

## Chapter One

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### Introduction, Concepts, Definitions And Procedures

#### 1.0 Introduction:

1.0.1 The National Sample Survey (NSS), set up by the Government of India in 1950 to collect socio-economic data employing scientific sampling methods will start its fifty-sixth round from 1<sup>st</sup> July, 2000.

1.0.2 The fifty-sixth round of NSS is earmarked for collection of data on economic and operational characteristics of small manufacturing enterprises in the unorganized sector. Annual round of survey on consumer expenditure and employment-unemployment will also be undertaken on a thin sample of households. The field operation of the round will commence on 1<sup>st</sup> July, 2000 and will continue up to 30<sup>th</sup> June, 2001.

1.0.3 During 1977, the first All-India Economic Census was conducted by the Central Statistical Organization (CSO) in collaboration with the State Statistical Bureaus with the objective of collecting some basic information on non-agricultural enterprises employing at least one hired worker (hereinafter referred to as 'establishments'). Following this census, small establishments and enterprises not employing any hired worker [and henceforth called 'own account enterprises' (OAE)] engaged in manufacturing and repairing activities were surveyed on sample basis in the thirty-third round of NSS during 1978-79.

1.0.4 The second All-India Economic Census was conducted in 1980 along with the house listing operations of the 1981 Population census. This census had a wider coverage than the earlier one since it covered the own-account enterprises also. In presenting the results, the establishments were further split into two categories as (i) Directory Establishments (DE) and (ii) Non-directory Establishments (NDE), the difference being that the former employed a total of six or more workers while the latter employed one to five workers. Thus, in all, three categories of enterprises were formed viz., (i) OAEs (ii) NDEs and (iii) DEs in the second Economic Census. As a follow-up to the second Economic Census, OAEs and NDEs engaged in manufacturing and repairing activities (i.e., OAMEs and NDMEs respectively) were surveyed in the fortieth and forty-fifth rounds of NSS during July 1984-June 1985 and July 1989-June 1990 respectively. The Directory Manufacturing Establishments (DMEs) were surveyed during October 1984-September 1985 and October 1989 to September 1990 respectively by a group of special staff (Assistant Superintendents only) of the Field operations Division (FOD) of the NSSO under the technical direction of the CSO.

1.0.5 The third All-India Economic Census was conducted in 1990 along with the house listing operations of the 1991 Population Census following the same concepts and definitions as in the second all-India Economic Census conducted in 1980 referred to above. As a follow-up to the Economic Census 1990, the first integrated survey on unorganized manufacturing and repairing enterprises covering OAMEs, NDMEs and DMEs was undertaken during the fifty-first round of NSS (July 1994-June 1995) under the technical guidance of NSSO as per the decision taken in the fifty-eighth meeting of its Governing Council.

1.0.6 Following this, two other surveys were undertaken – (i) Special Enterprise Survey on enterprises in the unorganized sector during the period August '98 to June '99 and (ii) Informal sector enterprises as part of NSS 55<sup>th</sup> round during July '99 to June 2000. Manufacturing sector was part of coverage in both these surveys.

1.0.7 The fourth All-India Economic Census was conducted in 1998 following the same concepts and definitions as in the third All-India Economic Census conducted in 1990. BC '98 provides enterprise wise information at FSU level and as such it will be taken as the sampling frame for this round of survey.

## 1.1 Survey particulars :

1.1.1 **Subject Coverage:** The fifty-sixth round of NSS will cover all OAMEs, NDMes and DMEs except enterprises engaged in repair and maintenance of computer and computer based systems (NIC-98 code 72501), repair of office, computing and accounting machinery other than computers and computer based systems (NIC-98 code 72502) and maintenance and repair of motor vehicles [including washing and polishing etc.] (NIC-98 code 50200). These manufacturing enterprises/establishments are covered by the two-digit codes, called divisions, 15 to 37 (Tabulation category 'D') under NIC-98. Enterprises, registered under Sections 2m (i) and 2m (ii) of the Factories Act, 1948 (i.e. enterprises employing 10 or more workers using power and those employing 20 or more workers without using power) are excluded from the survey coverage. Enterprises registered under Section 85 of Factories Act, 1948 will, however, be covered in this survey. In addition, enterprises engaged in cotton ginning, cleaning and baling (NIC-98 code 01405) not covered under ASI will be covered. Bidi and cigar manufacturing enterprises except those registered under bidi and cigar workers (condition of employment) Act, 1966 and also covered under ASI, will come into the purview of survey coverage.

The survey of manufacturing enterprises will constitute the main enquiry of the fifty-sixth round. In addition, the annual consumer expenditure enquiry covering some key characteristics of employment-unemployment will also be carried out on a thin sample of four households in each sample village/block.

1.1.2 **Period of Survey :** As mentioned earlier, fifty-sixth round will be of one year duration starting on 1<sup>st</sup> July 2000 and ending on 30<sup>th</sup> June 2001.

1.1.3 **Geographical coverage :** The survey will cover the whole of the Indian Union except (i) Leh and Kargil districts of Jammu & Kashmir, (ii) interior villages of Nagaland situated beyond five kilometres of the bus route and (iii) villages in Andaman and Nicobar Islands which remain inaccessible throughout the year.

1.1.4 **Schedule of enquiry :** The following Table lists the schedule of enquiry for the current round:-

Table 1 : Schedule to be canvassed in NSS 56<sup>th</sup> round :

Srl. No.	Schedule no.	Title of the schedule
(1)	(2)	(3)
1.	0.0	list of households and non-agricultural enterprises
2.	2.2	unorganized manufacturing
3.	1.0	household consumer expenditure

**1.1.5 Programme of work :** The survey period of this round is divided into four sub-rounds of three months duration each as follows :-

Table 2 : Sub-rounds and period of survey :

Sub-round no.	Period of survey
(1)	(2)
1	July-September 2000
2	October-December 2000
3	January-March 2001
4	April-June 2001

This is to ensure uniform field work over the entire survey period. Almost equal number of sample FSUs will be allotted for survey in each of these four sub-rounds. Each such FSU will be surveyed during the sub-round to which it has been allotted. *Because of the arduous field conditions, this restriction need not be strictly enforced in Andaman and Nicobar Islands, Lakshadweep, rural areas of Arunachal Pradesh and Nagaland.*

**1.1.6 Participation of States:** In this round all the States and Union Territories except Andaman & Nicobar Islands, Dadra & Nagar Haveli and Lakshadweep are expected to participate at least on an equal matching basis. The following table shows the prevalent matching pattern of the participating States/UTs.

Table 3 : Prevalent matching pattern of the participating States/UTs

States / UTs	Matching pattern
(1)	(2)
Nagaland (U), Delhi	Triple
J & K , Manipur	Double
Goa, Maharashtra (U)	One and half
All other States / UTs	Equal

(Note: Union Territory of Chandigarh is not participating in the rural sector for state sample.)

## 1.2 Contents of Volume I:

1.2.0 The present volume contains four chapters and three appendices. Chapter one, besides giving an overview of the whole survey operation, discusses the concepts and definitions of certain important technical terms used in the survey. It also describes in detail the procedure of selection of households/enterprises. Instructions for filling in the schedules 0.0, 2.2 and 1.0 are given in chapters two, three and four respectively. Appendix-I and Appendix-II give the list of the FOD Sub-Regions and the list of NSS regions respectively. Appendix-III gives an overview of the sample design of the 56<sup>th</sup> round.

## 1.3 Concepts and Definitions :

1.3.0 Some broad information about the households and enterprises shall be collected during listing. These are required mainly and to have a count of enterprises of different types relevant to schedule 2.2 and also to identify the households relevant to schedule 1.0. The definitions of the terms required in this connection are given below.

1.3.1 **House :** Every structure, tent, shelter, etc., is a house irrespective of its use. It may be used for residential or non-residential purpose or both or even may be vacant.

1.3.2 **Household :** A group of persons normally living together and taking food from a common kitchen will constitute a household. The members of a household may or may not be related by blood to one another. The following cases are to be noted:

(i) Each inmate (including residential staff) of a hostel, mess, hotel, boarding and lodging house, etc., will constitute a single member household. If, however, a group of persons among them normally pool their income for spending, they together will be treated as forming a single household. For example, a family living in a hotel will be treated as a separate single household by itself.

(ii) Under trial prisoners in jails and indoor patients of hospitals, nursing homes, etc., are to be excluded but residential staff therein will be listed while listing is done in such institutions. The former persons will be considered as normal members of their parent households and will be counted there. Convicted prisoners undergoing sentence will be outside the coverage of the survey.

(iii) Floating population i.e. persons without any normal residence will not be listed. But households residing in open space, roadside shelter, under a bridge etc., more or less regularly in the same place will be listed.

(iv) Foreign nationals will not be listed, nor their domestic servants, if by definition they belong to the foreign national's household. In some cases, however, a foreign national might have become an Indian citizen for all practical purposes. Such persons will be covered.

(v) Barracks of military and para-military forces (like police, BSF etc.) are outside the survey coverage. However, civilian population residing in their neighbourhood, including the family quarters of service personnel are to be covered, for which, of permission may have to be obtained from appropriate authorities.

(vi) Orphanages, rescue homes, ashrams and vagrant houses are outside the survey coverage. However, the students staying in hostels (if any) and the residential staff (other than monks/nuns) of ashrams may be listed. For orphanages, although orphans are not to be listed, the persons looking after them and staying there may be considered for listing. It may be noted that enterprises run by all the above types of institutions are to be listed.

1.3.3 **Household size :** The number of normally resident members of a household is its size. It will include temporary stay-a ways but exclude temporary visitors and guests. Even though the determination of the actual composition of a household will be left to the judgment of the head of the household, the following procedures will be adopted as guidelines :

(i) In deciding the composition of a household, more emphasis is to be placed on 'normally living together' than on 'ordinarily taking food from a common kitchen'. In case the place of residence of a person is different from the place of boarding, he or she will be treated as a member of the household with whom he or she resides.

(ii) A resident employee, or domestic servant, or a paying guest (but not just a tenant in the household) will be considered as a member of the household with whom he or she resides even though he or she is not a member of the same family.

(iii) When a person sleeps in one place (say, in a shop or in a room in another house because of space shortage) but usually takes food with his or her family, he or she should be treated not as a single member household but as a member of the household in which other members of his or her family stay.

(iv) If a member of a household (say, a son or a daughter of the head of the household) stays elsewhere (say, in hostel for studies or for any other reason), he/she will not be considered as a member of his/her parent's household. However, he/she will be listed as a single member household if the hostel is listed.

**1.3.4 Self-employed** : Persons who are engaged in their own farm or non-farm enterprises are defined as self-employed. There are different types of self-employed persons. Some may operate their enterprises without hiring any labour. Others normally work on their own but occasionally hire a few labourers. There is also a third category who by and large regularly run their enterprises by hiring labour. The first two groups of self-employed are known as 'own account workers' and the third as 'employers'.

**1.3.5 Manual work** is work which essentially involves physical operations. However, jobs essentially involving physical labour but also requiring a certain level of general, professional, scientific or technical education are not to be termed as manual work. On the other hand, jobs neither involving much of manual labour nor requiring much educational background are to be treated as manual work. Thus, engineers, doctors, dentists, midwives etc. are not considered as manual workers even though their jobs involve some amount of physical labour. But peons, chowkidars, watchmen etc. are considered as manual workers even though their work may not involve much physical labour. Manual work will cover one or more of the following occupational groups of the National Classification of Occupations (Revised 1968):-

**Division 5 – Service workers:-**

Group 52 : cooks, waiters, bartenders and related workers.  
 Group 53 : maids and other housekeeping service workers.  
 Group 54 : building caretakers, sweepers, cleaners and related workers.  
 Group 55 : launders, dry cleaners and pressers.  
 Group 56 : hair dressers, barbers, beauticians and related workers.  
 Family 570 : fire fighters.  
 Family 574 : watchmen, gate-keepers.  
 Family 579 : protective service workers not elsewhere classified.

**Division 6 : Farmers, Fishermen, Hunters, Loggers and related workers :-**

Group 63 : agricultural labourers.  
 Group 64 : plantation labourers and related workers.  
 Group 65 : other farm workers.  
 Group 66 : forestry workers.  
 Group 67 : hunters and related workers.  
 Group 68 : fishermen and related workers.

**Divisions 7-8-9 : Production & related workers, Transport equipment operators and Labourers :-**

All group excluding Group 85 (electrical fitters and related workers) and Group 86 (broadcasting station and sound equipment operators and cinema projectionists).

**1.3.6 Rural labour** : Manual labour (by a person living in rural area) in agricultural and/or non-agricultural occupations in return for wages/salary either in cash or kind (excluding exchange labour) is defined as 'rural labour'.

**1.3.7 Means of livelihood** : For the purpose of the survey, every household is to be placed into one and only one of the following categories of means of livelihood (m.l.):

*Rural Households*

1. Self-employed in non-agriculture
2. Rural labour
3. Others

*Urban Households*

1. Self-employed
2. Regular wage/salary earners
3. Casual labour
4. Others

For a majority of the households, there may be only one source of income and, thus, their placement will be relatively straightforward. In a few cases, where there are two or more sources of income, following procedure is to be adopted for determining m.l. code/category:

**For urban households**, m.l. class to be recorded will be either of 'self employed' 'regular wage/salary earners', 'casual labour' and 'others' depending upon the source which fetched maximum income to the household during the last 365 days preceding the date of survey.

**For rural households** also, the means of livelihood of a household will be decided on the basis of the sources of the household's income during the last 365 days preceding the date of survey. However, the procedure to be adopted will be as follows:

a) Group the sources of the household's income from economic activities during the last 365 days into the four categories as given below :-

- (i) self-employment in non-agriculture
- (ii) self-employment in agriculture
- (iii) wage-paid manual labour (i.e., rural labour) and
- (iv) wage-paid non-manual employment.

b) See if the income from source (iii) is more than (or equal to) the income from sources (i) and (ii) combined and is also more than the income from source (iv). If so, the household will be 'rural labour', as per m.l. criterion.

c) If not, then see if income from source (i) is more than the income from source (iii) and is also more than (or equal to) the income from sources (ii) and (iv), If so, the household's m.l. class will be 'self-employment in non-agriculture'.

d) In all other cases, m.l. class will be recorded as 'others'.

1.38 Please note that for deciding the means of livelihood of a household, the income of servants and paying guests will not be taken into account. Also, only the economic activities are to be taken into account (economic activity is defined in para 1.3.9 below).

1.3.9 **Economic activity** : Any activity resulting in production of goods and services that adds value to national product is considered as economic activity. Such activities include production of all goods and services for market i.e. production for pay or profit and the production of primary commodities for own consumption and own account production of fixed assets, among the non-market activities. The entire spectrum of human activity falls into two categories viz. economic and non-economic activities. The economic activities have two parts - market activities and non-market activities. Market activities are those that involve remuneration to those who perform it i.e., activity performed for pay or profit. These are essentially production of goods and services for the market including those of government services etc. Non-market activities are the production for own consumption of primary products including own account processing of primary products and own account production of fixed assets. However the whole spectrum of economic activities as defined in the UN system of National Accounts (SNA) will not be covered under 'economic activity' for this round. In this round, the term "economic activity" will include :

- (i) all the market activities described above i.e. the activities performed for pay or profit, and  
 (ii) of the non-market activities:
- a) all the activities relating to agricultural sector which result in production (including gathering of uncultivated crops, forestry, collection of firewood, hunting, fishing etc.) of agricultural produce for own consumption and
  - b) the activities relating to the own-account production of fixed assets. Own account production of fixed assets includes construction of own houses, roads, wells etc., and of machinery, tools etc. for household enterprise and also construction of any private or community facilities free of charge. A person may be engaged in own account construction either in the capacity of a labourer or a supervisor.

It is to be noted that like earlier rounds, *the activities like prostitution, begging, smuggling etc. which may result in earnings will not, by convention, be considered as economic activities.*

**1.3.10 Manufacture :** The term ‘manufacture’ is used to denote all activities relating to the transformation of materials. Thus all activities covered by Industry Divisions 15 to 37 of NIC-98 will be considered as ‘manufacturing’ for the purpose of the survey. In addition, the activity of cotton ginning, cleaning and baling (NIC code 01405) will be covered in the present survey. It is important to note that production of goods for the sole purpose of domestic consumption will not be considered as manufacture.

*Only the unorganized part of this manufacturing sector will be covered in the present survey.*

**1.3.11 Enterprise :** An enterprise is an undertaking which is engaged in the production and/or distribution of some goods and/or services meant mainly for the purpose of sale, whether fully or partly. An enterprise may be owned and operated by a single household, or by several households jointly, or by an institutional body.

**1.3.12 Non-agricultural enterprise :** All enterprises covered under Tabulation Categories ‘A’ and ‘B’ of NIC – 98 are “agricultural enterprises” while the others covered under Tabulation Categories ‘C’ to ‘O’ are “non-agricultural enterprises”. The NIC – 98 booklet may be used for recording NIC codes in various schedules. *For the present round, non-agricultural enterprises under Tabulation Category ‘L’ will be kept out of the purview of listing in sch. 0.0.* All other non-agricultural enterprises will be henceforth referred to as NAE for this survey.

**1.3.13 Unorganized manufacturing enterprises :** All manufacturing enterprises excluding those covered under the Annual Survey of Industries may be treated as *unorganized manufacturing enterprises for the present survey. This also includes all enterprises engaged in the activity of cotton ginning, cleaning and baling (NIC code 01405), and enterprises providing custom tailoring services [for which a special code 18105 (not in NIC – 98) is given] not covered in ASI.*

**1.3.14 Own account enterprise (OAE) :** An own account enterprise is an undertaking run by household labour, usually without any hired worker employed on a ‘fairly regular basis’. By ‘fairly regular basis’ it is meant the major part of the period of operation(s) of the enterprise during the last 365 days.

**1.3.15 Establishment:** Enterprises which have got at least one hired worker on a ‘fairly regular basis’ are called establishments. Paid or unpaid apprentices, paid household member/servant/resident worker in an enterprise are considered as hired workers. Establishments have been further sub-divided into two classes: (i) Non-directory establishment (NDE) and (ii) Directory establishment (DE).

**1.3.15.1 Non-directory establishment (NDE):** An establishment having one to five workers (household and hired taken together) is termed as a non-directory establishment.

1.3.15.2 **Directory establishment (DE):** A directory establishment is an establishment which has got six or more workers (household and hired taken together).

1.3.16 **Seasonal enterprise:** Seasonal enterprises are those which are usually run in a particular season or fixed months of a year.

1.3.17 **Household enterprise:** A household enterprise is one which is run by one or more members of a household or run jointly by two or more households on partnership basis irrespective of whether the enterprise is located in the premises of the household(s) or not. In other words, all proprietary and partnership enterprises are household enterprises.

1.3.18 **Non-household enterprise:** Non-household enterprises are those which are institutional i.e. owned and run by the public sector (Central or State Government, local self-governments, local bodies, government undertakings, etc.), corporate sector, co-operative societies, other type of societies, institutions, associations, trusts, etc.

#### 1.4: Selection of hamlet-groups/ sub-blocks/ households/ enterprises – important steps

1.4.0 **Proper identification of the FSU boundaries :** The first important task of the field investigators is to ascertain the exact boundaries of the sample FSU as per its identification particulars given in the sample list. For urban samples, the boundaries of each Urban Frame Survey (UFS) block may be identified by referring to the map corresponding to the frame code specified in the sample list (even though map of the block for a latter period of the UFS might be available).

1.4.1 **Decision of hamlet-group/sub-block formation :** Having determined the boundaries of the sample FSU (both rural & urban), a **decision** has to be taken whether listing has to be done in the whole FSU or not. For this, approximate present population (P) and approximate total number of non-agricultural enterprises (E) for the whole FSU may be ascertained first from knowledgeable persons. Depending upon the values of 'P' and 'E' decision may be taken to divide the FSU into a fixed number of hamlet-groups (h.g.s – the term applicable for rural samples) / sub-blocks (s.b.s – the term applicable for urban samples) as per the rules given below:

Table 4: Determination of number of h.g.s/s.b.s

Value of P	no. of h.g.s/s.b.s to be Formed in the FSU as per population criterion	value of E	no. of h.g.s/s.b.s to be formed in the FSU as per enterprise criterion
(1)	(2)	(3)	(4)
0 – 1200	1 @	0 – 120	1 @
1201 – 1600	4	121 – 160	4
1601 – 2000	5	161 – 200	5
2001 – 2400	6	201 - 240	6
2401 – 2800	7	241 – 280	7
(and so on)		(and so on)	

@ no. of h.g.s/s.b.s = '1' means the whole FSU is to be considered for listing

[For rural areas of Himachal Pradesh, sikkim and Poonch, Udhampur and Doda districts of Jammu & Kashmir, number of h.g.s to be formed in the village as per population criterion will be : 1 for  $P \leq 600$ , 4 for  $601 \leq p \leq 800$ , 5 for  $801 \leq p \leq 1000$ , 6 for  $1001 \leq p \leq 1200$  and so on (procedure remains unchanged as per enterprise criterion)]

1.4.2 The number (D) of hamlet-groups (h.g.s)/ sub-blocks (s.b.s) to **actually** formed in the FSU will be the **higher** of the two values as per population and enterprise criteria. If value of P is less than or equal to 1200 (600 for certain hilly areas specified above) as well as value of E is less than or equal to 120 for an FSU, h.g./s.b. formation should not be resorted to and the whole FSU has to be considered for listing.

1.4.3 **How to form hamlet-groups/sub-blocks?** : In case h.g.s/s.b.s are to be formed in the sample FSU, the same may be always done by more or less **equalizing** population (refer to chapter two for details). Please note that while doing so, it is to be ensured that the h.g.s/s.b.s formed are clearly identifiable in terms of physical landmarks.

1.4.4 **Which of them to be considered for listing?:** Three h.g./s.b.s will be selected – one with the maximum number of DMEs (or with maximum number of NDMEs if there is no DME or with maximum number of OAMEs if there is no DME/ NDME in the FSU or with maximum percent share of population of the FSU in case there is no manufacturing enterprises) will always be selected and termed as **segment 1**. If there is more than one h.g./s.b. satisfying this condition, some objective criterion (details may be seen in para 2.3.5 of ch.2) is to be considered for selection of h.g./s.b. to be labelled as **segment 1**. From the remaining (D-1) h.g./s.b.s of the FSU, two more h.g./s.b.s will be selected circular systematically with equal probability and these two selected h.g./s.b.s will together be referred to as **segment 2** for doing a combined listing of households/NAEs. Thus listing of households/NAEs will be done only in **segments 1** and 2 of the FSU. The FSUs not requiring h.g./s.b. formation will always be referred to as segment 1 for the purpose of data collection.

1.4.5 **Listing of households/enterprises vis-à-vis their frame** : Having determined the area(s) to be considered for listing, the next step is to list all the households and NAEs [including those found to be temporarily locked after ascertaining temporariness of locking of households/NAEs and their possible m.l. class (for households only) or possible NIC – 98 (2 digit code) from local enquiry]. Although all non-agricultural enterprises are to be listed, only the manufacturing enterprises under Industry Division 15 to 37 (including special code 18105) and NIC code 1405 (i.e cotton ginning, cleaning and baling) as per NIC – 98 not covered by ASI and operated for at least 30 days (15 days for seasonal enterprises) during the reference year (i.e. last 365 days preceding the date of survey) will qualify for survey. Such enterprises will hereafter be referred to as ‘eligible enterprises’. Listing of households as well as eligible enterprises for the purpose of sample selection will be independent for segments 1 & 2.

1.4.6 **Sampling of households (for schedule 1.0)** : A thin sample of 4 households will be selected from the households listed in the sample village/block for canvassing schedule 1.0: Household consumer expenditure. In villages/blocks with h.g./s.b. formation, two households will be selected from each of the two segments for this purpose. If, however, there is a shortfall in the required number of households in a particular segment, the quota for the other segment shall be increased so that a total of 4 households is selected in all.

If the number of households (H) in the frame is less than 4 then all the households will be selected. If  $H \geq 4$  the households will be first arranged by their means of livelihood and then the required number of sample households will be selected circular systematically with a random start for each segment of the village/block separately.

1.4.7 **Stratification of enterprises** : All the listed eligible enterprises will be grouped into three second-stage strata (SSS), wherever possible, viz.,

- i) DME, containing all DMEs
- ii) NDME, containing all NDMEs
- iii) OAME, containing all OAMEs

for each segment separately

**1.4.8 Sampling of eligible enterprises :** Since selection is to be made from among the eligible enterprises found in the FSU, henceforth enterprises will be meant for 'eligible enterprises' only. For canvassing schedule 2.2 in a sample FSU 16 enterprises will be selected such that 8 DMEs, 4 NDMEs and 4 OAMEs are selected from the respective SSS, provided there exists no shortfall in any SSS.

Case I: FSUs containing less than 16 enterprises:- All available enterprises are to be selected

Case II: FSUs containing 16 or more enterprises:- All the enterprises available in the frame of a SSS x segment are to be arranged first by broad manufacturing group (BMG) code (refer to Chapter two for details) before selecting the sample enterprises. For villages/blocks where h.g./s.b. formation is done, this arrangement by BMG codes shall be done independently for each SSS x segment. The required number of sample enterprises will then be selected circular systematically with a random start from this rearranged frame, separately for each of the three second-stage strata. Number of sample enterprises to be selected from the SSS of a sample village/block is as follows:

Table 5 : Number of enterprises/ establishments to be selected for each segment

SSS	FSUs not requiring hamlet-group/sub-block formation	FSUs requiring hamlet-group/sub-block formation	
	Segment 1	Segment 1	Segment 2
(1)	(2)	(3)	(4)
DME	8	6	2
NDME	4	2	2
OAME	4	2	2
Total	16	10	6

This table indicates that 8 DMEs, 4 NDMEs and 4 OAMEs are to be selected from the FSU not requiring h.g./s.b. formation, provided at least that many number of enterprises are available in respective SSS. This also shows that 6 DMEs, e NDMEs and 2 OAMEs i.e. in all 10 enterprises are to be selected from segment 1 and 2 DME, e NDME and e OAME i.e. in all 6 enterprises from segment 2 respectively, provided there are at least required number of DMEs NDMEs and OAMEs in the respective SSS x segments of the FSUs requiring h.g./s.b. formation. Shortfall is said to occur in any SSS x segment if the number of enterprises therein becomes less than the quota as given in the table.

## 1.5 Compensation for shortfall of eligible enterprises, if any :

This pertains to shortfall observed in one or more SSS x segment frame(s) even though total number of enterprises in the sample FSU is 16 or more. The general principle of compensation for this shortfall is to increase the quota of other SSS x segment in the priority order: DME, NDME and OAME such that 16 enterprises can be selected from the concerned FSU.

**1.5.1 FSUs with no h.g./s.b. formation :** Shortfall in required number or enterprises of any SSS, if any, will be made up by increasing the quota for the other SSS(s) in the priority order of the SSS(s) : DME, NDME, OAME. For example, if in the frame, there are 6 enterprises in DME, 7 in NDME and 10 in OAME second stage strata, the number of enterprises to be selected from DME, NDME and OAME SSS will be 6, 6 and 4 respectively. In another case, if in the frame, there are 10 DMEs, 10 NDMEs and 2 OAMEs, the number of

enterprises to be selected for DME, NDME and OAME will be 10, 4 and 2 respectively. In yet another example, if there are 6 DMES, 5 NDMEs and 10 OAMEs in the frame, then the number of enterprises to be selected from DME, NDME & OAME will be 6, 5 & % respectively.

**1.5.2 FSUs with h.g./s.b. formation :** If there shortfall in one or more cell(s) (i.e. SSS x segment) compensation for this shortfall is made up according to the following guidelines:

**step1.** Allocate number of enterprises to each cell keeping the quota (given in tables5) in view ; go to step2.

**Step2.** Increase the allocation of the same SSS(s) **belonging to other segment** to the extent possible such that overall quota for the concerned SSS(s) *combining the segments* is fulfilled. If SSS level quota is not fulfilled go to step3.

**Step3.** Increase the allocation of other SSS(s) belonging to the segment(s) having shortfall in priority order DME, NDME and OAME to the extent possible such that concerned segment-quota(s) is fulfilled. If the overall FSU quota of 16 enterprises is not fulfilled, go to step4.

**Step4.** Increase the allocation of SSS(s) belonging to the segment having enterprises in excess, to the extent possible in priority order DME, NDME and OAME such that overall FSU quota is fulfilled.

**1.5.3 Some examples** showing the number of enterprises to be selected from different types (after adjustment for shortfall, if any ) are as follows:

[E = number of eligible enterprises listed & e = number of enterprises to be surveyed]

Case I: FSU with no h.g./s.b. formation:

SSS	example 1		example 2		example 3		example 4	
	E	e	E	E	E	e	E	e
DME	12	8	6	6	10	10	6	6
NDME	8	4	7	6	10	4	5	5
OAME	6	4	10	4	2	2	10	5
ALL	26	16	23	16	22	16	21	16

Case II: FSU with h.g./s.b. formation:

SSS	example 1		example 2				example 3				example 4					
	seg 1		seg 2		seg 1		seg 2		seg 1		seg 2		seg 1		seg 2	
	E	e	E	e	E	e	E	e	E	e	E	e	E	e	E	e
DME	9	6	3	2	7	7	1	1	10	7	1	1	3	3	1	1
NDME	5	2	3	2	5	2	3	2	2	2	1	1	2	2	1	1
OAME	4	2	2	2	10	2	5	2	5	2	10	3	15	6	3	3
All	18	10	8	6	22	11	9	5	17	11	12	5	20	11	5	5

SSS	Example 5			
	seg 1		seg 2	
	E	e	E	e
DME	3	3+0	1	1+0
NDME	1	1+0	2	2+0
OAME	15	2+1+3+2	1	1+0
All	19	12	4	4
Remarks	Shortfall in DME x seg 1, DME x seg 2, NDME x seg 1 and OAME x seg 2 made up by executing step 1, step 2, step3 & step4.			

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