008, but outside the coverage (not available in the codes mentioned in Annexure VII), if provided, considered as outside the coverage of ASI and should not be considered for selection in ASI in the subsequent years.

3.2.5 Block A, item 5: industry code as per return: This code should be given as per maximum ex-factory value of major product out of the multiple products and by-products manufactured by the units. A valid 5-digit code needs to be given based on NIC 2008.

3.2.5.1 For manufacturing servicing units (job work units), it is very common that no entries are available in Block – J (Products and by-products manufactured by the unit). In such cases, appropriate code would be provided as per the maximum value of output, available in Block – G (Other output/receipts).

3.2.5.2 Sometimes it is observed that, a unit, which is engaged in repair and maintenances of vehicles, also sells vehicles, which is nothing but the trading activities, where the value of output is significantly higher than the activities of repair and maintenances. In such scenario, the appropriate code relating to the activity of repair and maintenances is to be reported here. If the unit does not engage in the activity of repair and maintenances of vehicles and shifted its activity to the selling of vehicles (i.e. trading activities), the status code of the unit (see 3.2.12) is to be reported as “Deleted (04)” and appropriate industry code would be provided here, so that, such units are not considered in ASI survey in the current year as well as in the subsequent years of ASI survey, as such activity is outside the purview of ASI.

3.2.5.3 The appropriate code would be decided for multi-activity units (i.e. having multiple products & by-products manufactured by the unit as well as providing services), based on the maximum of the value of the output of the activities, available in Block – G & J of the schedule.

3.2.6 Block A, item 6: description of industry: The description of the industry to which the unit belongs will be indicated, as per code provided in item 5 of Block – A, in the space provided as per description given in NIC 2008.

3.2.7 Block A, item 7: state code: The code has been provided for all the selected factories both under Census and Sample and the same is to be reported both in Parts I & II.

3.2.8 Block A, item 8: district code: The code has been provided for all the selected factories both under Census and Sample and the same is to be reported both in Parts I & II.

3.2.9 Block A, item 9: sector: This code is to be given in the field according to the location of the units, decided as per the latest available administrative order issued by appropriate Government. The code for units located in the rural areas is 1 and for that in the urban areas is 2. No other code except 1 and 2 can be given here; nor should it be left blank.

3.2.10 Block A, item 10: RO/SRO code: This item is relevant for Central Sample only. The code has been provided for all the selected factories both under Census and Sample and the same is to be reported by the field staff of FOD both in Parts I & II. For state sample, this item should be left blank.

3.2.11 Block A, item 11: number of units: Number of units for which the schedule (return) is compiled will be recorded against this item. Here the number of units will be greater than 1 in the case of joint returns only. Also, in the case of joint returns, proper DSL and PSL numbers for which the joint return is compiled should be properly recorded.

The Joint Return (JR) should only be compiled in the following cases:

- (i) The units must be having the same State code;
- (ii) The units should have the same management;
- (iii) Separate unit-wise accounts are not available and only combined accounts are available;

(iv) Resources that go into the manufacturing activity in the units are not separately identifiable;

(v) The units must have the same industry group at 3-digit NIC level, but satisfy the aforementioned conditions. However, all the units included in Joint Return must be engaged in manufacturing, and if the combined accounts include accounts of units engaged in activities outside the purview of manufacturing activities, those should be excluded from the joint return.

Note that formation of 'Joint Return' as defined above is done only at the stage of updation of frame by FOD (i.e., before selection of samples), and in no case is allowed at the post sample selection. That is, the unit(s) belonging to the Census Scheme will not be the joint unit with a unit of Sample Scheme or all units belonging to the Sample Scheme should not be joint among themselves even if the above said conditions are satisfied at the post sample selection stage. If such a situation arises, due to inclusion of units coming

from the supplementary frame for that year, information pertaining to the unit(s) of Sample Scheme needs to be suitably apportioned and separate return should be filled in for each of them. Only Census Scheme units are allowed to form Joint Return during the survey stage, if such situation arises, provided all such aforementioned criteria hold good. Thus, in case of Sample Scheme, the number of units will be always 1. Hence, for State Sample, the number of units will be always 1.

Let us consider an example where in the sample selected for ASI 2015-16, it is found that 5 units U1, U2, U3, U4 and U5 belong to the CENSUS scheme with same JR code. During data collection for ASI 2015-16 in the field, it is found that other 2 units U6 and U7 belonging to the SAMPLE scheme satisfy all the necessary conditions of JR with that of 5 units U1, U2, U3, U4 and U5 belong to the CENSUS scheme and a combined return is available. For ASI 2015-16 survey, information in respect of U6 and U7 are to be segregated first, and a single joint return will be submitted for U1, U2, U3, U4 and U5 only. Separate returns are to be filled in for U6 and U7, if selected for ASI 2015-16. However, during the frame updation for ASI 2016-17, U6 and U7 need to be assigned the same JR code as for U1, U2, U3, U4 and U5 so that all the 7 units are considered as Census units and a single consolidated return is to be submitted for U1, U2, U3, U4, U5, U6 and U7 during ASI 2016-17 survey.

Let us consider another example where in the sample selected for ASI 2015-16, it is found that 5 units U1, U2, U3, U4 and U5 belong to the CENSUS scheme with same JR code. During data collection for ASI 2015-16 in the field, it is found that other 2 units U6 and U7 selected for the survey belong to the CENSUS scheme satisfying all the necessary conditions of JR with that of 5 units U1, U2, U3, U4 and U5 belong to the CENSUS scheme and a combined return is available. For ASI 2015-16 survey, a single joint return will be allowed to submit for U1, U2, U3, U4, U5, U6 and U7 only.

ASI Schedule

Annual Survey of Industries

The following may be noted for recording entry here: Type of Organisation Description

Proprietary Here, an individual is the sole owner of the enterprise.

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.

Limited Liability Partnership (LLP)

It is an alternative corporate business form that gives the benefits of limited liability of a company and the flexibility of a partnership. It can continue its existence irrespective of changes in partners. It is capable of entering into contracts and holding property in its own name. It is a separate legal entity, is liable to the full extent of its assets but liability of the partners is limited to their agreed contribution in the LLP. Further, no partner is liable on account of the independent or un-authorized actions of other partners, thus individual partners are shielded from joint liability created by another partner's wrongful business decisions or misconduct.

Type of Organisation

Description

Government Company-Public

It is a company where paid-up share capital of the appropriate Government (Central/ State/ Local) is not less than 51% and number of shareholders is at least 7 and no upper limit for number of shareholders.

Government Company-Private

It is a company where paid-up share capital of the appropriate Government (Central/ State/ Local) is not less than 51% and number of shareholders (including the Government) is at least 1 and maximum number of shareholders is 200.

Non-Government Company-Public

It is a company where paid-up share capital of the appropriate Government (Central/ State/ Local) is less than 51% and number of shareholders is at least 7 and no upper limit for number of shareholders.

Non-Government Company-Private

It is a company where paid-up share capital of the appropriate Government (Central/ State/ Local) is less than 51% and number of shareholders is at least 1 and maximum number of shareholders is 200.

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 survey. Others These are the enterprises not falling under any of the above categories.