



**Report of the**  
**Index Review Committee**

**Government of India**  
**Ministry of Labour & Employment**  
**Labour Bureau**  
**Shimla/Chandigarh**  
**2009**

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# Chapter 1

## Introduction

### 1.1 Genesis:

**1.1.1** The Labour Bureau, an attached office of the Ministry of Labour & Employment, has been compiling and disseminating Consumer Price Index Numbers for Industrial Workers (CPI-IW) since its inception in the year 1946.

**1.1.2** The Rau Court of Enquiry constituted in the year 1940 under the Trade Disputes Act, 1929 recommended that the Government of India might consider the question of preparing and maintaining index numbers for the purpose of Central Government. The Government of India accepted the recommendation through a scheme called “Cost of Living Index Numbers scheme” in the year 1941 and for this purpose setup a Cost of Living Index Directorate at Shimla. During the period 1943-46, the Directorate of Cost of Living Index Numbers conducted Family Budget Enquiries (FBE) in 28 centres, 6 of which are now in Bangladesh and Pakistan.

**1.1.3** During the period following Second World War, several Provincial Governments and Princely States also conducted some FBEs. This resulted in several series of working class cost of living index numbers which were, however, not compiled on uniform basis.

**1.1.4** The Labour Bureau, a successor to the Directorate of Cost of Living Index Numbers in 1946, started compiling and publishing an interim series of All India Average Working Class Cost of Living Index Numbers with base year 1944=100 encompassing 24 centres belonging to the individual State index series and Central series. The base of these series was later shifted to 1949=100, which had 27 centres belonging to the individual State index series and Central series.

**1.1.5** The concept of working class cost of living index numbers received further impetus by coming into force of the Minimum Wages Act 1948, which made it obligatory for the State Governments to maintain the Cost of Living Indices for employees in certain unorganized industries coming within the purview of the Act.

**1.1.6** The sixth international conference of Labour Statisticians in the year 1947 recommended that the nomenclature of ‘Cost of Living Index Numbers’ may be substituted by the ‘Consumer Price Index Numbers’.

**1.1.7** Lack of uniformity in procedures, concepts, definitions and base periods led the Second Five Year Plan Document to observe that the steps need to be taken to institute the enquiry for the revision of present series of living indices at different centres. The large scale working class family budget surveys were, therefore, conducted by Labour Bureau at fifty industrially

important centres throughout the country during the period 1958-59. On the basis of the results of these surveys, the Labour Bureau compiled and published centre-wise and all India Consumer Price Index Numbers for Industrial Workers with base year 1960=100 from August, 1968 to September, 1988.

**1.1.8** Keeping in view the time and resource constraints, it was decided to limit the scope of survey conducted during the year 1981-82 to income & expenditure and not to cover the level of living as was done in 1958-59 survey.

**1.1.9** Working Class Family Income & Expenditure Surveys were conducted by the Labour Bureau during the period 1970-71 at 60 centres and during the period 1981-82 at 70 centres belonging to All India and 6 additional centres. On the basis of the results of 1981-82 survey, a new series of centre-wise and all India Consumer Price Index Numbers for Industrial Workers with base year 1982=100 was compiled and published during the period October, 1988 to December, 2005.

**1.1.10** The current series of Consumer Price Index Numbers for Industrial Workers with base year 2001=100 had been released with effect from January, 2006 index. This series is based on the Working Class Family Income & Expenditure Surveys conducted during the period 1999-2000 at 78 important industrial centres throughout the country. These Consumer Price Indices measure the changes in the level of retail prices of a fixed set of goods and services consumed by an average working class family in a given area, over time with reference to a base year. These indices are utilised for regulation of wages and dearness allowance of millions of workers and employees in the country. These indices serve as important indicators of retail price movement in the country.

**1.1.11** As per the recommendations of International Labour Organisation (ILO) the family income and expenditure surveys should at least be conducted at intervals not more than 10 years. These surveys are conducted under the guidance of Technical Advisory Committee on Statistics of Prices and Cost of Living (TAC on SPCL).

## **1.2 Constitution of the Index Review Committee:**

**1.2.1** Since the release of current series of CPI-IW with base year 2001=100, various Central Trade Union Organisations had been pressing for a review of these Index Numbers by a high powered tripartite Committee. Accordingly, the Ministry of Labour & Employment, Government of India constituted an Index Review Committee vide an Order No. F-20011/1/2006-ESA (LB), dated the 17<sup>th</sup> November, 2006 (**Annexure I**) under the Chairmanship of Prof. G.K. Chadha, who is a member of Prime Minister's Economic Advisory Council, in the rank of Minister of State in the Union Council of Ministers. This Committee is a non-statutory

body to advice Government on matters relating to issues pertaining to Consumer Price Index Numbers for Industrial Workers (CPI-IW) with base year 2001=100, with the following composition and terms of reference:-

**Chairman** Prof. G.K.Chadha

**Members**

- (i) Two members representing all Central Trade Unions.
- (ii) Two members representing all Employers' Organisations
- (iii) Representative of Department of Economic Affairs
- (iv) Representative of Department of Consumer Affairs
- (v) Representative of Central Statistical Organisation
- (vi) LEA/DDG as representative of Ministry of Labour and Employment
- (vii) Representative of Government of Maharashtra
- (viii) Representative of Government of Tamil Nadu
- (ix) Director General, Labour Bureau as Member Secretary

**Terms of Reference**

- (i) To review and report on various aspects of the Consumer Price Index Number for Industrial Workers (CPI-IW) including the methodology for deriving the weighting diagram, methods of compilation and linking factor.
- (ii) To study and report on the existing price collection procedures and machinery of price collection.
- (iii) To make recommendations for further improvement.

The Committee was required to submit its report within 3 months from the date of issue of the order dated 17<sup>th</sup> November, 2006.

**1.2.2** The Ministry of Labour & Employment vide Order No. F-20011/1/2006-ESA (LB), dated the 11th January, 2007. (**Annexure II**) approved the names of the members. They are

- I. All Central Trade Unions (Two)
  - (i) Shri S.S.Paranjape, BMS
  - (ii) Shri Subrato Mukherjee, INTUC
- II. All Employers' Organisations (Two)
  - (iii) Shri Babulal B. Todi, AIMO
  - (iv) Shri Rajiv Kapoor, CII (Replaced by Shri N.N.Akhouri as representative of CII, vide Ministry of Labour & Employment Order No. F-20011/1/2006-ESA(LB), dated the 5th September, 2007- **Annexure III**)
- III. State Government Representatives (Two)



- (v) Shri B.D.Sanap, Comm. of Labour, Govt. of Maharashtra  
(Replaced by Sh. Arvind Kumar)
- (vi) Smt. M. Sheela Priya, Spl. Comm. & Director, Directorate of Economics & Statistics, Govt. of Tamil Nadu
- IV. Academic Representative (one co-opted)
  - (vii) Prof. Arup Mitra, Institute of Economic Growth, Delhi
- V. Central Government Representatives (Three)
  - (viii) Dr. S.K.Nath, DG, Central Statistical Organisation, New Delhi  
(Replaced by Sh. S.K.Das)
  - (ix) Shri M.C.Singhi, Adviser, Dept. of Economic Affairs, New Delhi  
(Replaced by Sh. Anil Bisen)
  - (x) Shri G.S.Negi, Director, Dept. of Consumer Affairs, New Delhi  
(Replaced by Smt. Anandi Ravichandran, Additional Economic Adviser)
- VI. Ministry of Labour & Employment (Two)
  - (xi) Labour & Employment Adviser / Deputy Director General, (Sh. R.C. Ray, LEA, Ministry of Labour & Employment attended four meetings of the IRC. After transfer of Sh. Ray to Ministry of Agriculture Dr. Ashok Sahu took over as LEA, Ministry of Labour & Employment with effect from 31<sup>st</sup> January, 2008. Accordingly, the subsequent meetings were attended by Dr. Sahu.)
  - (xii) Director General, Labour Bureau, Shimla (Member Secretary)

**1.2.3** Since the Committee decided to consider various aspects of the Working Class Family income & Expenditure Survey and Consumer Price Index Numbers for Industrial Workers in detail, the term of the Committee was extended thrice by the Government vide (i) Order No. F-20011/1/2006-ESA(LB), dated the 25<sup>th</sup> May, 2007 upto 30<sup>th</sup> September, 2007, (ii) Order No. F-20011/1/2006-ESA(LB), dated the 6<sup>th</sup> / 10<sup>th</sup> December, 2007, upto 31<sup>st</sup> March, 2008, (iii) Order No. F-20011/1/2006-ESA(LB), dated the 27<sup>th</sup> May, 2008 upto 31<sup>st</sup> March, 2009.

### **1.3 Earlier Committees:**

**1.3.1** The Government of India earlier constituted two Committees in the years 1977 and 1980 to review the Consumer Price Index Numbers for Industrial Workers. The first Committee was headed by Prof. Nilakantha Rath, Gokhale Institute of Politics and Economics, Poona and the second was headed by Dr. K.C.Seal, Director General, Central Statistical Organisation, New Delhi. These Committees submitted their reports in the years 1978 and 1981 respectively.

### **1.4 Meetings conducted by the Committee:**

**1.4.1** The Committee held in all seven meetings at various places in the country such as Shimla, New Delhi (2 meetings), Chennai, Mumbai, Dhanbad and Mysore. The list of participants of these meetings is at **Annexure IV**.

**1.4.2** The Committee held its first meeting at Shimla on 5<sup>th</sup> March, 2007. A detailed presentation on various aspects of Consumer Price Index Numbers for Industrial Workers (CPI-IW) with base year 2001=100 was made by the Labour Bureau. The Committee decided to prepare a road map for the subsequent meetings, wherein various issues like definition of workers, coverage of workers, classification of index groups, treatment of rationed items, house rent surveys, determination of centre specific weights and linking factors etc. relating to CPI-IW would be deliberated upon.

**1.4.3** During the second meeting held at New Delhi on 11<sup>th</sup> May, 2007, the terms of the reference of the Committee were discussed at length and the Members of the Committee were invited to express views on various aspects of CPI-IW with reference to the terms of the reference of the Committee. The Committee also decided that in order to raise the representation of the Workers' as well as of Employers' side, the number of members representing Central Trade Unions' and All India Employers' Organisations must be increased from two to at least three immediately so that the level of participation from these Organisations is enhanced, but the Ministry vide their Order No. F-20011/1/2006-ESA(LB), dated the 5th September, 2007 (Annexure III) did not agree to the proposal of the Committee for additional Members from Employers' and Workers' side.

**1.4.4** The Committee held its third meeting at New Delhi on 6<sup>th</sup> October, 2007. The issues relating to the selection of base year, selection of centers, concept of industrial worker, setting up of price collection machinery which included selection of markets, selection of shops, selection of items, fixation of specifications and units of items retained, appointment and training of part time price collectors and price supervisors, designing of tentative price collection schedules, fixation of price collection day and time etc., were deliberated upon.

**1.4.5** The Committee held its fourth meeting at Chennai on 4th January, 2008. A presentation on problems relating to the finalization of price data under CPI-IW was made by the Labour Bureau in which various aspects like scrutiny of price data, fair price data, disappearance (temporary and permanent) of specified items, treatment of black market prices, treatment of clothing items and treatment of free items etc., were deliberated upon. **1.4.6** The

Committee held its fifth meeting at Mumbai on 11<sup>th</sup>-12<sup>th</sup> February, 2008. Various issues relating to conduct of Working Class Family Income & Expenditure Survey (WCFI&ES) like selection of centres, determination of sample size, sampling techniques, draw of samples, conduct of the

main survey, receipt of filled-in schedules, scrutiny of data, data entry, verification of entries, validation, tabulation plan, estimation procedure and derivation of centre-wise weighting diagrams were deliberated upon.

**1.4.7** The sixth meeting of the Committee was held on 3<sup>rd</sup> – 4<sup>th</sup> April, 2008 at Dhanbad, wherein the issues like conducting Repeat House Rent Surveys (RHRS), compilation of House Rent Index and all India index etc., were deliberated upon. The other topics discussed in the sixth meeting related to finalization of centre-wise price collection schedules (Weekly, Monthly, Clothing and Fair Price), averaging of price data, index formulae and selection of Laspeyre's Index formula, index compilation and problems of Index compilation, derivation of centre weights and compilation of all India Index, release of centre-wise and all-India Index on monthly basis, linking factors between the two series, strengthening of price audit work etc.

**1.4.8** The seventh meeting of the Committee was held on 8<sup>th</sup>-9<sup>th</sup> March, 2009 at Mysore. The draft report was discussed and the same was finalized.

## **1.5 Visits to the Markets:**

**1.5.1** The Chairman and other Committee Members discussed price collection work with all the Price Collectors and Price Supervisor of Chennai centre and State coordinator of Tamil Nadu State in Chennai on 3<sup>rd</sup> January, 2008. The Committee also visited the Saidapet market to make on-the-spot assessment of the price collection work being undertaken by the price collector and its supervision by the Price supervisor and the Regional office of Labour Bureau. The Chairman and Committee Members also visited the Jharia market of Jharia centre 2<sup>nd</sup> and 3<sup>rd</sup> April, 2008 to make on-the-spot assessment of the price collection work actually being undertaken by the price collectors and its supervision by the price supervisor and the Regional offices of Labour Bureau.

## **1.6 Chapter Plan of the Report:**

**1.6.1** The present report of the Index review Committee has been divided into six chapters. The Chapter one gives the introduction about the constitution and composition of the Committee, its terms of reference and the deliberations held by the Committee.

**1.6.2** The Chapter two delineates various aspects of price collection mechanism such as selection of markets, selection of shops, selection of items, fixation of specifications and units of items retained, definition of price, fixation of price collection day and time appointment and training of price collectors, price supervisors and state coordinators, price supervision mechanism, difficulties faced by the price collectors and price supervisors, honorarium to price collectors and price supervisors, meetings of the Committee with the price collectors and price supervisors and its visits to selected markets.

**1.6.3** The Chapter three discusses details about the conduct of Working Class Family Income & Expenditure Surveys such as selection of base year, concept of industrial worker and working class family, coverage of sectors, selection of centres, fixation of boundaries of selected centres, listing of targeted working class families with the use of schedules L & P, determination of sample size, sampling techniques and draw of samples, designing of schedules A & B, conduct of the main field survey and training to field staff of NSSO, scrutiny of schedules and validation of data, data entry and verification, tabulation plan and generation of tables, estimation procedure, derivation of weights/weighting diagrams and imputation procedure, seasonality chart for vegetables and fruits, and deliberations held by the Committee and its recommendations.

**1.6.4** The Chapter four deals with details about the conducting of Repeat House Rent Surveys such as definition of rent, concepts and definitions, frame, sampling design, sample size and draw of samples, survey on six monthly round basis, collection of rent, treatment of self-owned dwellings and rent free dwellings, casualties and their substitutions, matching of dwellings and compilation of House Rent Indices alongwith recommendations of the Committee.

**1.6.5** The Chapter five gives various other aspects like finalization of centre-wise price collection schedules, scrutiny of price data, finalization of price data, fair price data, compilation of centre indices, all-India indices, linking factors, consultation with Index Users alongwith recommendations of the Committee.

**1.6.6** The Chapter six gives the Summary of Recommendations of the Committee.

## **Chapter 2**

### **Price Collection Machinery**

#### **2.2 Selection of Markets:**

**2.1.1** Main criterion for selection of any market for collection of prices is the popularity. The popularity of the markets is determined through interaction with knowledgeable sources like various local Trade Unions' leaders, representatives of Employer's Organisations, local MLA/MP/Councillors, local officers of Department of Economics & Statistics or Labour Department and a cross section of industrial workers. In case, a cluster of localities has more than one popular market, then the most popular amongst these markets is selected for the purpose of collecting prices. The markets in a centre are selected in such a manner that different price trends prevailing in the centre are captured. The list showing 289 selected markets in 78 centres from where price data are collected for constructing the Consumer Price Index Number series with base year 2001=100 is given in Annexure V.

**2.1.2** *After detailed discussions, the Committee resolved that all stakeholders i.e. Employers, Employees, Government and Academia should be consulted before the final selection of markets. The local women organizations and NGOs may also be consulted.*

**2.1.3** *As there has been a consistent demand of the trade unions that they should be consulted at every step, which has already been agreed to by the Government, the Committee decided that the Union leader deputed by the Trade Union should be a part of the selection process and sign the minutes of the meeting. The Committee also decided that only the government-recognised trade unions should be consulted at the local level. In order to accommodate the occasional demand of Employers Organisations their representatives may also be consulted.*

**2.1.4** The issue relating to change of market during the life of the series was also deliberated upon. Normally, as per the fixed basket theory of CPI numbers, base year's price, weights of items, markets, shops etc. are all fixed and the only change in the current prices is considered. The old market needs to be changed only if the targeted population has shifted from one market area to another and as a result a new market has become more popular. Most of the Members felt that the change of market may not be desirable theoretically, but in situations of exigency, for certain items the outlets may have to be shifted from one place to another. It was also pointed out that the popularity of the existing selected market might get eroded when a significant proportion of the targeted population has shifted / migrated to new locality and thus there is a need to select a new market in place of the existing market which has ceased to be a representative market.

**2.1.5** *The Committee agreed that most of the markets are dynamic and they cater to all types of changing needs of the population living in the nearby localities. However, it decided that in case of exigency or due to shift of population from one area to another, the change of markets*

*may be considered even during the period of the series. The Committee also decided that the discretion to change the market should be at a higher level only by evolving a proper mechanism.*

## **2.2 Selection of Shops:**

**2.2.1** Popularity is again the main criterion for the selection of shops. The selection process includes observation of the shops during peak business hours by a team of field officers of the Labour Bureau and interviews of the local workers. For each item/service, two selected shops and two reserve shops are listed out. In case price of a selected item cannot be collected from any of the selected shops, then the prices are collected from the reserve shops. If prices cannot be collected even from the reserve shops for a particular item, then the prices are collected from any other shop in the market. Shri S.S. Paranjape of BMS suggested that as far as possible, prices need to be collected from the shops having computerised price lists.

**2.2.2** *The Committee, after detailed discussion, expressed its satisfaction on the procedure of selection of shops being followed by the Labour Bureau and suggested that, as far as possible, prices need to be collected from the shops having computerised price lists.*

**2.2.3** Some of the members desired that the number of shops should be increased. The Committee was informed that with two quotations for each item every week/month from all the markets, the number of quotations is around 2,25,000, which go into the compilation of the index numbers for 78 centres and the all-India Index. Any further increase in the number of quotations would amount to a significant increase in the workload and resulting in increased requirement of man-power.

**2.2.4** *The Committee after deliberations decided that the number of shops may not be increased for the present series but this aspect may be kept in view in the next series.*

## **2.3 Selection of Items:**

**2.3.1** All probable items / services being consumed by the working class population in a selected centre are listed in consultation with the local knowledgeable persons including workers and also on the basis of the experience of previous surveys. The items that are to be included in the basket would be decided after conduct of the WCFIES and preparation weighting diagram which would take some years. It is necessary to collect prices of the items that are likely to appear in the basket so as to ensure that the Bureau does not find itself in a situation wherein it has to collect back period prices which is always difficult and at times impossible to do. Thus, the list of items / services incorporated in the draft/tentative price collection schedule is long and fairly exhaustive.

**2.3.2** As regards collection of prices in respect of medicines, a suggestion was received that at the time of designing the Price Collection Schedules, medicines in respect of Occupational Diseases from which the industrial population of a centre generally suffers should also be priced.

**2.3.3** *The Committee after discussion was satisfied with the procedure followed for the tentative selection of items / services by the Labour Bureau at the initial stage of price collection survey. The Committee endorsed the view of collecting prices of medicines relating to Occupational Diseases among the workers of the industrial centre.*

## **2.4 Fixation of Specifications and Units of Items Retained:**

**2.4.1** The specifications of the item are determined for each centre separately on the basis of common popular items generally consumed by most of the working class population. The unit of measurement of items for collecting prices is the same unit in which the purchases are made by the working class population. In case of cereals & pulses 'kilogram' is generally kept as the unit whereas in the case of condiments and spices '100 grams' is the unit in most of the centres. In case an item like cauliflower is sold in pairs in certain centres, then the unit fixed is "Pair" and approximate weight of such pair is also taken to adjust the prices of base year weight. The names of items, specifications etc. are also given in the local language.

**2.4.2** *The Committee expressed its approval to the procedure currently followed.*

## **2.5 Definition of Price:**

**2.5.1** The definition of price adopted for the compilation of CPI is the price which a consumer/industrial worker has to pay for the specified item/variety, for the specified unit, in the selected shop of the selected market. It includes all taxes like sales tax, octroi, VAT, etc., and excludes rebates and discounts, which are universally applicable for all the customers. It is the actual price prevailing in the open market at which transaction takes place between a buyer and a seller. The Black market or unauthorized prices are, however, not taken in the compilation of index numbers. In case of rationed commodities, the fair price is taken. The quantum of commodity available at the ration shops of the selected market(s)/centre is the weight for the price of the rationed item and the remaining quantum of base year consumption is the weight of the open market price.

## **2.6 Fixation of Price Collection Day and Time:**

**2.6.1** The procedure being followed by the Labour Bureau with regard to the selection of price collection day is generally the day on which the workers make most of their purchases. It is decided in consultation with workers, which in many cases also happens to be the day on which the workers get their wages. In case transactions take place during Hat Bazar days, the Hat days are automatically selected as price collection days. The time for the collection of prices play an

important role especially in the case of vegetable and fruit items. The Price Collectors are under instructions to collect prices of vegetables and fruits when the fresh arrivals reach the market.

**2.6.2** *The Committee decided that the present procedure of fixing the price collection day and time may continue.*

## **2.7 Appointment and Training of Price Collectors, Price Supervisors and State Coordinators:**

**2.7.1** The Price Collectors and the Price Supervisors, appointed by the Bureau on part-time basis, are generally the employees of the State Directorate of Economics & Statistics or State Labour Commissioner's Office. The designated Price Collectors and Price Supervisors are given training by the Labour Bureau for the collection and supervision of prices. They are familiarized with the specifications of selected items, selected shops, price collection schedules and the related instructions. A senior level Officer of the same department is appointed as a State Coordinator to oversee and supervise the work of all the Price Supervisors and Price Collectors. *The Committee recommended that officials with professional qualifications in the field of Statistics or Economics should get preference in appointment of Price Collectors and Price Supervisors.*

**2.7.2** In a centre there are around two hundred items for which the prices are to be collected. Prices are collected once in a week on around 80 items and the remaining are collected once in a month along with the weekly prices. The Price Collectors are given half a day's time for the collection of prices, which is considered adequate. When the price collection day happens to fall on a holiday, the price collector collects the prices on that very day.

## **2.8 Price Supervision Mechanism:**

**2.8.1** There is a three tier price supervision mechanism. At the first level, the Price Supervisors, who are middle rank officers of the State Governments under whom the Price Collectors work, are normally appointed for a group of 4 to 5 markets. The Price Supervisors are instructed to pay visits to the selected markets atleast once each month, keep a watch on the work of Price Collectors. They have to send a detailed report to the Labour Bureau every month. At the second level, the Labour Bureau has posted field staff in its Regional Offices at Ahmedabad, Kanpur, Kolkata, Chennai and sub-regional office at Mumbai, who regularly visit the markets, guide the Price Collectors and Price Supervisors in price collection work, verify prices from the concerned shop-keepers and send their detailed reports to the Headquarters at Shimla. At the third level at Headquarters, Shimla the prices received are examined for inter-period, inter-shop, inter-market and inter-centre variations. All doubtful prices are referred to the field for verification, confirmation and reasons for variations. Thus, three levels scrutiny of the



prices is done before finally adopting them in the compilation of Consumer price Index Numbers. Further, the prices are adjusted for quality as well as quantity variations with reference to the specifications fixed in base year before using them in the index. *The Committee felt that the Price Collection system needs an effective supervision at the level of Price Supervisors and the State Coordinators. The Committee strongly feels that Price Supervisors should visit the market soon after the Price Collector has submitted the price collection schedule and conduct a random check of price data.*

**2.8.2** *The Committee discussed the pros and cons of associating representatives of Trade Unions and of Employers' Associations with the actual process of price collection and developed the view that, for reasons of expediency and objectivity, positioning representatives of Trade Unions or of Employers' Associations, alongside price collectors, is not advisable.*

**2.8.3** *The Committee recommended that Regional Level Committees be established to review the prices collected every three months. These Committees could also look after problems relating to Index compilation in respect of Centres falling within the jurisdiction of these Committees.*

## **2.9 Difficulties faced by the Price Collectors and Price Supervisors:**

**2.9.1** The Committee noted that the collection of data was becoming difficult day by day. It is much more difficult in the urban areas, particularly in metropolitan cities. The representative of BMS mentioned three aspects relating to the difficulties faced by the Price Collectors:-

- (a) The time given by the concerned State departments to the Price Collectors to visit a market is grossly inadequate;
- (b) The honorarium being paid to the Price Collectors is not sufficient; and
- (c) The Price Collectors need to be trained in newer trends in consumer behaviour.

**2.9.2** The Committee was informed that as a consequence of the recommendations of the Rath Committee, all State Governments were again requested by Labour Bureau to allow sufficient time to the Price Collectors for performing their price collection work efficiently. At present, most of the State Governments are allowing from a minimum of half a day to a full day to the Price Collectors for the price collection work depending upon the distance to be travelled from their office to the market. When markets are far away from the office of the price collector, there is a provision for the payment of fixed travelling allowance in addition to the honorarium. Various situations about the visits of Price Collectors were deliberated upon. An example from Maharashtra, where a full day is allowed to Price Collectors for visiting far off markets, was quoted by Dr. S. N. Gandhage, OSD, Labour Commissioner's Office, Govt. of Maharashtra. Certain areas of Himachal Pradesh and Assam have their own specific situational problems. It

was stated by the members that in case of complaints regarding price collection these should be very specific i.e. grievance should be item-wise, centre-wise and region-wise.

**2.9.3** *The Committee decided that DGLB may persuade all the State authorities to allow sufficient time for collection of prices to the Price Collectors.*

#### **2.10 Honorarium to Price Collectors and Price Supervisors:**

**2.10.1** Keeping in view the inadequate amount of honorarium paid to the Price Collectors, Price Supervisors and State Coordinators, *the Committee recommended an appropriate enhancement of honorarium rates so that the amount of honorarium serves as an incentive and motivation for doing the price collection and price supervision work in an efficient, sincere and reliable manner.*

#### **2.11 Training of Price Collectors and Price Supervisors:**

**2.11.1** A three day Annual Training Programme for a representative group of Price Collectors and Price Supervisors is organized by Labour Bureau every year in the month of September in which about 50 to 60 Price Collectors and Price Supervisors participate. Apart from this, State Level Training Programmes are also organized from time to time, usually once in two years, if possible, on the request of the State Governments. A set of Instructions for the Price Collectors and Price Supervisors has been printed in English as well as in the local languages for better understanding. Some of the State Coordinators also participate in such training programmes. The Committee was, however, informed that some of the States do not send their participants due to insufficient TA/DA funds. *The Committee decided that the Labour Bureau should send a proposal for the payment of TA/DA for participation of such trainees to the Ministry of Labour & Employment, so that the participation in Bureau's training programmes could be increased.*

**2.11.2** The Committee was informed that there are 289 markets in 78 centres and each market has a separate Price Collector and the bigger centres have more than one Price Supervisor, making the total number of such officials to be around 400. The price collection schedules, specifications, index compilation techniques and problems in index compilation are discussed in detail during training to Price Collectors and Price Supervisors and these have to be refreshed from time to time. It was explained that there are various modules relating to different aspects of CPI Numbers including practical examples which are shown through PowerPoint presentations to the participants of the various training programmes from time to time. The sessions are interactive and special attention is paid to the problems posed by the participants

**2.11.3** The Committee Members expressed that only the trained Price Collectors should collect the price data. It was informed that only the fully trained Price Collectors visit the markets to

collect price data. In the initial stages, when organization of price collection work is undertaken, all the Price Collectors appointed for the job are imparted training in the field in various aspects of price collection work and are also familiarised with the selected shops, items, specifications etc. Even in situations when new Price Collectors have to be appointed mid-way during an ongoing series, the process of training to such Price Collector is always ensured. Firstly, the outgoing price collector provides the initial training to the incoming price collector and familiarises him with the selected items, specifications, shops etc. and then a visiting Field Officer from the concerned Regional Office also provides training in various aspects of the job. The prices reported by the new Price Collectors are also observed on regular basis, so that shortcomings, if any, could be pointed out to him for rectification/clarification/elucidation.

**2.11.4** Various views expressed with regard to training programmes for Price Collectors and Price Supervisors are as under:-

- (i) Need for regular training programmes for Price Collectors and Price Supervisors with special emphasis for the North-Eastern region.
- (ii) Triple track training in which firstly the training is provided to trainers who in-turn go to their respective States and then provide training to State officials in a local language.
- (iii) Labour Bureau should organize training programme in every State three times in a year and should also pay for it.
- (iv) Two training programmes in a year may be enough with interactive sessions but the expenditure on these trainings should be incurred by the Labour Bureau.
- (v) The field visits to selected centres are necessary.
- (vi) Need for trainer's training programmes
- (vii) Training programmes separately for new and old Price Collectors.
- (viii) Number of trainees should not be more than 20-30.
- (ix) An outside regional language observer should also be present in the training programme organized by the trainers which should be more interactive.
- (x) Need for change in training methodologies
- (xi) Need for refresher training programme in which the importance of work being done by the Price Collectors, its use and outcome could be explained.
- (xii) Outside experts in the field survey methodology need to be associated.
- (xiii) The markets are shifting and so are the consumers. This change should be taken care of.
- (xiv) Sessions should be interactive and feedback from the participants may be obtained.

**2.11.5** *The Committee decided that the training on various aspects of CPI Numbers needs to be given through visual media. The training material should enable price collectors and supervisors understand theoretical concepts while collecting data. This can be done through illustrations along with practical examples of various possible errors that could arise at the level of the Price Collectors and their likely impact on the index. Academicians should also be involved in such training programmes.*

**2.12 Meetings of the Committee with the Price Collectors, Price Supervisors and State Coordinators and also its visits to selected Markets:**

**2.12.1** The Committee had interaction in the State Guest House with the Price Collectors and Price Supervisors of Chennai centre on 3<sup>rd</sup> January, 2008, wherein the State Price Coordinator (Smt Ananthalakshmi, Joint Director) was also present. The Chairman and Committee Members asked them various questions relating to collection and supervision of prices felt satisfied with their responses. The Committee had also visited the Saidapet market of Chennai centre. The Committee found that all types of items were available in the selected shops and the Price Collectors were well conversant with the shopkeepers and price collection techniques. Post checking of price data with respect to some of the listed items was conducted and prices reported were found to be correct. The selected shopkeepers also confirmed the regular visits of the Price Collector(s) on the price collection day. The Committee appreciated the role of Price Collector. Smt. Ananthalakshmi informed that the prices are being collected by persuasion and not under any statutory provision. The Price Collectors are very familiar and friendly with the selected shopkeepers. The other shopkeepers had also confirmed the visit of the Price Collectors to the selected shops. The Committee noted some conceptual problems of the Price Collectors and felt that these could be resolved through training.

**2.12.2** The Committee Members also visited Jharia market of Dhanbad centre and felt satisfied that the Price Collector was visiting the market to collect prices on a regular basis. Most of the shopkeepers contacted by the Committee Members confirmed his regular visits to their shops for collection of price data in respect of various items listed in the price collection schedules weekly, monthly etc. The Price Supervisor is expected to visit each market of the centre once in a month as against the weekly visit of each Price Collector. Normally, there is one Price Supervisor for a centre having 4 to 5 markets and for bigger centres like Mumbai having 16 markets there are four Price Supervisors. The Committee Members, however, felt that the Price Supervisor of this centre did not appear to be visiting the market regularly. The Committee was also informed that in Dhanbad centre there is no District Statistical Officer and as such an Executive Magistrate has been assigned the duty of Price Supervisor by the State Directorate of

Economics & Statistics and it has been observed that he is not able to visit the markets on a regular basis.

**2.12.3** The Committee felt that it is a matter of joy if the Price Collectors are visiting the markets regularly and doing their job diligently. In the case of Price Supervisors an incentive mechanism has to be devised for making the officials do their job more effectively. The Committee decided that the State Government authorities need to be persuaded for keeping a greater vigil. The Price Supervisor is supposed to work as a moral deterrent to the Price Collectors and in case he himself does not visit the markets regularly then that deterrent will not work. Thus, the continuous supervision at his level is very essential.

**2.12.4** *The Committee emphasized that the officers from Regional Offices must visit all the centres more frequently. Even the officers from the headquarters should visit various centres from time to time. The Committee also decided that there should be more interactions with the Price Supervisors in the form of a National level conference once a year.*

**2.12.5** *The Committee felt that the existing definition of prevailing price inclusive of all taxes and exclusive of all rebates should continue.*

**2.12.6** *After a lot of deliberations, the Committee decided that a scheme may be launched by DGLB to provide some incentive to the Price Collectors and Price Supervisors who are doing a better job. The Committee also decided that the work of the State Governments, who are doing a better job of price collection, may also be acknowledged.*



## Chapter 3

### Working Class Family Income and Expenditure Surveys (WCFIES)

**3.1 Perspective:** As per the recommendations of the International Labour Organisation (ILO), the Working Class Family Income & Expenditure Surveys (WCFI&ES) should be conducted at least once in every 10 years. Since the consumption pattern undergoes changes over a period of time, it is necessary that the consumption basket is up-dated from time to time in order to ensure a more accurate Consumer Price Index Number. Labour Bureau has conducted such surveys in the past during 1958-59 and 1981-82. The last survey was conducted during the period September 1999 to August 2000. This survey facilitated updation of the consumption basket, which resulted in construction of a new series of Consumer Price Index for Industrial Workers with base year 2001=100.

#### **3.2 Selection of Base Year:**

**3.2.1** The Committee was informed that the base year should be a normal year, free from natural calamities, like flood, war, drought etc., and should be a year for which reliable price data are available. Labour Bureau is planning to update the existing base with 2010 or 2011 as the base year and for this proposed series of CPI-IW, the work relating to the identification/selection of centres has already been initiated. The Members expressed the view that the ILO recommendations should be strictly followed in this regard. Some of the members suggested that the 5 years interval between the two series could be followed, as the consumption pattern is changing rapidly. A view was expressed that the globalization is resulting in hike in wages, and as such increased money inflow is affecting the consumption pattern of the workers.

**3.2.2** The Committee was informed that in the developed countries like the USA consumer expenditure surveys are conducted all around the year, and hence, the possibility of revising the base year not only every 5 years but even for a period shorter than 5 years can be considered. But in a developing country like India, because of various constraints in conducting the Working Class Family Income & Expenditure Surveys, which inter-alia involve large manpower as well as huge financial resources, it is not possible to update the base with five year interval. Labour Bureau has been making efforts to conduct such surveys at intervals of not more than 10 years without much success. The Committee was also informed that the base year cannot be shifted retrospectively.

**3.2.3** *After a lot of deliberations on this issue, the Committee agreed that the procedure relating to the selection of base year does not need any change. The Committee strongly felt*

*that the base year of the new series of Consumer Price Index Numbers for Industrial Workers should not go beyond 10 years.*

### **3.3 Type of Information Collected under WCFIES:**

**3.3.1** The information collected during the course of survey relates to all family members of a working class family during the reference month about their nature of employment along with industry/occupation, age, marital status, literacy level, economic status, activity status, earning strength, income/receipts from various sources, quantity and expenditure/disbursement on various items purchased and consumed, expenditure on housing and other details, expenditure on items of non-consumption as well as investments and indebtedness with source and purpose of loan etc. During these surveys the data are also collected on demographic and socio-economic conditions of the working class population. All the above data are tabulated and reports are brought out at the disaggregated level (centre-specific reports) as well as at the all-India level.

**3.3.2** The Committee was informed that the All-India report was released in June, 2008 and all the centre specific reports have been approved. They are in various stages of printing and release. *The Committee desired that all the reports of the survey need to be brought out quickly, preferably within a year, after the survey is completed, as these could be useful in reflecting changing consumption patterns, living standards of industrial workers and socio-cultural responses of the working class as a result of globalization, urbanization and improving educational standards.*

### **3.4 Concept of Industrial Worker and Working Class Family:**

**3.4.1** The Committee was informed that the concept of industrial workers being adopted in conducting the Working Class Family Income & Expenditure Surveys encompasses the following seven sectors i.e. Factories, Mines, Plantations, Railways, Public Motor Transport Undertakings, Electricity Generating & Distributing Establishments and Port & Docks under the relevant legislation viz. The Factories Act 1948, The Mines Act 1952, The Plantation Labour Act 1951, The Indian Railways Act 1890, The Motor Transport Workers Act 1961, The Indian Electricity Act 1910, The Dock Workers (Regulation of Employment) Act 1948 and The Indian Dock Labourers Act 1934.

**3.4.2** The Committee was also informed about the definition of manual worker's family adopted in WCFI&ES, which is different from the household concept usually followed in the NSSO surveys. It was informed that the concept of family adopted was persons generally related by blood, marriage or adoption, usually living together and/or depending on common pool of incomes for a major part of their expenditure. A working class family is a family which is situated within the centre, has at least one member working as manual worker in an



establishment in any of the sectors covered, derives 50% or more of its income during the calendar month preceding the day of enquiry through manual work.

**3.4.3** Some Members expressed the view that the definition of manual workers needed modification/revision and the inclusion of non-manual workers should also be considered. The Committee was informed that the Central Statistical Organisation is compiling a separate index for non-manual workers and as such there was no need to include these workers in the definition of manual industrial workers. The CPI (UNME) has since been discontinued with effect from April, 2008 and a linked one with CPI(IW) is being released till CPI(UNME) is replaced by CPI(Urban). *The Committee decided that manual workers, generally the lowest category of employees, should not be merged with non-manual category. It was resolved that the work involving the amount of physical labour should remain as the guiding criteria for defining the industrial worker, without regard to requirement of general, scientific, technical or any other qualification.*

### **3.5 Coverage of Sectors:**

**3.5.1** It has all along been the endeavour of Labour Bureau to effect improvements and expand the scope of the Consumer Price Index Numbers. In the name of industrial workers only factory workers were covered in the 1944 and 1949 series. The scope of industrial workers was further extended to by including plantation and mining workers with effect from 1960 series. As per recommendations of Rath Committee, the coverage of sectors under the 1981-82 survey was extended to four more sectors viz. Railways, Motor Transport Undertakings, Electricity Generating & Distributing Establishments and Ports & Docks. These seven sectors were also covered during 1999-2000 survey.

**3.5.2** The Members felt that the coverage in the next survey should further be extended to more sectors. The major sectors discussed were Handloom, Textiles, Construction and Bidi Workers. Most of the Bidi workers are presently covered through registered factories. The rest i.e. home based or self employed belong to the unorganised sector.

**3.5.3** After discussion about home based workers, unorganised sector workers or informal sector workers and also about pros and cons of extending the coverage, *the Committee decided that the coverage of sectors need to be extended beyond the existing seven sectors, by adding at least one or two more sectors such as Handloom and Construction Sectors, so that around 70% of the workers of non-agricultural sector get duly covered in the Consumer Price Index for Industrial Workers.*

**3.5.4** *The Committee, while recognizing the fact that time has come to extend the scope of coverage under WCFIES, decided that the workers belonging to the newly recommended*

*sectors should also fall within the ambit of definition of worker under the relevant legislation as is the case of workers belonging to seven existing sectors. This will take care of the developments in the future.*

### **3.6 Selection of Centres:**

**3.6.1** The number of centres to be surveyed during the period 1999-2000 was primarily decided on the basis of resources available, operational feasibility, increase in employment of industrial workers vis-a vis the last survey, inclusion of States/Union Territories not represented earlier and the requirement for building up a representative all-India average Consumer Price Index Series. Based on the above criteria, 78 centres were selected covering about 55% of the total All India employment of industrial workers in the seven sectors as against the 47% covered by 70 centres in the last survey. The allocation of 78 centres amongst Factory, Mining and Plantation sectors in various State/Union Territories was done on the basis of following three stage process/criteria laid down by the TAC on SPCL:-

- i) The sectors that are covered were divided into three groups. They are Mining, Plantations and remaining sectors. The total number of centres (78) was allocated among these in proportion of employment in each group to the total employment in the country as a whole. This was done mainly to ensure that the number of Mining and Plantation centres covered during the last survey is retained.
- ii) The number of centres allocated to each sector was then distributed amongst States on the basis of industrial employment in a State subject to a maximum of 5 centres being allotted to a State in a sector.
- iii) The name and location of centres were then selected on the basis of centre-wise industrial employment in consultation with the respective State Governments, wherein centres likely to be important in the coming years are also considered.

**3.6.2** Shri Mukherjee, representative of INTUC, desired that the number of centres in West Bengal should be increased and the number of families covered as 41,040 during 1999-2000 survey should also be increased atleast to 50,000 families in the next survey. The Committee was informed that a maximum of five centres are allocated in a sector in a State, so that the smaller States get atleast one centre and actual sample size regarding coverage of workers depended on a number of factors and at this stage it was difficult to anticipate the likely sample size. All that could be said at this stage was that consequent upon the increase in the industrial population, there may be some increase in the number of centres to be covered during the next survey and resultantly there would be some increase in the sample size for selection of families for the conduct of WCFIES.

**3.6.3** The Committee was informed that there are 8 mining, 10 plantation and 60 other centres covered during the period 1999-2000 WCFI&ES. The 8 mining centres are: Godavarikhani in Andhra Pradesh, Jharia, Giridih and Kodarma in Jharkhand, Chhindwara in Madhya Pradesh, Angul-Talcher in Orissa, Bhilwara in Rajasthan and Raniganj in West Bengal. The 10 plantation centres are: Doom-Dooma-Tinsukia, Labac-Silchar, Mariani-Jorhat and Rangapara-Tezpur in Assam, Mercara in Karnataka, Mundakayam in Kerala, Coonoor in Tamil Nadu and Darjeeling, Jalpaiguri and Siliguri in West Bengal. It was also clarified that once a centre has been selected then all the sectors available at that particular centre are duly covered in the WCFI&E surveys.

**3.6.4** The Committee desired to know the likely number of centres in the next Working Class Family Income & Expenditure Survey (WCFIES) proposed to be conducted in the year 2010 or 2011. The Committee was informed that though the exact number of centres could not be predicted at this stage, but the coverage of centres for any fresh WCFIES is thoroughly reviewed on the basis of employment data in the sectors covered in the States by centres. The Labour Bureau has already requested all the States and Union Territories to furnish the employment data in respect of 7 sectors for important centres of the State and for the State as a whole.

**3.6.5** The Committee was informed about the criteria adopted for the inclusion of new centres. In the three stage process, the centres having higher employment and greater importance from State Governments' point of view are finally selected and in this process, some new centres get included and some of the old ones, which may have lost their importance, get dropped. The increase in the number of Centres is not always in direct proportion to the increase in the industrial population since the number of Centres to be increased is, inter-alia, dependant on the availability of resources i.e. money, manpower and time. In the current series with base year 2001=100, nine new centres had been included, which are Vijayawada and Godavarikhani in Andhra Pradesh; Bokaro and Giridih in Jharkhand; Mysore in Karnataka; Angul-Talcher in Orissa; Jalandhar in Punjab; Lucknow in Uttar Pradesh and Siliguri in West Bengal. Six centres in the earlier series with base year 1982=100 viz. Gudur in Andhra Pradesh; Noamundi in Jharkhand; Trivendrum in Kerala; Balaghat in Madhya Pradesh; Barbil in Orissa and Saharanpur in Uttar Pradesh were dropped. As a recommendation of the Rath Committee, Thane had been included in Mumbai Centre and Calcutta I.R. had been merged with Calcutta in 1982 series.

**3.6.6** The Committee was also informed that the matter relating to the selection of centres on the basis of available information is submitted before the TAC on SPCL which takes a final view about the number and selection of the centres. In case the TAC on SPCL recommends that it should be on the basis of increase in the industrial population, the number of centres may

increase from 78 to say, 85 more. The final number of centres would depend on increase in employment and addition of new sectors recommended by the Index Review Committee.

**3.6.7** *After detailed discussion, the Committee felt that there was no need for suggesting any change at this stage in the procedure for the selection of Centres. However, it decided that the number of centres to be covered in the next WCFIES should be reviewed by the Labour Bureau and the new upcoming centres may be added in the next survey. The Committee further recommended that considering the pace and pattern of development in individual States in the coming few years the number of centres to be covered under the new Working Class Family Income & Expenditure Survey need to be increased and the new emerging sectors of employment need to be adequately represented.*

**3.6.8** *The Committee observed that the total population of industrial workers has increased due to the thrust of economic growth process in the direction of non-agricultural sectors to which the XIth Five Year Plan Document also refers. Though services sector is having a formidable share in GDP, yet manufacturing, an important sector of the economy in its own right, is likely to provide future thrust of India's economic growth. It is high time that the CPI for industrial workers should take cognizance of such future Changes.*

**3.7** **Integration of Working Class Family Income and Expenditure Survey (WCFIES) of Labour Bureau with the Consumer Expenditure Survey (CES) conducted by NSSO:**

**3.7.1** A view was expressed that Working Class Family Income and Expenditure Survey (WCFIES) of Labour Bureau may be integrated with the Consumer Expenditure Survey (CES) conducted by NSSO as NSSO may have manpower problems in conducting WCFIES. However, it was observed that CES provides results at the State level, while Labour Bureau compiles centre-specific indices. Due to their distinct coverage, it is not desirable to integrate the two surveys. The Chairman had also the occasion to point out that industrial workers coverage constituted a very small percentage of the total sample size of CES. The Chairman informed that the number of industrial workers covered in CES is quite small as the total coverage of households in CES in all the States was 1,24,644 in 2004-05 survey.

**3.7.2** The Committee also noted that such proposals had been mooted in the past also and after careful consideration of all related aspects, it had not been found possible to use district level results of CES for constructing CPI Nos. for industrial workers in respect of important industrial centres. *The Committee after deliberations decided that this matter is not within the purview of this Committee. It also decided that WCFIES may continue to be conducted separately, because of its specific coverage, need and usage.*

### **3.8 Fixation of boundaries of selected centres:**

**3.8.1** The Committee was informed that the National Sample Survey Organisation (NSSO) conducted the preliminary survey for delimitation of boundaries, listing of registered establishments relating to seven sectors, collection of details about pay-rolls, concentration of working class localities for finalization of sampling method and testing of schedules for the main survey. The boundaries of the centre were fixed in due consultation with the local State authorities/employers' organisations/ trade unions. It was explained that it is not necessary that the boundaries of the centre demarcated for this survey are confined to the municipal or corporation limits. In case a large proportion of workers come from outside the administrative boundaries of the centre to work in the industrial establishments within it, or large number of such establishments are situated outside the administrative limits of the centre and employ workers from the centre, the boundaries of the centre are extended / fixed, so that if it is a centre where tenement sampling is to be adopted, a sizeable majority of the working class population of that area reside within these limits and if it is a centre where a pay-roll sampling is to be adopted, the industrial establishments which employ a sizeable majority of workers class population of that area are situated within the prescribed boundaries. The requirements of the State Governments are also kept in view while demarcating centre boundaries. However, the geographical size of the centre is not kept so big that it becomes unmanageable for a localised survey of this kind.

**3.8.2** Some members enquired as to how many working class families are living within the boundary of centre and how many are living outside? The Committee was informed that only the workers who are residing within the boundary are covered in these surveys. Very few workers who may be living outside are selected in the first count then they are substituted by those who are living within the boundary of the centre. The number of outsider-boundary cases had been very small, as per the results of the previous surveys. *The Committee decided that wherever possible in future surveys the Women's Organisations may also be consulted in the demarcation of boundaries.*

**3.8.3** The Director General, Central Statistical Organisation informed the Committee about the Urban Frame Surveys (UFS) being conducted by the NSSO. In these surveys, the blocks are clearly demarcated with maps, which show Industrial Area & Bazaar Area separately. In UFS, the blocks are revisited every 5 years and the data are duly updated accordingly. It was suggested that entire district may be taken as a centre.

**3.8.4** A view was expressed that since the entire States of Himachal Pradesh, Tripura and Goa have been taken as centres, by the same analogy the entire district could be taken as a centre.

The Committee was informed that, geographically, the population of industrial workers in these States is very widely spread. Himachal Pradesh has 14 markets which have industrial population in nearby areas. The same was true of Goa and Tripura. This has also the approval of TAC on SPCL. As such each district could not be taken as a centre.

**3.8.5** *After a lot of deliberations about centre boundaries, the Committee did not favour the idea of entire district to be co-terminus with the centre boundaries. The centre-specific indices need to be compiled on the basis of the existing practice. The Committee nevertheless suggested that new techniques such as GIS may be utilized in the demarcation of boundaries of the centres so that a maximum proportion of workers of that particular centre could be identified and covered. The floating population or migrant workers need to be covered appropriately during the course of next survey.*

### **3.9 Listing of targeted working class families with the use of Schedules L & P:**

**3.9.1** The Committee was informed that NSSO attends to the job of listing of targeted industrial population with the help of schedules L and P. Schedule 'L' was used in respect of Centres / Sectors where Tenement Sampling (technically known as Cluster Sampling) was adopted. The purpose of listing Schedule 'L' was to prepare a list of all the families in selected cluster of blocks with a view to using it as a frame for the selection of sample families for the main enquiry of Working Class Family Income & Expenditure Survey and Schedule 'P' was used in respect of Centres / Sectors where Payroll Sampling (technically known as Systematic Sampling) was adopted. It was meant for selection of workers from the attendance registers or pay-rolls of the selected establishments.

**3.9.2** The Director General, Central Statistical Organisation suggested that Urban Frame Survey blocks should be utilized for selection of first stage sampling units. The Committee was informed that in the case of tenement sampling, the Urban Frame Survey blocks are utilized by the NSSO in the selection of first stage samples. The Director General, Central Statistical Organisation informed the Committee about the Economic Censuses conducted by the Central Statistical Organisation in the years 1977, 1980, 1990, 1998, and 2005 and also that the information about various categories of workers in the Urban Frame Survey blocks is being collected through these surveys. He, therefore, suggested that the frame of Economic Censuses may also be considered at the time of next survey for listing purposes.

**3.9.3** The Director General, Central Statistical Organisation suggested that instead of tenement sampling only pay roll sampling should be adopted in all the centres and sectors. The Committee was informed that in situations where workers of any particular sector are concentrated in an area / locality of the centre, the tenement sampling is being adopted. In

certain cases, the addresses of workers are not maintained by the establishments. The Committee was informed that as per the decision of the TAC on SPCL, as far as possible, the tenement sampling is to be preferred. However, where it is not possible, the families may be selected through pay roll sampling. The choice between the two methods depended upon operational convenience. The sectors for which 80 per cent or more working class families could be identified through the tenements; the Tenement Sampling was the most preferable choice. For the remaining sectors, Payroll Sampling was adopted whereby the respondent families were identified through payrolls of workers, maintained by the employing establishments. Centre-wise and Sector-wise details where tenement or pay roll sampling had been adopted in 1999-2000 surveys are at **Annexure VI**.

**3.9.4** *After a lot of discussion on the pros and cons of the tenement sampling technique, it was decided that preference may be given to the payroll sampling technique for selecting working class families in the next WCFI&ES. The Committee also recommended that the possibility of using payroll sampling technique uniformly in all the centres / sectors may be examined.*

### **3.10 Determination of Sample Size:**

**3.10.1** The Committee was informed that the sample size for each centre was determined by the variability in consumption pattern in a centre with the help of Co-efficient of Variation (CV's) and the precision required for the survey. For determination of sample size, centres were classified into two categories:-

- (i) Centres Common with the 1981-82 survey
- (ii) New Centres.

For the 69 common centres, sample size was arrived at by using the Co-efficient of Variation (CV) of sub-sample indices of 36 months (January, 1993 to December, 1995) for each centre and compared with the precision envisaged for the survey viz. 2 per cent. In case the average value of 36 months CV was greater than 2, then the sample size was determined by multiplying sample size of 1981-82 surveys by  $\frac{(C.V)^2}{4}$  restricting it to double of 1981-82 survey. But where CV was less than or equal to 2, the sample size of the previous survey was retained. For 9 new centres, the sample size was determined after taking into consideration the working class population at these centres and the variability observed at a similar / neighbouring centre.

**3.10.2** The minimum sample size for a centre had been determined as 216 for Schedule 'A' (Income & Expenditure) and 84 for Schedule 'B1' (House Rent). The sample size for other centres were adjusted to multiples of 216 and 84 for schedule A and schedule B1 respectively to

achieve equitable distribution of work amongst field investigators. The sample size at different centres varied between 216 in smaller centres and 3024 in Kolkata.

**3.10.3** The expenditure pattern which form the principal subject of study in working class family income & expenditure survey are subject to seasonal fluctuations. To eliminate the seasonal effects from the results, it was necessary either to survey the same set of sampled families over a complete cycle of seasons through repeated visits or to spread the sampled families uniformly over the seasons in a randomized manner. The latter method had been adopted in the previous studies, as it facilitated covering a larger sample for the same cost which was expected to provide greater precision in the results. The surveys had thus been spread over a year by staggering the sample of families uniformly over the period of 12 months. Centre-wise and Sector-wise sample sizes for 1999-2000 WCFIES as compared to 1981-82 survey are given in the **Annexure VII**.

**3.10.4** *The Committee desired that the sampling fraction should atleast be around 1% to give adequate representation to the total population of industrial workers, so that the true consumption pattern of the targeted population is realistically captured. The Committee also decided that sample size of the next survey to be conducted in 2011 should also be worked out on the basis of data available from the previous Working Class Family Income & Expenditure Survey conducted during the period 1999-2000.*

### **3.11 Sampling techniques and draw of samples:**

**3.11.1** The Committee was informed that a two-stage stratified sampling design was adopted with cluster of blocks or cluster of establishments as the first stage unit and a working class family as the final stage unit. The first stage units were selected with probability proportional to size with replacement, size being the number of workers. The second stage units i.e. working class families were selected in a circular systematic fashion. The sampling was done independently for each sector in a centre.

### **3.12 Designing of Schedules A and B1:**

**3.12.1** The Committee was informed that

- Schedule 'A' is designed to collect information on average monthly income and receipts, average monthly expenditure and disbursements on all consumable as well as non-consumable items with quantities consumed, capital outlays and consumer durables, demographic particulars, purchase source of important items, budgetary position, indebtedness and dwelling inhabited etc.



- Schedule 'B1' is designed to collect the information on housing conditions particularly in regard to house rent paid by them and availability of basic amenities including water, electricity, no. of rooms, approximate area etc.

**3.12.2** The Director General, Central Statistical Organisation suggested that the details of schedule B1 should also be collected in Schedule A itself. The Committee was informed that in order to collect House Rent data and other particulars about the dwelling, accommodation area, facilities provided etc., a separate schedule B1 is canvassed. Nearly half of the frame of Schedule B1 serves the purpose of conduct of Repeat House Rent Surveys (RHRS) on continuing basis and the remaining half of the frame serves the purpose of substitute list for RHRS. The field staff under RHRS has to carry the schedule B1 of the previous Round in every subsequent Round to have comparative details and to facilitate substitutions in case of need. In view of this, the integration of schedules A & B1 is neither desirable nor feasible. *The Committee recommended that the rationalisation of schedules A & B1 need to be undertaken with a view to make the schedules more user- friendly and also to be designed in such a way so that data entry can be done either manually or through scanner.*

### **3.13 Conducting the main field survey and training of field staff of NSSO:**

**3.13.1** The Committee was informed that the main field survey was conducted at all the 78 selected centres during September, 1999 to August, 2000 by Field Operations Division (FOD) of NSSO under the overall guidance and supervision of Labour Bureau. The reference period was August, 1999 to July, 2000. The total number of families covered (sample size) was 41,040. Exhaustive instructions were provided by Labour Bureau for canvassing of schedules. Extensive training was also imparted to the Officers/Officials of NSSO by Labour Bureau.

### **3.14 Scrutiny of Schedules and validation of data:**

**3.14.1** The Committee was informed that two levels of scrutiny ensured the reliability and authenticity of data collected from the field. At the first level, NSSO made elaborate arrangements for field scrutiny of canvassed schedules. Thereafter, these schedules were again scrutinised in detail by the Labour Bureau with the help of Scrutiny Manual designed for this purpose. Discrepancies were reconciled by referring the scrutiny points to the respective RO/SRO of the NSSO and also by visiting the field for spot checking / post checking of data. The data were also validated by the Regional Computer Centre (RCC), Chandigarh, now known as DOEACC Society, Chandigarh.

### **3.15 Data entry and verification:**

**3.15.1** The Committee was informed that the responsibility of computerised processing and tabulation of data was entrusted to the Regional Computer Centre (RCC), Chandigarh. The

tabulation was done on the basis of the Estimation Procedure and Tabulation Plan prepared in Labour Bureau and duly approved by the TAC on SPCL. Detailed instructions and list of validation checks for Schedule 'A' and 'B1' were supplied to RCC by Labour Bureau. The entire exercise which included data entry, data verification, data cleaning, generation of tables at sub-sample/sector/centre levels and their validation were completed with the active support of Labour Bureau.

### **3.16 Tabulation Plan and Generation of Tables:**

**3.16.1** The Committee was informed that the tabulation plan on the Working Class Family Income and Expenditure Survey, 1999-2000 consisted of (i) a set of 59 tables based on income & expenditure data contains in Schedule 'A' and (ii) Set of 10 tables pertaining to house rent data collected in Schedule 'B1'.

The entire tabulation plan had been divided into 9 groups:

(i) Priority Tables: Group '0' contains tables on average expenditure and quantities consumed per family. These tables are prepared by RCC on priority basis and are used for derivation of Weighting Diagrams.

(ii) General Tables: Group '1' to Group '8'

Group 1 : contains tables on demographic particulars of the working class families.

Group 2 : contains tables on Income,

Group 3 : contains tables on Expenditure,

Group 4 : contains tables on the Budgetary Positions,

Group 5 : contains tables on average quantities and values of important items purchased,

Group 6 : contains tables on Indebtedness,

Group 7 : related to tables on housing conditions of working class families,

Group 8 : related to tables of schedule 'B1',

**3.16.2** The General Tables (Group 1-8) were used for bringing out Centre-Specific reports and an All India General Report. Each table was first generated at stratum/sector level. The stratum results were combined to get the sub-sample results. Pooling of sub-sample results yielded sector level results and finally pooling of sector level results generated centre level results. All the tables were prepared at sub-sample, sector and centre level. However, the tables relating to 'Vegetables and Fruits' were prepared at sub-round level to tap the seasonal variation for Group '0'. The results of Group 5 tables were also used for working out ratio between purchases from open market vis-à-vis quantities available through fair price shops.

**3.16.3** The Director General, Central Statistical Organisation enquired as to why the tables under group 7 relating to Housing conditions of Working Class Families are being generated? The Committee was informed that generation of all tables is being undertaken after due approval of the Working Group of TAC on SPCL and TAC on SPCL itself with a view to incorporate all the relevant details relating to socio-economic conditions including living conditions of working class families in the centre specific as well as All India Report.

**3.16.4** *The Committee decided that the tabulation plan may be re-looked into by the Working Group of TAC on SPCL, to be constituted for the next Working Class Family Income & Expenditure Survey and may decide about the important data and information necessary to be tabulated. The past practices need to be looked at afresh firstly to capture the newly emerging household realities, and secondly, to take due cognizance of changed expenditure priorities, especially on non-food items such as education, health, conveyance etc, by industrial working class households, in tandem with the rest of the society.*

### **3.17 Estimation Procedure:**

**3.17.1** The Committee was informed about the estimation procedure adopted on the basis of both the sampling techniques:-

**Tenement Sampling:** The estimate of the total of Y (characteristics) for each stratum/sector/centre for a month and a sub-sample is given by:

$$M_i * \sum Y_{ik},$$

where  $M_i$  is the multiplier for i-th cluster (sub-sample) and is obtained as shown below:

$$M_i = T/T_i * F_i/f_i * B_i/b_i,$$

Where T= Total employment at stratum/sector/centre

$T_i$ = total employment in i-th cluster

$B_i$ = Total number of blocks in i-th cluster

$b_i$ = No. of blocks surveyed in i-th cluster

$F_i$ = Total no. of working class families in i-th cluster

$f_i$ = No. of working class families surveyed in i-th cluster

**Pay-Roll Sampling:** The estimate of the total of Y (characteristics under study) for each stratum/sector/centre for a month and a sub-sample is given by:

$$\sum M_{ik} * Y_{ik},$$

where  $M_{ik}$  is the multiplier for k-th family of i-th cluster (sub-sample) and is obtained as shown below:

$$M_{ik} = W/W_i * W_{@}/f_i * 1/w_{ik},$$

Where W= Total no. workers in sampling frame

$W@$  = Total no. workers in listing schedule

$W_i$  = Total no. workers in i-th cluster

$w_{ik}$  = No. workers belonging to the same sector in i-th cluster

$f_i$  = No. of working class families surveyed in i-th cluster

In case of **Uni-stage sampling** the estimate of total of Y is given by:

$$\sum M_{ik} * Y_{ik},$$

where  $M_{ik}$  is the multiplier for k-th family of i-th cluster (sub-sample) and is obtained as shown below:

$$M_{ik} = W@/f_i * 1/w_{ik},$$

Where  $W@$  = Total no. workers in listing schedule

$w_{ik}$  = No. workers belonging to the same sector in i-th cluster

$f_i$  = No. of working class families surveyed in i-th cluster

**3.17.2** The procedure for combining strata months, sub-sample, sectors and for arriving at averages and ratios for tenement sampling as well as pay roll sampling was as follows:

- (i) Estimated total for any character was arrived at separately for each sub-sample at the stratum level.
- (ii) The monthly estimated total for any character for a sub-sample in a sector was obtained by adding the corresponding stratum level estimates.
- (iii) The sub-sample wise estimates of the average monthly total for a character in a sector were obtained by taking a simple average of the monthly estimated totals for that sub-sample.
- (iv) A simple average of the estimated totals at the sub-sample level gave the combined estimates for the total at the sector level.
- (v) Sub-sample (or combined) estimates for the ratio of two characteristics were obtained by taking the ratio of the corresponding sub-sample (or combined) estimates.
- (vi) For arriving at the estimated total for the centre as a whole (all available sectors combined), the sectoral estimated totals were added thereafter the averages / ratios were obtained as in steps (iii) to (iv) above.

**3.17.3** *The Committee agreed with the Estimation Procedure being followed for Working Class Family Income & Expenditure Surveys.*

**3.18** **Consumption pattern / Index basket and Derivation of weights / Imputation procedure:**

**3.18.1** The Committee was informed that the weights are the proportions of the total consumption expenditure of all goods and services included in the index basket for the target group during the reference period/base period, expressed in percentage terms. These weights indicate the relative importance of goods and services consumed by a target group during the reference period, which will differ from centre to centre on account of various factors. The average budget derived from a family budget enquiry consisted of all items of expenditure reported by the families surveyed. These items of expenditure can be broadly divided as

- (i) Consumption Expenditure and
- (ii) Non-Consumption Expenditure including Expenditure on Capital Outlays.

It was also informed that only Consumption expenditure has been considered for the purpose of a weighting diagram and Non-Consumption expenditure and expenditure on Capital outlays have not been included in the index basket.

**3.18.2 Weighting Diagrams:** The Weighting Diagrams were prepared at sub-group and group levels for each centre, which include a specified set of goods and services on which significant share of consumption expenditure is incurred which are priceable and are popular among target group. It is neither practical nor necessary to include all the items in the index basket. The grouping of items is formed on the criterion of purpose of expenditure or set of items satisfying similar wants. The practice of grouping followed in other similar indices was taken into consideration. The main groups are as under:-

- IA-FOOD
- IB-PAN, SUPARI, TOBACCO & INTOXICANTS
- II-FUEL AND LIGHT
- III-HOUSING
- IV-CLOTHING, BEDDING AND FOOTWEAR
- V-MISCELLANEOUS GROUP

The sub groups of Food Group are:-

- a) Cereals & Cereal Products
- b) Pulses and Pulse Products
- c) Oils and Fats
- d) Meat, Fish and Eggs
- e) Milk and Milk Products
- f) Condiments & Spices
- g) Vegetables & Fruits
- h) Other Food

The sub groups of Miscellaneous group are:-

- a) Medical Care
- b) Education, Recreation & Amusement
- c) Transport & Communication
- d) Personal Care & Effects
- e) Others

**3.18.3 Imputation Procedure:** The items which had expenditure of atleast 1% of the total consumption expenditure at the sub-group/group level were directly retained in the consumption basket and others were imputed. Some of the items like salt and match box on which maximum number of families incur expenditure are retained as independent items. In case of other items which are not retained directly, these are imputed to relevant items, group of items, at section level, at sub-group level or at group level. The imputation of expenditure incurred on items not retained in the consumption basket is done on the basis of:-

- (i) this being a by-product of other priced item retained in the basket;
- (ii) they satisfy the same want;
- (iii) are made of similar or same type of material;
- (iv) and follow similarly the price movements.

The Committee was informed about the non-consumption items, which included gifts and charities, insurance premia, fines & penalties, taxes, remittances to dependents, precious ornaments, chance games & lotteries etc. These non-consumption items are not included in the index basket.

**3.18.4** The Committee Members discussed whether premium being paid for insurance especially, that of Medical Insurance, need to be included in consumption items or not? The Committee was informed that Medical care is one of the sub-groups in the Miscellaneous Group and in Medical Care sub group, items like Doctor's fee, Medicine, ESI Contribution etc., do feature in the index basket. As most of the workers get covered under ESI or CGHS, they generally do not go in for medical insurance.

**3.18.5** A view was expressed that as to why the details on non-consumption expenditure are being collected when they do not form the part of the index basket? The Committee was informed that the expenditure incurred by the Working Class Families on all the items whether they are consumption or non-consumption is collected and then, at a later stage, they are segregated as the working class families are not in a position to separate out these of their own. This also helps the respondents in recalling all type of expenditure incurred by them during the

reference period so that the proportion of expenditure incurred on different items of consumption is correct.

**3.18.6** The representative of BMS expressed the view that most of the people do not use facilities under ESI, while the representative of AIMO expressed a view that the workers are now using them, because both the employees and employers make a contribution towards it.

**3.18.7** The Labour & Employment Advisor, Ministry of Labour & Employment expressed a view that a total picture of the expenditure by a working class family has to be obtained vis-à-vis their income from various sources. He also expressed the view that, as the situation would be changing in the coming years; the premium paid for Medclaim Insurance may have to be taken as consumption expenditure provided the working class families report significant expenditure on this item in the next survey.

**3.18.8** The Committee noted that there is a tremendous scope for a re-look on groupings adopted especially like medical care, education and transport, which have now become major groups due to the impact of globalization on the Indian economy, most ostensibly the household consumption behaviour. *The Committee recommended that the classification relating to consumption and non-consumption expenditure needs to be looked into afresh by the Working Group of TAC on SPCL.*

**3.18.9** The Committee was informed that in the current series of CPI(IW) with base year 2001=100, the weights of these sub-groups of Miscellaneous group i.e. medical care, education and transport at all India level are 4.56, 6.18 and 4.87 respectively. The Committee was also informed that during the deliberations of the previous Sub-group of TAC on SPCL, this issue came up for discussion wherein it was observed that since the implementation of COICOP, which flows from SNA 1993, for 2001 series would be time consuming and it would, therefore, be advisable to explore the re-grouping for the next series only. The Committee felt that the groupings for the next series has to be changed keeping in view the prominence of sub groups of miscellaneous group separately, as per the material or information available for the next series. Accordingly, the Committee recommended that the Consumer Price Index Numbers under next series should be compiled separately for each of these sub groups to be elevated and termed as groups.

### **3.19 Seasonality Chart for Vegetables and Fruits:**

**3.19.1** The Committee was informed that for vegetable and fruit items, month-wise seasonality has been fixed in the base year itself on the basis of their availability in the markets during different months of the year. The seasonality had been determined by examining the availability of price data of various items from different markets of the centre. The month-wise expenditure

reported on these items during the main survey was also taken into account while finalising the seasonality chart. The item weights within the vegetables and fruits sub-group of Food Group vary from month to month on the basis of vegetables and fruit items retained in the index basket for all the 12 months separately of a year. There are four sub sections of the vegetables & fruit sub-group, which are Root Vegetables, Non-leafy Vegetables, Leafy Vegetables and Fruits. Seasonality once finalized during the base period remains same for the entire duration of the series. Regarding other seasonal items like *maize-atta*, *sweaters* etc. no monthly pattern has been fixed and in the case of non-availability of prices their weights are imputed at appropriate item or sub-group/group level wherever required. ***The Committee decided that the existing procedure in this regard may continue.***



## Chapter 4

# Conducting Repeat House Rent Survey and Compilation of House Rent Index

### 4.1 Objective:

**4.1.1** The main objective of the Repeat House Rent Survey is to collect data on house rent and related charges from a fixed sample of dwellings, according to a prescribed procedure, in order to measure the changes in rents for a fixed standard accommodation and amenities as revealed through working class family income & expenditure survey, 1999-2000. Rent for the sampled dwelling is the price for housing which goes into the index compilation.

### 4.2 Definition of Rent:

**4.2.1** Compensation payable in money terms to the owner of a specified accommodation by the occupant is termed as rent. It includes charges incurred on water, repairs & maintenance and taxes if payable by the tenant. However, electricity charges and sweeper charges are not included. In case these are reported to be included in the house rent, these are subtracted. The rent of the dwelling provided by the employer at a concessional rate is arrived at, by taking together all the remunerations forgone by the worker. For example, House Rent Allowance lost and License Fee paid by the worker together constitutes the rent of the dwelling provided by the employer. The average monthly expenditure on minor repairs and maintenance is duly included in the rent on the basis of total expenditure apportioned as average expenditure per month. For example, if white washing is undertaken once in two years, then the expenditure incurred would be divided by 24 and added to the average monthly rent. In cases where common expenditure is incurred by a number of tenants, the share of expenditure apportioned in the name of the selected worker/tenant is appropriately accounted for. In case of the dwellings provided by the employer, the amount taken by the employer from the tenant as license fee and the amount of house rent allowance lost by the worker is taken into account.

**4.2.2** The Committee noted that there are a number of situations and arrangements between landlords and tenants for making payments relating to rent and other charges like water, electricity etc.. It expressed that since the Bureau takes care of various situations, the procedure followed, i.e. inclusion of water, minor repairs and maintenance and taxes and exclusion of electricity charges and sweeper charges, is conceptually right. *The Committee recommended that the existing definition of rent should continue.*

### 4.3 Weighting Pattern of Housing Group in Various Series:

**4.3.1** The Committee was informed that the weight of Housing Group in All-India was 6.30 in 1960 series which increased to 8.67 in 1982 series and further to 15.27 in 2001 series. This indicates that its weight has consistently been rising over time. The reasons behind such an increase in proportionate expenditure were deliberated upon by the Committee Members.

#### **4.4 Dwelling Types Covered:**

**4.4.1** The Committee was informed that three types of dwellings are covered in the Repeat House Rent Surveys:

- (a) Rented dwelling is defined as the residential accommodation hired by the sampled working class family on payment of rent.
- (b) Self-owned dwelling means a residential accommodation of which the worker himself is an owner and the same is occupied by him.
- (c) Rent free dwelling is defined as the residential accommodation which has been provided by the employers to the sampled worker without charging him any rent.

#### **4.5 Concepts and Definitions adopted in RHRS:**

**4.5.1 Unit:** The 'Unit' of the survey is the dwelling (and not the sample worker/family) occupied by the sample family. Further, the dwelling must be under occupation of a family of a sample worker belonging to any of the seven sectors of employment being covered under the definition of industrial workers in the Working Class Family Income & Expenditure Survey.

**4.5.2 Rented Dwelling:** It is defined as the entire portion of the residential accommodation hired by the sampled working class family on payment and covered under Schedule B1 in the main Working Class Family Income & Expenditure Survey.

**4.5.3 Round/Sub-round:** The total span of six months to cover all the selected dwellings is known as a round and every month of the round is termed as a sub-round for this survey. All the dwellings covered in a sub-round are surveyed again after an interval of six months in the subsequent round. There are two rounds of the House Rent Survey in a year.

**4.5.4 Sector:** A set of similar establishments classified by the industrial divisions as per their economic activities are termed as a 'Sector'. Seven sectors covered in the main survey are Factories, Mines, Plantations, Railways, Motor Transport Undertakings, Electricity Generating & Distributing Establishments and Ports & Docks.

**4.5.5 Worker:** A worker and working class family covered in the RHRS is as defined under para 3.4.1 and 3.4.2 of Chapter 3.

**4.5.6 Weights:** In RHRS, the indices in respect of three categories of houses viz. Rented, Self-owned and Rent Free are combined using the weights which are proportions of families residing respectively in the three categories, covered in Schedule A of the main working class family

income & expenditure survey. For example, in the Bokaro Centre, the total number of working class families covered for Schedule A was 432. Their relative proportions are:

(i)	Rented	326	75.46
(ii)	Self-owned	41	9.49
(iii)	Rent free	65	15.05
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	Total	432	100.00
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**4.5.7 '0'th Round:** The period corresponding to the last six months of the base year i.e. July 2001 to December 2001 constituted the '0'th Round and served as the base period for the Repeat House Rent Surveys. The 1st Round consisted of the period January 2002 to June 2002. The current Round of Repeat House Rent Surveys during January 2008 to June 2008 is 13th Round. All rounds of House Rent Surveys after the '0'th Round are treated as repeat rounds of the House Rent Surveys as the rent particulars etc. of the same dwellings are collected on six monthly basis, i.e. round after round.

#### **4.6 Frame(s):**

**4.6.1** Only those workers occupying a house or chawl / bustee which is either self-owned or rent-free or concessional/subsidized rent-basis or on rent-payment basis, are included in the frame. The sampled families covered for schedule B1 under the main Working Class Family Income and Expenditure Survey conducted during the year 1999-2000 constitute the frame for RHRS. A Statement showing the centre-wise details relating to the number of families covered for Schedule A, B1 and the sample size for RHRS is at **Annexure VIII**.

#### **4.7 Sampling Design, Sample Size and Draw of Samples:**

**4.7.1 Sampling Design:** Systematic random sampling has been adopted for the selection of sample under RHRS.

**4.7.2 Sample Size:** Half of the dwellings covered for Schedule B1 during the Working Class Family Income and Expenditure Survey is taken as the sample size for the RHRS.

**4.7.3 Draw of Samples:** With a random, start every alternate dwelling has been selected for conducting the RHRS.

#### **4.8 Survey on six monthly Round basis:**

**4.8.1** The index for housing group in respect of all the 78 centres is compiled on Chain Base Method on the basis of six monthly Repeat House Rent Surveys and the same is utilized in the subsequent period of six months i.e. till the index of next round is available. The housing index

is compiled on six-monthly round basis, primarily because the house rent has a tendency to remain more or less stable over shorter periods of time. Some of the Committee Members expressed a view that instead of conducting Repeat House Rent Surveys once every six months, these should be conducted once in a year, as they felt that the changes in rent are very rare.

**4.8.2** The Committee was informed that presently the Repeat House Rent Surveys are conducted on six monthly basis and house rent index compiled on the basis of any round is utilized in the compilation of Centre indices in the subsequent six months period. The House Rent Index remains constant for the subsequent six months. For example, the house rent index compiled on the basis of January to June Round is compiled in July and made applicable for the compilation of indices from July to December, and so on. In case repeat house rent surveys are conducted on yearly basis then the House Rent Index would remain constant for the entire subsequent period of twelve months which may lend itself to a criticism that the changes in house rents are not being realistically reflected.

**4.8.3** Some other Committee members expressed that change may occur due to repairs and various other factors. In case of dwellings provided by the employers, the changes occur due to increments which can be earned by the workers in any month, due to revision in pay scales, revision of license fee, etc. Even the private landlords enhance the rents of the tenants periodically. These can also change due to changes in water charges or expenditure incurred by the tenants on minor repairs and maintenance. After every six monthly round of repeat house rent survey, significant changes/increase have been observed in the house rent indices which, at the All-India level, do have an impact of about half a point. Due to new wage agreements between Employers' and Workers' Unions, revision of Minimum Wages etc., the wages as well as the rates of house rent do undergo changes.

**4.8.4** Since the Members had expressed a variety of opinions on the periodicity of the conduct of Repeat House Rent Surveys, the Committee, after careful consideration of all related facts, decided that house rent data for the preceding one year, i.e. January, 2007 to December, 2007 may be examined to know the frequency and extent of change, when it occurs and to what percentage? After examination of the results of the exercise, *the Committee decided that the periodicity of the conduct of Repeat House Rent Surveys may continue to be six monthly.*

#### **4.9 Collection of Rent and other details through RHRS:**

**4.9.1** The details relating to (i) average monthly rent payable to the landlord, (ii) electricity charges, water charges, sweeper charges, any other charges like those of chowkidar etc., included in the rent or payable separately by the tenant, (iii) taxes (municipal, corporation, road, etc.), payable by the tenant and (iv) expenditure on repairs which includes white-washing,

repairs of doors, windows, floors, ceiling, walls, roof, or any other part of the dwelling, and painting, etc. incurred by the tenant are collected through Repeat House Rent Survey. Repairs do not include improvements, additions/alterations which alter the original status/quality of the dwelling or result in structural changes in the dwelling.

**4.9.2** The average monthly rent is based on rent of twelve months prior to the reference month. In respect of repairs and maintenance, an average monthly expenditure incurred by the tenant, is worked out and utilized in the compilation of house rent index.

#### **4.10 Treatment of Self-owned Dwellings in Index Compilation:**

**4.10.1 Comparable rent:** In case of self-owned dwellings, the rent paid for similar rented accommodation in the same building or in a nearby locality is taken as comparable rent. If comparable rented dwelling is not available, then the self-owned dwelling is substituted with a rented dwelling from the substitute list.

**4.10.2 Nearby Locality:** A locality which is situated within a radius of about 1 km is taken as a nearby locality.

**4.10.3 Comparable Dwelling:** For selecting comparable rented dwelling, composition of the dwelling (especially the number of living rooms), type of construction (pucca, kutcha etc.), floor space with a variation up to 15% are considered. Age, rental value, provision of facilities/amenities (like water source, latrine, courtyard, etc.,) have to be given due importance. In some cases, the comparable rented dwelling may even be occupied by a non-working class family.

**4.10.4** *The Committee decided that in case of self-owned dwellings, one additional question, namely what could be the rent of his house/ what rent will he charge if the respondent were to rent it out, may be asked.*

**4.10.5** The Committee noted that since the owner may have a different perception about the rent of his dwelling and it may be on quite a higher side, thus may not be used in the compilation of House Rent Index. The Committee also noted that there could be a number of reasons for different houses to be different from one another like, for example, one may have marble tiles while the other is not having the same.

**4.10.6** The Committee noted that though every care is taken by the Bureau while selecting a comparable dwelling like its composition, type of construction, floor space, age, provision of facilities/amenities and rental values, the information from the owner of the self-owned dwelling may not be utilized in the compilation of house rent index. *But this information will be useful in cross-checking the rent details of the comparable dwelling.*

**4.10.7** The Committee also noted that a lot of time is wasted in searching out the comparable rented dwellings. It was observed that more and more people are constructing their own houses. Thus the proportion of owned houses may increase in future, but it may also be difficult for the working class population to have their own houses due to increasing land costs.

**4.10.8** *After deliberations the Committee agreed to the present procedure that in specific cases comparable dwellings of self owned dwellings are not available, the same are to be substituted by the rented dwellings from the substitute list.*

#### **4.11 Treatment of Rent Free Dwellings:**

**4.11.1** In case of rent free dwellings, the rent relative is kept fixed at 100, as any increase in rent is borne by the employer and not by the worker. In the calculation of overall average rent index for the centre, the zero rent of the rent-free houses is weighted by the proportion of the index population residing in such houses. The Committee noted that the proportion of rent free houses is high in the Plantation and Mining Centres only and in the Factory centers there is a very small proportion of rent free houses.

**4.11.2** One of the Members expressed the view that the weight of rent free houses as also self-owned dwellings for which comparable rented dwellings are not available need to be imputed to those of rented houses. The Committee noted that as employers do not want their workers to quit because of housing, they provide them with rent free houses. The new house constructed by an employer is a cost to the company or the employer alone and entails no cost to the worker.

*The Committee after deliberations decided that the current procedure followed in case of rent free houses may be continued.*

#### **4.12 Casualties and Substitutions:**

**4.12.1** A dwelling may be declared as a casualty for the following reasons:-

- (i) Demolition,
- (ii) Utilization of the dwelling for non-residential purpose,
- (iii) Occupation of the dwelling by a non-working class family,
- (iv) Lying vacant without any intention of being let out,
- (v) Rent can not be collected due to legal dispute in the court, etc.
- (vi) Major structural changes,
- (vii) Repetition of the dwelling due to selection of worker from the same family in case of payroll sampling,
- (viii) No permanent structure.

**4.12.2** A Casualty in a Round has to be confirmed by a second visit by the investigator within the month. In case, a dwelling is treated as a casualty in two successive rounds, then the

dwelling is substituted by another dwelling available in the frame (list of Schedules B1) in a circular systematic manner. When the list of substitute dwellings gets exhausted, the substitution is affected from the residual list of Schedules A canvassed during the last WCFIES. In case the frame of Schedules A also gets exhausted, then a fresh re-listing of the working class families of the Centre has to be undertaken.

**4.12.3** The Committee Members discussed at length the problem relating to the exhaustion of the frame. In case of a centre with one Investigator's load, a total of 216 working class families for Schedules A were covered during the main Working Class Family Income & Expenditure Survey. Then out of these 216 families, 84 families were selected for Schedule B1 for canvassing house rent details. The dwellings of these 84 working class families constitute the frame for RHRS, out of which 42 dwellings are surveyed on continuing basis for RHRS, and the remaining set of 42 dwellings form the substitute list. In case the 42 dwellings in the substitute list gets exhausted, then the residual list of Schedule A containing details in respect of 132 dwellings is utilized in selecting the substitutes. Further, in case the residual list of schedule A also gets exhausted due to substitutions, then the lists of Schedule L and P, if available, are utilized for selecting substitutes, otherwise a fresh re-listing of working class families at the concerned centre has to be undertaken, which is a cumbersome and time consuming process and may even delay the conduct of next Round of RHRS.

**4.12.4** A view was expressed that the casualty may be substituted from the same place. A fresh re-listing of working class families at the centre is cumbersome and time consuming process. A worker, whose dwelling has been declared as a casualty, after exhausting the substitute lists from schedule B1 and schedule A, may be substituted by another worker from the same factory or mine, etc. in the same occupation. Since the re-listing is tedious, it was suggested that for substitution the Bureau should look for a substitute nearer the casualty. It appears to be more appropriate if a worker with a similar occupation is substituted like a machinist in a factory may be substituted by another machinist from the same or another factory and not by a welder.

**4.12.5** *After deliberations the Committee decided that whenever the substitute lists get exhausted, the substitution may be done by a worker in the same occupation working in the same or similar unit/factory/establishment etc., while ensuring that the relative proportions of various sectors at the time of conducting WCFIES, are duly maintained. In case a factory is closed permanently, then the possibility of drawing a fresh list has to be explored, as a last resort.*

**4.13 Matching of the Dwellings:**

**4.13.1 Matching** is defined as the replacement of the rent and other particulars of the dwelling in the previous Round by the rent and other particulars of the dwelling in the current round, which has been necessitated on account of the following reasons:-

- i) In case of change in the particulars of sample dwelling with regard to the composition of rooms/ provision of amenities etc.,
- ii) In case of change in the components of rent i.e. introduction or discontinuance of white washing / repair charges incurred by the tenant,
- iii) In case of change of an employee-tenant with a different pay scale/basic pay.
- iv) Change in the number of effective dwellings in the sample (because of casualties).
- v) Change in the category of the dwelling i.e. rented, comparable rented, self-owned and rent free.

**4.13.2** The Committee decided that an exercise to indicate the proportion of dwellings provided by the Government and of dwellings which the workers have taken from private landlords may be worked out in respect of all the 78 centres. The Labour Bureau undertook the exercise which indicates that the proportion of dwellings provided by the Government and Public Sector Undertakings is 34%, the percentage of dwellings provided by Private Employers is 12%, whereas the proportion in respect of workers who have taken the dwellings from Private Landlords is 30%. Out of the remaining Rent Free dwellings constituted 14%, self owned comparable dwellings 5% and casualties also 5%. The centre-wise details of proportions of dwellings are at **Annexure IX**.

#### **4.14 Index Formula and Compilation of House Rent Index – why Chain Base Method?**

**4.14.1 Chain Base Method:** It is unrealistic to assume that all the sample dwellings would remain either occupied or be in the same condition during every successive Round. Therefore, instead of working out price relatives directly with reference to the base year prices, as in the case of other items of the index basket, the rent relatives of all the dwellings in the sample are worked out on the basis of total rents of the sampled dwellings in current Round of RHRS with reference to the previous Round of RHRS. The rent relative of the current Round is then multiplied with the house rent index of the previous Round to obtain the house rent index for the current Round and in this manner a chain to the base year is established. This is how *Chain Base Method* is followed in the compilation of House Rent Index.

**4.14.2 Canvassing of House rent schedules:** The schedule B1 of RHRS is canvassed by the Investigators of Labour Bureau posted in Regional Offices in respect of all the 78 centres in all the repeat rounds/sub-rounds of house rent survey.



**4.14.3 Post survey checking:** The schedules canvassed by the Investigators are scrutinized firstly in Regional offices of Labour Bureau by the Assistant Directors and their observations / comments / corrections are forwarded to the Headquarters for necessary corrections in the house rent data.

**4.14.4 Scrutiny at the headquarters:** All the schedules received from the field are put to extensive scrutiny by the officials at the Headquarters and inconsistencies if any are referred back to the field for necessary clarifications. At times post checking of data is also conducted. During the scrutiny and examination of the house rent schedules the following data entries are specifically checked, so as to ensure accuracy in the house rent data:-

- (i) Changes in the identification particulars of the dwelling viz. composition of the dwelling and amenities attached to it, etc.
- (ii) Changes in the rent or its components like electricity charges, water charges, sweeper charges and taxes paid by the tenant etc.
- (iii) Omissions in reporting details of repair charges, particulars of tenancy, information relating to increments, etc.

**4.14.5 Processing of Data:** The data in respect of house rent is processed with the help of software developed by the Regional Computer Centre, now known as DOEACC, Centre, Chandigarh. After the incorporation of clarifications received from the field and finalization of all the schedules B1 in a sub-round in respect of various centres the details of the dwelling like average rent, expenditure on service charges, repair & maintenance etc. are posted on the Index Card in the computer. The data is processed by the computer software and the prints of Month-wise Summary sheets containing relevant details of all types of dwellings are taken out for verification and rectification. After validation of the posted data, the centre-wise prints of Round-wise Summary sheet and Index Sheet are taken out, examined and finalised. An example of compilation of Bokaro centre house rent index for 12<sup>th</sup> Round was presented in the sixth meeting of the Committee.

**4.14.6** One Member of the Committee suggested that instead of rent relatives of all the dwellings taken together, the rent relatives of each dwelling should be worked out and then the house rent index be compiled. The Committee decided that an exercise in respect of at least four contrasting centres (some developed and some not adequately developed) like Faridabad, Pune, Ludhiana etc may be taken to study the variations in house rent indices compiled by the two different procedures of rent relatives in respect of the last two rounds i.e. 11<sup>th</sup> and 12<sup>th</sup> rounds. It was also suggested that sectoral weights of schedule A may also be utilized to combine sectoral rent relatives.

**4.14.7** *After studying the results of the exercise relating to Faridabad, Pune, Ludhiana and Chhindwara centres, the Committee resolved that for the current series, the present procedure may be continued. However, for the next series the second procedure of calculating dwelling-wise rent relatives may be adopted from the beginning itself. Category-wise averages of rent relatives may be worked out and utilizing the component-wise weights as discussed in para 4.18, the house rent indices may be compiled.*

**4.15 Sharing of dwelling:**

**4.15.1** Some of the dwellings could be occupied by more than one tenant on sharing basis and the rent is charged @ per head/bed at fixed rate by land lord. Accordingly, the rent of the dwelling varies from round to round depending upon the number of residents sharing the accommodation in the sample dwelling. In such cases, the rent in the current round is matched with rent in the pervious round for the same number of residents.

**4.16 Sub-letting of dwelling:**

**4.16.1** A dwelling is treated as sublet if it has been let out by the original/main tenant to another tenant with or without approval of the landlord. In case the selected worker was main tenant during the course of main working class family income & expenditure survey, then the rent paid by him to the landlord is taken into account so as to avoid negative rent cases. In case the selected worker was sub-tenant during the course of the main survey, the rent paid by him to the main tenant for the sublet portion of the dwelling is collected in the RHRS and utilized for house rent index compilation.

**4.16.2** A view was expressed that only the direct tenant should be considered for the RHRS and sub letting may not be considered for RHRS. It was also pointed out that sub tenancy is usually not allowed and it is done without the knowledge of landlord. The Members expressed that sub tenancy is a reality and when a worker or a working class family is selected in the main WCFI&ES it is not known whether the selected worker, which has come through standard sampling techniques is a main tenant or sub tenant i.e. living in a sub-letting or he has sublet a portion of his dwelling.

**4.16.3** The Committee observed that there is some amount of money involved irrespective of whether the worker is tenant or sub-tenant. *It, therefore, decided that any worker or working class family which gets selected through sampling, whether it is tenant or sub-tenant, should be taken for the purpose of main survey as well as repeat house rent survey.*

**4.17 Newly constructed houses:**

**4.17.1** The Committee noted that newly constructed houses are not taken into account in conducting RHRS and compilation of house rent indices, because the dwellings covered in the

base period remain fixed and there is no occasion to substitute these with new houses. New houses get included in the frame only when the new surveys are conducted. The Committee agreed to the situation. However, it reiterated that the new working class family income & expenditure surveys need be conducted at intervals of not more than 10 years.

#### **4.18 Use of House Rent Index in the compilation of centre and All-India Index:**

**4.18.1** The house rent index is utilized in the compilation of centre level general index and the centre level general indices are utilized in the compilation of a weighted average All-India Index. In the compilation of all-India group indices, a separate all-India Housing group index is also compiled like all other Groups such as Food; Pan, Supari, Tobacco & Intoxicants; Fuel & Light; Clothing, Bedding & Footwear; and Miscellaneous. Through these group indices also an All-India General index is compiled which tallies with the All-India General index compiled from the centre Indices.

**4.18.2** One of the Members enquired about the separate items in the compilation of House Rent Index. Though house rent in the present series includes water charges and expenditure on minor repairs and maintenance, a separate weighting diagram for different components was not prepared. The Committee decided that the various components of housing like rent, water charges, repair and maintenance etc. should be separated and then the House Rent Index should be compiled in respect of 4 centres to study the variations in House Rent Index compiled by both the procedures.

**4.18.3** After examination of the results of the exercise relating to Faridabad, Pune, Ludhiana and Chhindwara centres, the Committee decided that the present procedure may be continued for the current series with base year 2001=100. *The Committee decided that in case of next series, the component-wise weighting diagrams may be prepared in case of housing group as well and the house rent indices may be prepared in conjunction with category-wise average rent relatives as discussed in para 4.14.*

#### **4.19 Observation of the Sixth Pay Commission:**

**4.19.1** Dr. G.M.Boopathy, Deputy Director General, Central Statistical Organisation, New Delhi pointed out the observation of the Sixth Pay Commission for Central Government employees with respect to house rent index, which runs as:

*The Commission, therefore, recommends that the AICPI (IW) with base 2001 may, henceforth, be used for the purpose of calculating DA till it gets revised. As mentioned earlier, the base year should be revised as frequently as feasible. The Commission also looked into the weightages assigned to various components of consumption and the manner in which the Labour Bureau conducts the survey. The examination has revealed a direct correlation in the movement of the price index for housing and the movement of the HRA rates of Government employees. If a representative sample is used for construction of the price index for housing, there should not be such a direct correlation*

*keeping in view the fact that for industrial workers, the escalation in rental should not be so steep for various obvious reasons. Since housing has a large weightage in AICPI (IW), there is a possibility of substantial distortion in DA calculations. The commission recommends that the Government take expeditious steps to rectify these noticed distortions in the construction of the current AICPI (IW) series. The National Statistical Commission may also take these factors into consideration while evolving a separate index for Government employees.*

**4.19.2** The position of Labour Bureau in this regard was explained as under:

*Whenever there is an increase in house rent paid by a worker, whether the worker has taken the dwelling from private landlord or he has been allotted a house by the Employer which can either be the Government / Public Sector or the Private Sector, the same gets reflected in the rent actually paid by the worker which includes license fee and house rent allowance lost and in the house rent index compiled accordingly. The proportion of houses from various sectors depends upon the proportionate coverage of working class population at any particular centre out of the seven sectors covered under WCFI&ES 1999-2000. The weights of various groups in the index basket are on the basis of actual expenditures reported by the working class families of concerned centre. There is no distortion as far as compilation of AICPI(IW) is concerned.*

**4.19.3** The Committee expressed its satisfaction with regard to the reply of Labour Bureau in response to the observation of the Sixth Pay commission.

## Chapter 5

### Index Compilation

#### 5.1 Finalization of Centre-wise Price Collection Schedules:

**5.1.1** The Committee was informed that the tentative price collection schedules (Weekly, Monthly, Clothing and Fair Price) are finalized on the basis of centre-wise weighting diagrams. These weighting diagrams are prepared by the Labour Bureau on the basis of item-wise expenditure revealed for the targeted population while conducting the WCFIES in respect of all the selected centres. Almost 4 to 5 hundred items are kept in the tentative price collection schedules at the start of the survey, so that price data is available from base period onwards for all possible items of consumption on which significant expenditure is reported by the working class families during the main Working Class Family Income & Expenditure Survey. Though every care is taken by the Bureau to avoid the collection of back period data, which is quite difficult, but still for some items like Private Tuition Fee of Coaching Institutes back period prices had to be collected at a later stage in the 2001 series. The items featuring in the price collection schedules also indicate the detailed specifications / varieties alongwith the units for which price data is collected on regular weekly/monthly/six-monthly basis.

**5.1.2** A view was expressed that private coaching is only for weak students and it should not be taken in the index compilation. It was clarified that the retention of any particular item in the index basket depends upon the significant (around 1%) actual expenditure reported by the working class families of any particular centre. The item should be consumable, priceable and popular among the targeted population. The Sub-group of TAC on SPCL constituted for the current series after examining the weighting diagrams had suggested that the item Private Tuition Fee may be retained separately and back period price data may be collected from the centres, wherever it is available, which was ultimately available in respect of all the 43 centres where this item had been retained in index basket.

**5.1.3** The Committee was informed that the amount of the expenditure incurred by the working class family on various items determine their weights in the basket. Thus, the items of the index basket depend on the average expenditure reported in the family living surveys and all important items are included in the basket. Education and housing are very important components of expenditure in any household and private tuition has become now an important item even for working class families as such this item has now to stay in the index basket. *The Committee agreed that all essential items showing significant expenditure, reported by the workers, should get included in the index basket.*

## **5.2 Scrutiny of Price Data:**

**5.2.1** Price variations occur when exactly the same good or service is sold at different prices at the same moment of time. Different outlets may sell the same product at different prices. Since the markets are not perfect, price differences for the same product are bound to be there. Hence, the need to collect different price trends on the same item for the different shops and different markets of a centre. Therefore, Labour Bureau collects two price quotations per item/service retained in the index basket per selected market in a centre.

**5.2.2** The Committee was informed that the scrutinised price data received from the field is subjected to intensive scrutiny at Headquarters with the aim to detect abnormal Inter-Shop, Inter-Period, Inter-market and Inter-Centre Variations. After the price data are collected and reported, the first level of scrutiny is undertaken by the Price Supervisors, the second level of scrutiny is undertaken by the Regional offices of Labour Bureau while the third level of scrutiny is undertaken by the Headquarters at Shimla. The price data received from the field is either posted on the posting sheets or fed into the computer directly. The printouts are taken for verification in the first instance. The verified data is then thoroughly examined by Investigators Grade II, who prepares a scrutiny note. This note is submitted to the Investigator Grade I, who after examination submits it to the Assistant Director / Deputy Director in-charge of the cell. The Assistant Director / Deputy Director in-charge of the cell is an authorized officer to issue a scrutiny letter to the Price Supervisor of the concerned centre and Assistant Director of Regional Office under whose jurisdiction a particular centre falls. In case of doubtful price data, the recommendation of Investigator Grade II, Investigator Grade I and Assistant Director / Deputy Director are submitted to the Joint Director / Director in-charge of the scheme for taking a final decision in the matter. In certain cases, the issues are submitted to the Director General as well. The matters which require a policy decision are taken up with the Technical Advisory Committee on Statistics of Prices and Cost of Living (TAC on SPCL) also for advice/decision.

**5.2.3** The Committee was further informed that the price data are thus thoroughly examined, scrutinised and abnormal / doubtful price quotations are referred back to the field for clarification / confirmation, so that only the accurate and correct prices prevailing in the selected shops of selected markets in selected centres in respect of selected items are utilized in the index compilation.

**5.2.4** The Committee was also informed that the inter-shop variations could be due to the fact that one of the two selected shops is a co-operative store, wherein the prices are usually on the lower side in comparison to the other shop in the open market even though the quality of the items/specification in respect of quotations from both the shops is the same. However, in certain

cases the prices of co-operative stores may tend to be higher as well because the price fixation mechanism operated in such cases is on “lot basis”. The cooperative stores are generally open to all and therefore anyone could purchase the available items from such stores. The co-operative stores may not exist in all the centres, but wherever they exist a fairly large proportion of workers make their purchases from the co-operative stores.

**5.2.5** The Committee was given numerous examples about inter-period variations in the scrutiny of price data, because the prices of food articles generally show fluctuating trends on the arrival of the new crops in addition to the usual seasonal fluctuations. For inter-market variations there are reasons like the different markets of a centre are being fed from different areas of adjoining States. As an example of inter-centre variation, the situation in respect of electricity charges in Mumbai Centre vis-à-vis other centres of Maharashtra was explained. Since there are three separate authorities to supply electricity to different areas / markets of Mumbai centre, the weighted average price of electricity charged in respect of Mumbai is different than other centres of Maharashtra. Maharashtra State Electricity Distribution Co. Limited is supplying electricity to 3 markets (Kalyan, Vashi and Thane) of Mumbai and Nagpur, Pune, Nasik and Sholapur centres at the rate of Rs. 159.04 for 50 units, while in other 8 markets of Mumbai Best Electricity supplies at the rate of Rs. 65.70 and Reliance Energy supplies at the rate of 156.73 in the remaining 5 markets of Mumbai. In this manner, the weighted average rate of Electricity charges for the month of November, 2007 comes to Rs. 111.65 for Mumbai centre as compared to Rs. 159.04 for other centres of Maharashtra.

**5.2.6** The Committee was also informed that the current prices for certain items in the index basket which are lower than even the base period prices are also referred to the field for necessary clarifications, so that the reported prices are found to be confirmed and accurate for the specified item/variety. In case of certain items like Television, current prices lower than the base period, may be the real situation. *The Committee felt that rigorous examination and verification of price data is very essential to maintain accuracy of price data and the index numbers.*

### **5.3 Finalization of Price Data:**

**5.3.1** The Committee was informed that after incorporation of clarifications furnished through the Inspection Reports of Price Supervisor as well as the concerned Field Officer of the Regional office of the Bureau, the price data are finalized and entered into the Computer. The software was developed by the Regional Computer Centre, Chandigarh for the compilation of Consumer

Price Index Numbers for Industrial workers. In case the inspection report is not received in time before the compilation and release of index, despite all out efforts, then the price data in case of referred item(s) for a particular centre are finalized on the basis of available information and previous price data. Thus, lot of efforts and time go into the finalization of prices at Labour Bureau Headquarters.

#### **5.4 Fair Price Data:**

**5.4.1** The Committee was informed that there are three concepts relating to collection and utilization of fair price data i.e. admissibility, actual off-take and availability.

- I Admissibility is the quantum of rationed items fixed by the Govt. per family or unit per week/ month.
- II Actual Off-take is the quantity actually lifted by the card holders during the week/month for which data is to be collected.
- III Availability is the quantum made available through FP shops during the reference week/ month, which in fact is Opening Balance and Quantity received during the week/month.

**5.4.2** The Committee was informed that the availability concept is being followed in the utilization of Fair Price data in respect of rationed commodities like Rice, Wheat, Sugar, Kerosene oil, Palm oil etc. in the compilation of indices in 2001 series on the approved lines of 1982 series. In case FP return of any market or of any shop is not received even after all out efforts, then the FP details on the availability of various commodities during the previous month for that shop or market alongwith the current month FP prices available for other markets and current month open market prices are utilized in the compilation of FP data and index numbers.

**5.4.3** The Committee was informed that there are various systems of categorization of families belonging to Below Poverty Line (BPL) and Above Poverty Line (APL) in different States of the country like in Andhra Pradesh these are known as White cards and Pink cards holders. One sixth of the BPL families fall under Antodaya category, which is the poorest amongst the poor. The percentage of Industrial Workers falling under BPL and APL categories vary from centre to centre. In the State of Jharkhand, the proportion of BPL families is quite large.

**5.4.4** Some Members of the Committee pointed out that Rath as well as Seal Committees had recommended utilization of the actual off-take in the compilation of Index Numbers. However, the Government had decided to utilize the availability concept for determination of weights of the rationed price instead of admissibility or off-take. The Committee was informed that since under the current series, base prices of rationed items are also weighted one, the indices compiled by any of the three procedures will not be much different. *After deliberations the*



*Committee decided that the present procedure of availability criteria may continue to be utilized in the compilation of index numbers.*

**5.4.5** Some Members of the Committee suggested that the data about rationed articles may be collected from families every six months alongwith Repeat House Rent Survey. The Committee was informed that the information about the quantities as well as values in respect of certain important items belonging to cereals, pulses, oils, sugar, fuel etc from Fair Price shops or tea gardens depots are also collected (Table 17, page 33, schedule A) is being collected through the Family Budget Schedule canvassed under WCFIES.

## **5.5 Disappearance of specified Items and their solution:**

**5.5.1 Temporary disappearance:** The Committee was informed that temporary disappearance means that the selected or the specified variety is not available in the entire selected market for a short period. Depending on the type of situation, different methods for estimating the price of the commodity in question are adopted:-

- (a) In case of food items, the price quotations available from various markets are utilized to work out the average price for the current month.
- (b) In case of non-food items, the price for 2-3 months is repeated.
- (c) In the case of clothing items substitution with a comparable or non-comparable variety is carried out.
- (d) In case substitution of such an item is not feasible then the procedure of imputation to related items or group of items is resorted to.

**5.5.2 Permanent disappearance:** The Committee was informed that permanent disappearance means that the selected or the specified variety has no chance of its reappearance either on account of reports that its manufacturing has been completely stopped or the manufacturing firm had decided to bring out a new version of the item wherein all the features of the selected item are completely missing. In case of permanent disappearance like in clothing items, the item is substituted by a comparable or non-comparable substitute as the case may be.

In case of non-comparable substitutes, 'Splicing Method' is adopted while utilizing the prices in index compilation.

## **5.6 Treatment of Black Market Prices**

**5.6.1** The Committee was informed that the sale of cereals like rice and wheat used to be banned in the open market in Kolkata, Howrah, Asansol and Durgapur centres of West Bengal due to Statutory Rationing in these areas. Liquor is also banned in certain States due to the Prohibition Policy. The open market sale of rice has now been allowed in West Bengal, but the

sale of wheat is still banned in Statutory Rationing Centres of West Bengal, though wheat atta is allowed to be sold in the open market.

**5.6.2** The Committee noted that the Black market prices cannot be collected in view of practical difficulties as well as illegality involved in the sales. This is also in accordance with the recommendations of various Committees and TAC on SPCL. A method known as 'Corrective Action' used to be applied in case the availability of rationed articles through FP shops fell short of the Base Year Requirements. The Committee was informed about the procedure in respect of corrective action. As approved by the TAC on SPCL, the shortfall in weight of an item under the Statutory Supply is distributed pro-rata on other related items or group of items which can directly or indirectly substitute its need. In the previous series with base year 1982=100, in case of the cereal items, the shortfall in weight of the concerned cereal item(s) was distributed pro-rata on all other items of the Food Group. However, in the current series with base year 2001=100, the shortfall in weight of Wheat, if any, is imputed to Wheat atta.

**5.6.3** In the case of Kerosene oil, which is normally being distributed through the Fair Price Shops throughout the country and the open market sale is not permitted in most of the areas. The black market prices, if any, prevalent in a centre are not utilized in the compilation of CPI numbers. In this case, the shortfall weight of Kerosene oil is distributed pro-rata on other related items of Fuel & Light Group like Firewood, Soft Coke, Cooking Gas etc. excepting Candle and Match Box.

**5.6.4** In the case of country liquor as well as refined liquor, which is prohibited in certain States like Gujarat and Andhra Pradesh, the black market prices, if any, prevalent in a centre are not utilized in the compilation of CPI numbers. In this case, the weight of Country Liquor and Refined Liquor is distributed pro-rata on all items of the index basket, by taking their expenditure out and reworking the weights of all other items of Pan, Supari, Tobacco & Intoxicants Group and all the Groups of the index basket again. A view was expressed that such prices may not be called black market prices. Though the system of shortfall in cereals is not much in vogue now but the same in the case of kerosene oil is still there. These prices may be called unauthorized prices.

## **5.7 Treatment of Clothing Items:**

**5.7.1** The Committee was informed that there are frequent changes in the specifications and dimensions of most of the clothing items over time or the popular selected brand may become non-available. In case a comparable substitute with same or similar specifications of the same mill or any other mill is available, then the current price is worked out for the base dimensions

from the current dimensions using Unitary Method. In case, only a non-comparable substitute is available, then the 'Splicing or Linking Method' is adopted to work out the current price for the base specifications and dimensions of the item from the currently available item. In case the two items were available for a common period, say, 2-3 months back, then the back period prices of the new item are also collected to work out the current price of the specified item. In 'Splicing or Linking Method' whenever a non-comparable substitute has to be accepted in the forced circumstances, the price of substituted item is linked with the specified items at a point of time when both were available so that the subsequent changes in price could be measured through the substituted item.

**5.7.2** About the difference in habits of people wearing clothing items vary from State to State, the Committee was informed that during the family budget surveys, the working class families report expenditure on various clothing items which they purchase and use according to their local weather conditions, tastes, customs / traditions, habits, availability, level of income etc. Thus, the actual expenditure reported on a specific variety of clothing is only taken in the index basket. In this connection a reference was drawn to the family budget schedule (Schedule A, Block 13). After going through the relevant block of the schedule, the Committee expressed satisfaction that all possible items with all possible varieties have been listed out in the schedule, which is quite exhaustive.

**5.7.3** The Committee further noted that there is a variation not only in clothing items but in the food habits also and the food-clothing culture varies from place to place, like Woolen Sweater is an item which features in the States of Himachal Pradesh and Punjab but not in the State of Tamil Nadu.

**5.7.4** The representative of BMS Sh. S.S. Paranjape, expressed his views on the substitution process adopted in the case of clothing items as under:-

- i. The most important change to guard against is the change in quality. Such a change can cause a serious error in index.
- ii. The quality specifications are required to be developed methodically and with a good deal of care by making independent market inquiries, on an extensive scale, by consulting manufacturers, experienced shop keepers.
- iii. In making substitutions, equivalence in quality of two varieties (specified and substituted) be judged on the basis of physical characteristics such as colour, taste, ingredients, durability etc., and not on price alone.

- iv. If no variety fulfilling the specifications is available in the market, then the quoted price obviously relates to a different quality. Such a price has to be adjusted properly so as to conform to the prescribed quality before it can be used for index calculations.

**5.7.5** *The Committee recommended that all the above suggestions may be considered at the time of the next series.*

## **5.8 Treatment of Free Items:**

**5.8.1** The Committee was informed that the school fee and text books (wherever featuring in the index basket) being free during the base period and continuing to be so in the current period, the price relative of 100 is taken in the index calculation. In case there was an item on which expenditure was reported in the base year and also it was a priced item during the base year and became free later, then the value of price relative at later stage becomes zero. A view was expressed that books given free to few children does not mean that every student of a Centre gets free books. Therefore, notional price for such free books need to be taken. The Committee was informed that the actual expenditure reported by the working class survey at any particular centre on books determines the item's retention or non-retention in the index basket. In case there is only government school(s) which also provides free books to the students, then the expenditure might not have been reported on books while on the other hand, where there are private school(s), the students are purchasing the books from the open market, the expenditure may get reported and as such, the item may accordingly feature in the index basket.

**5.8.2** *After a lot of deliberations, the Committee decided that the procedures followed by the Labour Bureau in dealing with the problems of finalization of price data relating to disappearance of items, treatment of black market prices, treatment of clothing items, treatment of free items are in order and are duly acceptable.*

## **5.9 Averaging of Price Data:**

**5.9.1** The methodology for averaging of price data received at Headquarters of Labour Bureau was explained to the Committee by taking an example of a centre which has three markets from which weekly prices are collected for four weeks. The price of each item listed in all the quotations in a market in all the four weeks is aggregated and the same is divided by the number of quotations to work out the market level average. This average market price is then aggregated for all the markets and divided by the number of markets to get the centre level average price. *The Committee approved the existing procedure for averaging of price data.*

## **5.10 Index Formulae:**

**5.10.1** Various Index Formulae like Laspeyre's, Paasche's, Fisher's, Edgeworth-Marshall and Geary-Khamis were explained. The Committee was informed about the relevance of Laspeyre's

Index Formula to CPI Numbers in comparison to other formulae, in which base year quantities are required while in Paasche's Index as well as Fisher's Ideal Index the current year quantities are required. Because of the requirement of current year quantities, it has not been found feasible to utilize Paasche's as well as Fisher's Index and the consumer price index numbers are compiled, in most of the countries of the world, by using Laspeyre's index. The limitation of availability of current period data inhibits the use of formulae other than Laspeyre's. After deliberating on the merits/demerits and inherent problems involved in the use of all other formulae, *the Committee approved the use of Laspeyre's Index Formula.*

### **5.11 Index Compilation:**

**5.11.1** The Committee was informed that the index is compiled firstly at sub-group level, then at group level and general level for each centre. These centre indices combined with their centre weights give an All-India Index. The methodology used by Labour Bureau in compilation of Consumer Price Index Numbers for Industrial workers centre-wise with the help of item weight, base period prices and current prices using Laspeyre's Index Formula at sub-group level, group level and centre level was illustrated. As mentioned earlier, *the Committee decided that in the next series besides existing groups, new groups like Education, Medical and Transport need to be formed separately. The Committee further added that in order to maintain the comparisons between different groups, the indices of Miscellaneous Group may be worked out by both the methods: one in which present procedure is followed and the second in which separate groups of Medical, Education, Transport and remaining sub-groups as Miscellaneous items, are formed in the next series.*

### **5.12 Derivation of Centre Weights for Compilation of All India Index:**

**5.12.1** The Committee was informed that each centre is assigned a weight in the All India Index. This weight is determined by taking product of average consumption expenditure and number of families represented by a centre as a ratio of sum of such products over all the centres. For this purpose, each centre is presumed to represent equal share of the working class families in a State. However, if the actual number of families in a centre exceeds the assumed share; its share is taken as the actual number of families. For deriving the number of families in a State, the average daily employment in respect of the sectors covered for the survey is divided by the average number of earners in the State. The All-India index is then worked out as a weighted average of the centre indices.

**5.12.2** Taking an example of 5 centres of Maharashtra State, the allocation of total number of working class families among the 5 centres of the State was explained to the Committee. The average daily employment in respect of all the 7 sectors in a State collected from various

State/Central authorities concerned with the sectors provides the data on total number of workers which when divided by the average number of earners per family gives the total number of working class families in the State. These are equally distributed among the selected centres of the State. In case any of the selected centre is having higher number of actual working class families then that higher number is allocated to that centre and the remaining families are distributed equally among the remaining centres.

**5.12.3** *After discussion the Committee decided that the present procedure adopted for derivation of centre weights for All India Index may be continued. The Committee also suggested that the procedure of getting average employment data in respect of various sectors from various sources should be straightened out.*

**5.12.4** The Committee was informed that as per the last COCSSO meeting held in February, 2008 the State Statistical Bureaus are being strengthened by the Government and it is expected that in future availability of data would be streamlined.

### **5.13 Compilation of All India Index:**

**5.13.1** The methodology used by Labour Bureau in compilation of Consumer Price Index Numbers for Industrial workers at All India level with the help of centre weight and centre indices using Laspeyre's Index Formula was illustrated to the Committee, with the help of examples.

**5.13.2** The range of weights in all the 78 centres varies from 0.16 in Chandigarh to 9.57 in Mumbai. Explaining the variation in the weights across centres, the Committee was informed that the weight of any centre is dependent on two variables (i) average consumption expenditure per working class family and (ii) total number of working class families represented by a centre, any of these two figures could be on the higher side or lower side, which could result into their differences.

**5.13.3** A view was expressed that the areas with higher expenditure are being given higher weightage in All-India Index, which ultimately leads to higher compensation to the working class, which should not be the case. The need for compilation of All-India Index was also questioned. The Committee acknowledged that Mumbai is still one of the most important centres of the Maharashtra and India. Mumbai is having large number of workers in the sectors out of seven sectors covered and as such it ought to have a higher weight, which is a reflection of the total estimated expenditure of the entire centre.

**5.13.4** The Committee observed that the matter of compensation and use of any index whether it is All-India or centre-wise depends upon the wage agreement between the Employer and the Workers and as such this matter is out of the purview of the Committee. It is a matter of choice

for the index users whether to use All-India Index or centre specific Index. The Committee observed that the compilation of All-India Index has to be undertaken for inter-country comparisons as India is a part of the world.

#### **5.14 Release of New Series and Withdrawal of Old Series:**

**5.14.1** The Committee was informed that after consultations with the Index Users viz. Employers Organisations and Trade Unions and with the approval of the Government of India, the new series of Consumer Price Index Numbers for Industrial Workers with base year 2001=100 had been released by the Labour Bureau with effect from January, 2006 index. With the release of new series of CPI(IW) with base year 2001=100 the previous series of CPI(IW) with base year 1982=100 had been discontinued simultaneously.

#### **5.15 Release of Centre and All-India Index:**

**5.15.1** The Committee was informed that centre indices and all-India Index are released regularly every succeeding month on last working day of the month and published regularly through Press Note, Monthly Index Letter, Indian Labour Journal and also disseminated through website of Labour Bureau <http://www.labourbureau.gov.in>

**5.15.2** The price data collected by the price collectors is also displayed in the Regional offices of Labour Bureau. The monthly average prices in respect of 24 selected articles are also published centre-wise in the monthly publication of Labour Bureau i.e. Indian Labour Journal and disseminated through the website. *The Committee decided that the coverage of display of average prices of various items centre-wise on website may be extended.*

**5.15.3** The Consumer Price Index Numbers for Industrial Workers with base year 2001=100 for the month of February, 2008, varied between 121 in respect of Guwahati Centre to 149 in respect of Giridih centre and All-India Index was at 135, with a modal range around 131 to 140. The Committee observed that though these index numbers could not be compared over centres due to their varying index baskets and different price behaviours of items, but still these index numbers reveal the normal situation prevailing in the country.

#### **5.16 Linking Factors between the two series:**

**5.16.1** The Committee was informed that 'Arithmetic Conversion Method' which involves the ratio of the averages of old series indices to the new series indices is utilised for working out the linking factor or conversion factor of the two series. The ratio of averages of indices for the latest 12 months preceding the month of introduction of new series had been adopted for linking 1960 series with 1982 series, which had been released w.e.f. October, 1988 index. Similarly,

latest period of 12 months from January, 2005 to December, 2005 had been utilized for working out the Linking factors for 1982 series with 2001 series, which had been introduced w.e.f. January, 2006 index.

**5.16.2** The representative from the CSO informed that CPI-UNME is being discontinued with effect from April, 2008 and the same is now being linked with CPI-IW. He also observed that the Ratio Method could also be considered as they have considered the same for linking CPI-UNME with CPI-IW. Although he agreed that there was practically no difference in respect of linking factors worked out by Arithmetic and Ratio Methods, as actually only a marginal difference could be noticed, yet, the CSO has decided to utilize the Ratio Method for working out the linking factor and as such the same should be followed for the next series of CPI (IW). *The Committee after deliberations expressed the view that a method similar to one used for linking the current series with previous series may be followed for linking the current series with the next series. The matter may further be deliberated upon by the TAC on SPCL and National Statistical Commission.*

#### **5.17 Strengthening of Price Audit Machinery:**

**5.17.1** The Committee was informed that presently, the Labour Bureau has four Regional Offices at Kanpur, Kolkata, Chennai and Ahmedabad and a sub-regional office at Mumbai under Ahmedabad. These offices are headed by the Assistant Directors with Skelton staff of Investigators Grade I and Investigators Grade II. These officials are undertaking the price audit work as well as the conduct of Repeat House Rent Surveys on regular basis. In view of the larger areas under their jurisdiction against inadequate staff strength, the price audit work suffers in certain centres. There is a need to open more offices as well as position additional staff and officers in the existing regional offices, so that the price audit work could be undertaken more effectively and efficiently.

**5.17.2** The Committee Members expressed the following views on this issue:-

- (i) Since there is an increase in the number of centers and number of markets in the current series, the staff in the regional offices needs to be increased.
- (ii) The Rath as well as the Seal Committees had recommended the strengthening of Regional Offices of the Bureau.
- (iii) The Chairman expressed a view that since there are O & M norms for the staffing pattern vis-à-vis assessed load of work, those have to be followed in letter and spirit.
- (iv) Since there are 289 markets and a number of items in the index basket of various centres have increased. Therefore, stronger teams for price audit need to be provided for.



- (v) The area covered by the regional offices is quite large. For example, Guwahati, Doom-Dooma-Tinsukia centres have to be covered from Kolkata.

**5.17.3** *After detailed discussion, the Committee decided that the price audit mechanism needs to be strengthened.*

**5.18 Consultation with Index Users:**

**5.18.1** The Committee was informed that the Consumer Price Index Numbers for Industrial Workers are being utilized for regulation of Dearness Allowance in respect of all the workers and employees belonging to private and public sectors of Industry as well as Central and State Government employees. These are also used for fixation and revision of minimum wages under the Minimum Wages Act. These index numbers are utilized for working out point to point Inflation Rates. The Reserve Bank of India also uses these Index numbers for regulation of interest rates. These index numbers are also utilized for various policy formulations by the Government in respect of wages, prices and taxation. The list of users, and the purpose of use, can go on further.

**5.18.2** The Committee was informed about the process of consultations held with Trade Unions', Employers Organisations' and Government Departments at each centre level for the selection of markets, shops, items etc., and at the National Level for discussing the survey results etc. The Labour Bureau, in collaboration with the various Index Users' Organisations such as Employers Organisations, Trade Unions and State Governments, tries to organise Index Users' meetings at various places in the country. The Index Users are explained about the salient features of Consumer Price Index Numbers for Industrial Workers. The doubts raised by the participants are clarified during the Question / Answer sessions

**5.18.3** *The Committee recommended that the consultation with various stakeholders should be there from the very beginning till the end of any survey.*

**5.18.4** *The Committee recommended that a Standing Tripartite Committee of all the stakeholders like Trade Unions', Employers Organisations', Central/State Government Departments, Women's Organisations and representatives from the newly emerging sectors need to be constituted. The proposed Committee should not be too large.*

**5.18.5** *This Standing Committee could consider and review all issues relating to conduct of Working Class Family Income & Expenditure Surveys and construction of new series of the Consumer Price Index Numbers periodically, say, every six months or sooner, if exigency so demands.*

**5.18.6** *The Standing Committee should guide the Government on the future course of action relating to consultation process as well.*

***5.18.7 The Committee also decided that the Government may consider to put the report of Index Review Committee on website for eliciting views of the public.***

## Chapter 6

### Summary of Recommendations

#### Price Collection Machinery

##### 6.1 Selection of Markets:

6.1.1 The Committee resolved that all stakeholders i.e. Employers, Employees, Government and Academia should be consulted before the final selection of Markets. The local women organizations and NGOs may also be consulted. **(Para 2.1.2)**

6.1.2 As there has been a consistent demand of the trade unions that they should be consulted at every step, which has already been agreed to by the Government, the Committee decided that the Union leader deputed by the Trade Union should be part of the selection process and sign the minutes of the meeting. The Committee also decided that only the government-recognised trade unions should be consulted at the local level. In order to accommodate the occasional demand of Employers Organisations their representatives may also be consulted. **(Para 2.1.3)**

6.1.3 The Committee agreed that most of the markets are dynamic and they cater to all types of changing needs of the population living in the nearby localities. However, it decided that in case of exigency or due to shift of population from one area to another, the change of markets may be considered even during the period of the series. The Committee also decided that the discretion to change the market should be at a higher level only by evolving a proper mechanism. **(Para 2.1.5)**

##### 6.2 Selection of Shops:

6.2.1 The Committee expressed its satisfaction on the procedure of selection of shops being followed by the Labour Bureau and suggested that, as far as possible, prices need to be collected from the shops having computerised price lists. **(Para 2.2.2)**

6.2.2 The Committee decided that the number of shops may not be increased for the present series but this aspect may be kept in view for the next series. **(Para 2.2.4)**

##### 6.3 Selection of Items:

6.3.1 The Committee was satisfied with the procedure followed for the tentative selection of items / services listed by the Labour Bureau at the initial stage of price collection survey. The Committee endorsed the view of collecting prices of medicines relating to Occupational Diseases among the workers of the industrial centre. **(Para 2.3.3)**

#### **6.4 Fixation of Specifications and Units of Items Retained:**

6.4.1 The Committee expressed its approval to the procedure currently followed. **(Para 2.4.2)**

#### **6.5 Fixation of Price Collection Day and Time:**

6.5.1 The Committee decided that the present procedure of fixing the price collection day and time may continue. **(Para 2.6.2)**

#### **6.6 Appointment and Training of Price Collectors, Price Supervisors and State Coordinators:**

6.6.1 The Committee recommended that officials with professional qualifications in the field of Statistics or Economics should get preference in appointment of Price Collectors and Price Supervisors. **(Para 2.7.1)**

#### **6.7 Price Supervision Mechanism:**

6.7.1 The Committee felt that the Price Collection system needs an effective supervision at the level of Price Supervisors and the State Coordinators. The Committee strongly feels that Price Supervisors should visit the market soon after the Price Collector has submitted the price collection schedule and conduct a random check of price data. **(Para 2.8.1)**

6.7.2 The Committee discussed the pros and cons of associating representatives of Trade Unions and of Employers' Associations with the actual process of price collection and developed the view that, for reasons of expediency and objectivity, positioning representatives of Trade Unions or of Employers' Associations, alongside price collectors, is not advisable. **(Para 2.8.2)**

6.7.3 The Committee recommended that Regional Level Committees be established to review the prices collected every three months. These Committees could also look after problems relating to Index compilation in respect of Centres falling within the jurisdiction of these Committees. **(Para 2.8.3)**

#### **6.8 Difficulties faced by the Price Collectors and Price Supervisors:**

6.8.1 The Committee decided that DGLB may persuade all the State authorities to allow sufficient time for collection of prices to the Price Collectors. **(Para 2.9.3)**

#### **6.9 Honorarium to Price Collectors and Price Supervisors:**

6.9.1 The Committee recommended an appropriate enhancement of honorarium rates so that the amount of honorarium is adequate and it serves as an incentive and motivation for doing the price collection and price supervision work in an efficient, sincere and reliable manner. **(Para 2.10.1)**

## **6.10 Training of Price Collectors and Price Supervisors:**

6.10.1 The Committee decided that the Labour Bureau should send a proposal for the payment of TA/DA for participation of trainees to the Ministry of Labour & Employment, so that the participation in Bureau's training programmes could be increased. **(Para 2.11.1)**

6.10.2 The Committee decided that the training on various aspects of CPI Numbers needs to be given through visual media. The training material should enable price collectors and supervisors understand theoretical concepts while collecting data. This can be done through illustrations along with practical examples of various possible errors that could arise at the level of the Price Collectors and their likely impact on the index. Academicians should also be involved in such training programmes. **(Para 2.11.5)**

6.10.3 The Committee emphasized that the officers from Regional Offices must visit all the centres more frequently. Even the officers from the headquarters should visit various centres from time to time. The Committee also decided that there should be more interactions with the Price Supervisors in the form of a National level conference once a year. **(Para 2.12.4)**

6.10.4 The Committee felt that the existing definition of prevailing price inclusive of all taxes and exclusive of all rebates should continue. **(Para 2.12.5)**

6.10.5 The Committee decided that a scheme may be launched by the DGLB to provide some incentive to the Price Collectors and Price Supervisors who are doing a better job. The Committee also decided that the work of the State Governments, who are doing a better job of price collection, may also be acknowledged. **(Para 2.12.6)**

## **Working Class Family Income and Expenditure Surveys**

### **6.11 Selection of Base Year:**

6.11.1 The Committee agreed that the procedure relating to the selection of base year does not need any change. The Committee strongly felt that the base year of the new series of Consumer Price Index Numbers for Industrial Workers should not go beyond 10 years. **(Para 3.2.3)**

### **6.12 Type of Information Collected under WCFIES:**

6.12.1 The Committee desired that all the reports of the survey need to be brought out quickly, preferably within a year, after the survey is completed, as these could be useful in reflecting changing consumption patterns, living standards of industrial workers and socio-cultural responses of the working class as a result of globalization, urbanization and improving educational standards. **(Para 3.3.2)**

### **6.13 Concept of Industrial Worker and Working Class Family:**

6.13.1 The Committee decided that manual workers, generally the lowest category of employees, should not be merged with non-manual category. It was resolved that the work involving the amount of physical labour should remain as the guiding criteria for defining the industrial worker, without regard to requirement of general, scientific, technical or any other qualification. **(Para 3.4.3)**

#### **6.14 Coverage of Sectors:**

6.14.1 The Committee decided that the coverage of sectors need to be extended beyond the existing seven sectors, by adding at least one or two more sectors such as Handloom and Construction Sectors, so that around 70% of the workers of non-agricultural sector get duly covered in the Consumer Price Index for Industrial Workers. **(Para 3.5.3)**

6.14.2 The Committee, while recognizing the fact that time has come to extend the scope of coverage under WCFIES, decided that the workers belonging to the newly recommended sectors should also fall within the ambit of definition of worker under the relevant legislation as is the case of workers belonging to existing seven sectors. This will take care of the developments in the future. **(Para 3.5.4)**

#### **6.15 Selection of Centres:**

6.15.1 The Committee felt that there was no need for suggesting any change at this stage as regards the procedure for the selection of Centres. However, it decided that the number of centres to be covered in the next WCFIES should be reviewed by the Labour Bureau and the new upcoming centres may be added in the next survey. The Committee further recommended that considering the pace and pattern of development in individual States in the coming few years the number of centres to be covered under the new Working Class Family Income & Expenditure Survey need to be increased and the new emerging sectors need to be adequately represented. **(Para 3.6.7)**

6.15.2 The Committee observed that the total population of industrial workers has increased due to the thrust of economic growth process in the direction of non- agricultural sectors to which the XIth Five Year Plan Document also refers. Though services sector is having a formidable share in GDP, yet manufacturing, an important sector of the economy in its own right, is likely to provide future thrust of India's economic growth. It is high time that the CPI for industrial workers should take cognizance of such future trends. **(Para 3.6.8)**

#### **6.16 Integration of Working Class Family Income and Expenditure Survey (WCFIES) of Labour Bureau with the Consumer Expenditure Survey (CES) conducted by NSSO:**

6.16.1 The Committee decided that integration of WCFIES of Labour Bureau with CES conducted by NSSO is not within the purview of this Committee. It also decided that WCFIES

may continue to be conducted separately, because of its specific coverage, need and usage. **(Para 3.7.2)**

#### **6.17 Fixation of boundaries of selected centres:**

6.17.1 The Committee decided that wherever possible in all future surveys the Women's Organisations may also be consulted in the demarcation of boundaries. **(Para 3.8.2)**

6.17.2 The Committee did not favour the idea of entire district to be co-terminus with the centre boundaries. The centre-specific indices need to be compiled on the basis of the existing practice. The Committee nevertheless suggested that new techniques such as GIS may be utilized in the demarcation of boundaries of the centres so that a maximum proportion of workers of that particular centre could be identified and covered. The floating population or migrant workers need to be covered appropriately during the course of next survey. **(Para 3.8.5)**

#### **6.18 Listing of targeted working class families with the use of Schedules L & P:**

6.18.1 The Committee suggested that preference may be given to the payroll sampling technique for selecting working class families in the next WCFI&ES. The Committee also recommended that the possibility of using payroll sampling technique uniformly in all the centres / sectors may be examined. **(Para 3.9.4)**

#### **6.19 Determination of Sample Size:**

6.19.1 The Committee desired that the sampling fraction should at least be around 1% to give adequate representation to the total population of industrial workers, so that the true consumption pattern of the targeted population is realistically captured. The Committee also decided that sample size of the next survey to be conducted in 2011 should also be worked out on the basis of data available from the previous Working Class Family Income & Expenditure Survey conducted during the period 1999-2000. **(Para 3.10.4)**

#### **6.20 Designing of Schedules A and B1:**

6.20.1 The Committee recommended that the rationalisation of schedules A & B1 be undertaken with a view to make the schedules more user-friendly and also to be designed in such a way so that data entry can be done either manually or through scanner. **(Para 3.12.2)**

#### **6.21 Tabulation Plan and Generation of Tables:**

6.21.1 The Committee decided that the tabulation plan may be re-looked into by the Working Group of TAC on SPCL, to be constituted for the next Working Class Family Income & Expenditure Surveys and may decide about the important data and information necessary to be tabulated. The past practices need to be looked at afresh firstly to capture the newly emerging household realities and secondly to take due cognizance of changed expenditure priorities,

especially on non-food items such as education, health, conveyance etc, by industrial working class households, in tandem with the rest of the society. **(Para 3.16.4)**

#### **6.22 Estimation Procedure:**

6.22.1 The Committee agreed with the Estimation Procedure being followed for Working Class Family Income & Expenditure Surveys. **(Para 3.17.3)**

#### **6.23 Consumption pattern / Index basket and Derivation of weights / Imputation procedure:**

6.23.1 The Committee recommended that the classification relating to consumption and non-consumption expenditure needs to be looked into afresh by the Working Group of TAC on SPCL. **(Para 3.18.8)**

#### **6.24 Seasonality Chart for Vegetables and Fruits:**

6.24.1 The Committee decided that the existing procedure may continue. **(Para 3.19.1)**

### **Conducting Repeat House Rent Surveys and Compilation of House Rent Index**

#### **6.25 Definition of Rent:**

6.25.1 The Committee recommended that the existing definition of rent should continue. **(Para 4.2.2)**

#### **6.26 Survey on six monthly Round basis:**

6.26.1 The Committee decided that the periodicity of the conduct of Repeat House Rent Surveys may continue to be six monthly. **(Para 4.8.4)**

#### **6.27 Treatment of Self-owned Dwellings in Index Compilation:**

6.27.1 The Committee decided that in case of self-owned dwellings, one additional question, namely what could be the rent of his house / what rent will he charge if the respondent were to rent it out. It will be useful in cross-checking the rent details of the comparable dwelling. **(Para 4.10.4 & 4.10.6)**

6.27.2 The Committee agreed to the present procedure that in cases comparable dwellings of self owned dwellings are not available, the same are to be substituted by the rented dwellings from the substitute list. **(Para 4.10.8)**

#### **6.28 Treatment of Rent Free Dwellings:**

6.28.1 The Committee decided that the current procedure followed in case of rent free houses may be continued. **(Para 4.11.2)**

#### **6.29 Casualties and Substitutions:**



6.29.1 The Committee decided that whenever the substitute lists get exhausted, the substitution may be done by a worker in the same occupation working in the same or similar unit/factory/establishment etc., while ensuring that the relative proportions of various sectors as at the time of conduct of WCFIES, are duly maintained. In case a factory is closed permanently, then the possibility of drawing a fresh list has to be explored, as a last resort. **(Para 4.12.5)**

### **6.30 Index Formula and Compilation of House Rent Index – why Chain Base Method?**

6.30.1 After studying the results of the exercise relating to Faridabad, Pune, Ludhiana and Chhindwara centres, the Committee resolved that for the current series, the present procedure may be continued. However, for the next series the second procedure of calculating dwelling-wise rent relatives may be adopted from the beginning itself. Category-wise averages of rent relatives may be worked out and utilizing the component-wise weights as discussed in para 4.18, the house rent indices may be compiled. **(Para 4.14.7)**

### **6.31 Sub-letting of dwelling:**

6.31.1 The Committee decided that any worker or working class family which gets selected through sampling, whether it is tenant or sub-tenant, should be taken for the purpose of main survey as well as repeat house rent survey. **(Para 4.16.3)**

### **6.32 Use of House Rent Index in the compilation of centre and All-India Index:**

6.32.1 The Committee decided that in case of the next series, the component-wise weighting diagrams may be prepared in case of housing group as well and the house rent indices may be prepared in conjunction with category-wise average rent relatives, as discussed in para 4.14. **(Para 4.18.3)**

## **Index Compilation**

### **6.33 Finalization of Centre-wise Price Collection Schedules:**

6.33.1 The Committee agreed that all essential items showing significant expenditure, reported by the workers, should get included in the index basket. **(Para 5.1.3)**

### **6.34 Scrutiny of Price Data:**

6.34.1 The Committee felt that rigorous examination and verification of price data is very essential to maintain accuracy of price data and the index numbers. **(Para 5.2.6)**

### **6.35 Fair Price Data:**

6.35.1 The Committee decided that the present procedure of availability criteria may continue to be utilized in the compilation of index numbers. **(Para 5.4.4)**

### **6.36 Treatment of Clothing Items:**

6.36.1 The Committee recommended that suggestions for guarding against quality change, to ensure commodity substitution equivalence, may be considered at the time of formulation of the next series. **(Para 5.7.5)**

**6.37 Price Treatment under Abnormal Situations:**

6.37.1 The Committee decided that the procedures followed by the Labour Bureau in dealing with the problems of finalization of price data relating to disappearance of items, treatment of black market prices, treatment of clothing items, treatment of free items are in order and are duly acceptable. **(Para 5.8.2)**

**6.38 Averaging of Price Data:**

6.38.1 The Committee approved the existing procedure for averaging of price data. **(Para 5.9.1)**

**6.39 Index Formulae:**

6.39.1 The Committee approved the use of Laspeyre's Index Formula. **(Para 5.10.1)**

**6.40 Index Compilation:**

6.40.1 The Committee decided that, in the next series, besides existing groups, new groups like Education, Medical and Transport need to be formed separately. The Committee further added that in order to maintain the comparisons between different groups, the indices of Miscellaneous Group may be worked out by both the methods: one in which present procedure is followed and the second in which separate groups of Medical, Education, Transport and remaining sub-groups as Miscellaneous items, are formed in the next series. **(Para 5.11.1)**

**6.41 Derivation of Centre Weights for Compilation of All India Index:**

6.41.1 The Committee decided that the present procedure adopted for derivation of centre weights for All India Index may be continued. The Committee also suggested that the procedure of getting average employment data in respect of various sectors from various sources should be straightened out. **(Para 5.12.3)**

**6.42 Release of Centre and All-India Index:**

6.42.1 The Committee decided that the coverage of display of average prices of various items centre-wise on website may be extended. **(Para 5.15.2)**

**6.43 Linking Factors between the two series:**

6.43.1 The Committee expressed the view that a method similar to one used for linking the current series with previous series may be followed for linking the current series with the next series. The matter may further be deliberated upon by the TAC on SPCL and National Statistical Commission. **(Para 5.16.2)**

**6.44 Strengthening of Price Audit Machinery:**

6.44.1 The Committee decided that the price audit mechanism needs to be strengthened. **(Para 5.17.3)**

**6.45 Consultation with Index Users:**

6.45.1 The Committee recommended that the consultation with various stakeholders should be there from the very beginning till the end of any survey. **(Para 5.18.3)**

6.45.2 The Committee recommended that a Standing Tripartite Committee of all the stakeholders like Trade Unions', Employers Organisations', Central/State Government Departments, Women's Organisations and representatives from the newly emerging sectors need to be constituted. The proposed Committee should not be too large. **(Para 5.18.4)**

6.45.3 This Standing Committee could consider and review all issues relating to conduct of Working Class Family Income & Expenditure Surveys and construction of new series of the Consumer Price Index Numbers periodically, say, every six months or sooner, if exigency so demands. **(Para 5.18.5)**

6.45.4 The Standing Committee should guide the Government on the future course of action relating to consultation process as well. **(Para 5.18.6)**

6.45.5 The Committee also decided that the Government may consider the proposal of uploading the report of the Index Review Committee on website for eliciting views of the public. **(Para 5.18.7)**

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## **Acknowledgements**

The Committee wishes to place on record the appreciation of various organisations and officials who have facilitated the work of the Index Review Committee. All the members of the Committee deserve appreciation who have participated in the meetings and made significant contribution in the deliberations of the Committee so that important recommendations could be made.

Smt. Sheela Priya, Special Commissioner and Director, Directorate of Economics and Statistics, Government of Tamil Nadu, Chennai, Smt. Ananthalakshami, Joint Director, Directorate of Economics and Statistics, Chennai and their team of dedicated officers and officials deserve special mention, who had organised meeting of the Committee at Chennai, interaction with the Price Collectors and Price Supervisor of Chennai and a visit to Saidapet market of Chennai centre.

The Committee is thankful to Sh. S.K.Saxena, Director General, Factory Advice and Service Labour Institute (FASLI) and his team of officers for facilitating the meeting of the Committee at Mumbai at a short notice. Sh. R.G.Bansod, Labour Secretary, Government of Maharashtra and Dr. S.N. Gandhage, Officer on Special Duty, office of Commissioner of Labour, Govt. of Maharashtra also provided the logistic support for the meeting at Mumbai.

Dr. Amalendu Sinha, Director, Central Mining Fuel and Research Institute (CMFRI), Dhanbad and his team of officers especially Dr. M.S. Alam and other Scientists deserve heartfelt thanks for making available the requisite infrastructure for holding the meeting at Dhanbad, an important industrial/mining centre, the coal capital of India, where the Committee had an opportunity to interact with the coal workers and also visited Jharia market, which caters to their daily needs.

The Committee desires to place a word of appreciation for the officers belonging to Ministry of Labour & Employment, New Delhi, who had organised two meetings of the Committee at New Delhi.

The Committee appreciates the role of Director General, Labour Bureau, Shimla, who also acted as the Member Secretary and his team of officers who have provided all the technical and secretarial support to the Committee.

**Dated: March 20, 2009**

Sd/-  
**(Prof. G.K.Chadha)**  
**Chairman**

Sd/-  
(Sh. S.S. Paranjape)  
Bhartiya Mazdoor Sangh  
(BMS), Pune

\*  
(Sh. Subrato Mukherjee)  
Indian National Trade Union  
Congress (INTUC), Kolkata

Sd/-  
(Sh. Babulal B. Todi)  
All India Manufacturers' Organisation  
(AIMO), Mumbai

Sd/-  
(Sh. N.N.Akhouri)  
Confederation of Indian  
Industry (CII), New Delhi

Sd/-  
Director General  
Central Statistical Organisation  
(CSO), New Delhi

Sd/-  
(Dr.Ashok Sahu)  
Labour & Emp. Advisor,  
Ministry of Labour & Emp.  
New Delhi

Sd/-  
Economic Advisor  
Ministry of Finance,  
New Delhi

Sd/-  
(Prof. Arup Mitra)  
Institute of Economic Growth  
(IEG), New Delhi

Sd/-  
Rep. Director,  
Directorate of Economics & Statistics  
Govt. of Tamil Nadu  
Chennai.

Sd/-  
Rep. Commissioner of Labour  
Govt. of Maharashtra  
Mumbai

Sd/-  
Addl Economic Adviser  
Deptt.of Consumer Affairs  
New Delhi

Sd/-  
Member Secretary /  
Director General  
Labour Bureau

\* Shri Mukherjee could not attend the meeting at Mysore.



Labour and Employment, while the expenditure of TA & DA in respect of official members will be met from the source from which their pay and allowances are drawn.

Sd/-  
(Bina Rani Vij)  
Under Secretary  
Telefax No. 23753079

Copy to:

1. PMO with reference to their U.O.No.590/31/7/2006-ESA(LB) dated 7.11.2006- FAX 23016857 (Shri Shalin Kabra, Director, PMO)
2. Chairman of the Index Review Committee
3. All Members concerned
4. DG, Labour Bureau, Chandigarh, Member Secretary
5. PS to MOS (L&E)
6. Sr. PPS to Secretary (L&E)/PS to SS(LEA)/LEA/EA
7. Guard File

## Annexure II

No. F-20011/1/2006-ESA(LB)  
Government of India/Bharat Sarkar  
Ministry of Labour & Employment/  
Shram Aur Rozgar Mantralaya

\*\*\*\*\*

New Delhi, the 11<sup>th</sup> January, 2007

### ORDER

In pursuance of Ministry of Labour & Employment Order No. F-20011/1/2006-ESA(LB) dated 17.11.2006, the Government has approved the names of members of the Index Review Committee set up under the Chairmanship of Professor G.K. Chadha, which is as follows:-

I. All Central Trade Unions (Two)

(xi) Shri S.S. Paranjape  
Bhartiya Mazdoor Sang  
185, Shaniwar Peth  
Pune – 411 030

(xii) Shri Subrato Mukherjee  
Vice-President, Indian National Trade union Congress  
15/1-A, Garihat Road  
Kolkata – 700 019

II. All Employers' Organisations (Two)

(xi) Shri Babulal B. Todi,  
All India Manufacturers' Organisation (AIMO)  
M/s Todi Industries Ltd.  
Todu Estate. Sunmill Compound  
Lower Parel, Mumbai – 400 013

(xii) Shri Rajiv Kapoor  
Vice-President – HR & IR  
JCB Limited,  
23/7 Mathura Road,  
Ballabgarh – 121 004



III. State Representatives (Two)

- (xi) Shri B. D. Sanap,  
Commissioner of Labour,  
Government of Maharashtra,  
Commerce Centre, 7<sup>th</sup> Floor,  
Tardeo, Mumbai – 400 034
- (xii) Smt. M. Sheela Priya,  
Spl. Commissioner & Director,  
Dept. of Economic & Statistics,  
DOIS Complex,  
Teynampet,  
Chennai – 600 006

IV. Academic Representatives (one co-opted)

- (vii) Prof. Arup Mitra,  
Institute of Economic Growth,  
Delhi University,  
Delhi – 110 007

V. Central Government Representatives (Three)

- (xi) Dr. S.K. Nath,  
Director General,  
Central Statistical Organisation,  
Ministry of Statistics and Programme Implementation,  
Sardar Patel Bhawan,  
New Delhi – 110 001
- (xii) Shri M.C. Singhi,  
Adviser, Economic Division,  
Department of Economic Affairs,  
Ministry of Finance,  
North Block, New Delhi – 110 001
- (xiii) Shri G.S. Negi,  
Director, Department of Consumer Affairs,  
Krishi Bhawan, New Delhi – 110 001

VI. Ministry of Labour & Employment (Two)

- (xi) Labour & Employment Adviser/Deputy Director General  
Ministry of Labour & Employment

Shram Shakti Bhawan  
New Delhi – 110 001

(xii) Director General,  
Labour Bureau,  
Cleremont, Shimla – 171 004

Member Secretary

Sd/-

(Bina Rani Vij)  
Under Secretary  
Telefax No. 23753079

Copy to:

8. Prime Minister's Office (Shri Shalin Kabra, Director)
9. Chairman of the Index Review Committee
10. All Members concerned
11. DG, Labour Bureau, Chandigarh, Member Secretary
12. PS to MOS (L&E)
13. Sr. PPS to Secretary (L&E)/LEA/EA
14. Guard File

### Annexure III

F.No.F-20011/1/2006-ESA(LB)  
Government of India  
Ministry of Labour & Employment  
\*\*\*\*\*

New Delhi, the 5<sup>th</sup> September, 2007

### ORDER

Attention is invited to Ministry of Labour & Employment's Order of even number dated 11<sup>th</sup> January, 2007 stating the composition of the Index Review Committee set up under the Chairmanship of Prof. G.K.Chaddha.

The Government has approved Shri N.N.Akhouri in place of Shri Rajiv Kapoor as a member of Index Review Committee as per the request received from Confederation of Indian Industry. His address telephone number, email etc. are as given below:

Shri N.N.Akhouri, Senior Vice-President, HRM, Hero Honda Motors, 34, Vasant Lok, Vasant Vihar, New Delhi. Ph.No. 26412451, Fax No. 26149260 and Email: [nn\\_akhouri@herohonda.com](mailto:nn_akhouri@herohonda.com).

Sd/-  
(Bina Rani Vij)  
Under Secretary  
Telefax No. 23766936

Copy to:

15. Prime Minister's Office (Shri Shalin Kabra, Director)
16. Chairman of the Index Review Committee
17. All Members concerned
18. DG, Labour Bureau, Chandigarh, Member Secretary
19. PS to MOS (L&E)
20. Sr. PPS to Secretary (L&E)/LEA/EA
21. Guard File

## Annexure IV

### List of Participants of various meetings of the Index Review Committee

#### First meeting held on 5th March, 2007 at Labour Bureau, Shimla.

1. Professor G. K. Chadha, Chairman
2. Shri S. S. Paranjape, Bhartiya Mazdoor Sangh, Pune.
3. Shri Babulal B. Todi, AIMO, Mumbai.
4. Prof. Arup Mitra, Institute of Economic Growth, New Delhi.
5. Shri R.C.Ray, LEA, Min. of Labour & Employment, New Delhi.
6. Dr. Harcharan Singh, DDG, Min.of Labour & Emp., New Delhi.
7. Sh.A.S.Ahluwalia, Member Secretary, DG, Labour Bureau, Shimla.

#### **Representatives:**

1. Dr. G.M. Boopathy, DDG, CSO, representing Dr. S. K. Nath, DG, CSO, New Delhi
2. Dr. S. N. Gandage, OSD, LC, representing Sh. B.D.Sanap, Commissioner of Labour, Maharashtra, Mumbai.
3. Smt. P.R.Ananthalakshmi, JD, DES, representing Smt. M. Sheela Priya, Sp.Comm.& Director, DES, Chennai.

#### **Other Participants.**

1. Sh. Ram Krishna, Director, LB, CHD
2. Sh. D.V.Singh, Director, LB, Shimla
3. Sh. R.K.Gupta, DD, LB, Shimla
4. Sh. R.S.Negi, DD, LB, Shimla
5. Sh. Bhaskar Mishra, DD, NSSO, New Delhi
6. Sh. Virender Singh, DD, LB, Shimla
7. Sh. Rakesh Kumar, DD, LB, CHD

#### Second meeting held on 11<sup>th</sup> May, 2007 at Ministry of Labour & Employment, New Delhi.

1. Professor G. K. Chadha, Chairman
2. Shri S. S. Paranjape, Bhartiya Mazdoor Sangh, Pune.
3. Shri Babulal B. Todi, AIMO, Mumbai.
4. Shri R.C.Ray, Labour & Emp. Advisor, Min. of Labour & Employment, New Delhi.
5. Smt. M. Sheela Priya, Special Commissioner & Director, Dte. of Eco.& Stat., Govt. of Tamil Nadu, Chennai.
6. Dr. Harcharan Singh, Deputy Director General, Min.of Labour & Emp., New Delhi.
7. Sh. G.S. Negi, Director, Deptt. of Consumer Affairs, New Delhi.
8. Sh.A.S.Ahluwalia, Member Secretary, Director General, Labour Bureau, Shimla.

#### **Representatives:**

1. Sh. S.K.Gupta and Sh. S.K.Das, Central Statistical Organisation, representing Dr. S. K. Nath, Director General, CSO, New Delhi.

2. Dr. S. N. Gandage, OSD, representing Sh. B.D.Sanap, Commissioner of Labour, Maharashtra, Mumbai.
3. Sh. Sumantra Pal, Asstt. Advisor representing Sh. M. C. Singhi, Advisor, Deptt. of Economic Affairs, New Delhi.

**Other Participants.**

1. Sh. Ram Krishna, Director, Labour Bureau, Chandigarh
2. Sh. D.V.Singh, Director, Labour Bureau, Shimla
3. Sh. R.K.Gupta, Deputy Director, Labour Bureau, Shimla
4. Sh. R.S.Negi, Deputy Director, Labour Bureau, Shimla
5. Sh. Bhaskar Mishra, Deputy Director, NSSO, New Delhi
6. Sh. Rakesh Kumar, Deputy Director, Labour Bureau, Chandigarh
7. Smt. Bina Rani Vij, Under Secretary, Min. of Labour & Emp., New Delhi

**Third meeting held on 6th October, 2007 at Ministry of Labour & Employment, New Delhi.**

1. Professor G. K. Chadha, Chairman
2. Shri R.C.Ray, LEA, Min. of Labour & Employment, New Delhi
3. Shri S. S. Paranjape, Bhartiya Mazdoor Sangh, Pune.
4. Shri Subrato Mukherjee, INTUC, Kolkata
5. Shri Babulal B. Todi, AIMO, Mumbai.
6. Prof. Arup Mitra, Institute of Economic Growth, New Delhi.
7. Shri M. C. Singhi, Advisor, Deptt. of Economic Affairs, New Delhi
8. Dr. Harcharan Singh, DDG, Min.of Labour & Emp., New Delhi.
9. Sh.A.S.Ahluwalia, Member Secretary / DG, Labour Bureau, Shimla.

**Representatives:**

1. Shri Rajiv Sharma, Director, CSO, representing Dr. S. K. Nath, DG, CSO, New Delhi
2. Dr. S. N. Gandage, OSD, representing Sh. B.D.Sanap, Commissioner of Labour, Maharashtra, Mumbai.
3. Smt. P.R.Ananthalakshmi, Joint Director, DES, representing Smt. M. Sheela Priya, Sp.Comm.& Director, DES, Chennai.

**Other Participants:**

1. Shri Ram Krishna, Director, Labour Bureau, Chandigarh
2. Shri S. R. Joshi, Director, Min. of Labour & Emp., New Delhi
3. Shri R.S.Negi, Dy. Dir., Labour Bureau, Shimla

**Fourth meeting held on 4<sup>th</sup> January, 2008 in the Conference Hall, Department of Animal Husbandry, DMS Compound, Teynampet, Chennai**

1. Professor G. K. Chadha, Chairman
2. Shri R.C.Ray, LEA, Min. of Labour & Employment, New Delhi

3. Shri S. S. Paranjape, Bhartiya Mazdoor Sangh, Pune.
4. Shri Babulal B. Todi, AIMO, Mumbai.
5. Shri B.D.Sanap, Commissioner of Labour, Govt. of Maharashtra, Mumbai
6. Sh.A.S.Ahluwalia, Member Secretary / DG, Labour Bureau, Shimla.

**Representatives:**

1. Shri G.M.Boopathy, DDG, CSO, representing Dr. S. K. Nath, DG, CSO, New Delhi.
2. Smt. P.R.Ananthalakshmi, JD, DES, representing Smt. M. Sheela Priya, Sp.Comm.& Director, DES, Chennai.

**Other Participants:**

1. Shri R.K.Gupta, Joint Director, Labour Bureau, Shimla
2. Shri R.S.Negi, Joint Director, Labour Bureau, Shimla
3. Shri Rakesh Kumar, Deputy Director, Labour Bureau, Chandigarh
4. Miss Gayatri Nair, Assistant Director, Labour Bureau, Chennai

**Fifth meeting held on 11<sup>th</sup> – 12<sup>th</sup> February, 2008 in the Conference Hall, DGFASLI, Sion, Mumbai**

1. Professor G. K. Chadha, Chairman
2. Dr. S.K.Nath, Director General, Central Statistical Organisation, New Delhi
3. Dr. Ashok Sahu, Labour & Emp. Advisor, Min. of Labour & Emp., New Delhi
4. Shri S. S. Paranjape, Bhartiya Mazdoor Sangh, Pune.
5. Shri Babulal B. Todi, AIMO, Mumbai.
6. Shri N.N.Akhouri, CII, New Delhi
7. Shri B.D.Sanap, Commissioner of Labour, Govt. of Maharashtra, Mumbai
8. Shri A.S.Ahluwalia, Member Secretary / DG, Labour Bureau, Shimla.

**Representatives:**

1. Smt. P.R.Ananthalakshmi, JD, DES, representing Smt. M. Sheela Priya, Sp.Comm.& Director, DES, Chennai.

**Other Participants:**

1. Shri S.K.Saxena, Director General, FASLI, Mumbai
2. Dr. G.M.Boopathy, DDG, CSO, New Delhi
3. Shri R.K.Gupta, Joint Director, Labour Bureau, Shimla
4. Shri R.S.Negi, Joint Director, Labour Bureau, Shimla
5. Shri Rakesh Kumar, Deputy Director, Labour Bureau, Chandigarh

6. Dr. S.N.Gandage, Officer on Special Duty, Office of Commissioner of Labour, Govt. of Maharashtra, Mumbai
7. Shri N.V.Palve, Deputy Labour Commissioner, Govt. of Maharashtra, Mumbai
8. Shri K.M.Shroff, Assistant Director, Labour Bureau, Ahmedabad

**Sixth meeting held on 3<sup>rd</sup>-4<sup>th</sup> April, 2008 at Dhanbad**

1. Professor G. K. Chadha, Chairman
2. Dr. Ashok Sahu, Labour & Emp. Advisor, Min. of Labour & Emp., New Delhi
3. Shri S. S. Paranjape, Bhartiya Mazdoor Sangh, Pune.
4. Shri Babulal B. Todi, AIMO, Mumbai.
5. Shri Subrato Mukherjee, INTUC, Kolkata
6. Shri A.S.Ahluwalia, Member Secretary / DG, Labour Bureau, Shimla.

**Representatives:**

1. Dr. G.M.Boopathy, DDG, CSO representing Dr. S.K.Nath, DG, CSO, New Delhi.
2. Smt. S.R.Navaneetham, Joint Director, DES, representing Smt. M. Sheela Priya, Sp.Comm.& Director, DES, Chennai.
3. Ms. Srabani Guha, Additional Economic Adviser, representing Shri M.C.Singhi, Advisor, Department of Economic Affairs, Ministry of Finance, New Delhi.

**Other Participants:**

1. Shri R.K.Gupta, Joint Director, Labour Bureau, Shimla
2. Shri R.S.Negi, Joint Director, Labour Bureau, Shimla
3. Smt. V.P.Kayalvizhi, Assistant Director, Dte. of Eco.& Statistics, Chennai.
4. Shri R.P.Mishra, Economic Officer, Labour Bureau, Kanpur.

**Seventh meeting held on 8<sup>th</sup> -9<sup>th</sup> March, 2009 at Mysore**

1. Professor G. K. Chadha, Chairman
2. Dr. Ashok Sahu, Labour & Emp. Advisor, Min. of Labour & Emp., New Delhi
3. Shri S. S. Paranjape, Bhartiya Mazdoor Sangh, Pune.
4. Shri Babulal B. Todi, AIMO, Mumbai.
5. Prof. Arup Mitra, IEG, New Delhi
6. Dr. K.S.R.V.S. Chalam, Member Secretary / DG, Labour Bureau, Shimla.

**Representatives:**

- a. Shri Sanjay Kumar, Director, CSO, representing Sh. S. K.Das, DG, CSO, New Delhi
- b. Dr. S. N. Gandage, OSD, representing Sh. Arvind Kumar, Commissioner of Labour, Maharashtra, Mumbai.
- c. Smt. P.R.Ananthalakshmi, Joint Director, DES, representing Smt. M. Sheela Priya, Sp.Comm.& Director, DES, Chennai.

**Other Participants:**

1. Shri H.E.Rajsekharappa, Director, DES, Karnataka
2. Sh. R.K.Gupta, Joint Director, Labour Bureau, Shimla
3. Smt. Harita Sabharwal, Deputy Director, Labour Bureau, Shimla
4. Miss Gayatri Nair, Deputy Director, Labour Bureau, Chennai.



Annexure V

**Consumer Price Index Numbers for Industrial Workers on base 2001=100**

**Centre-wise list of Markets**

<b>State</b> <b>1</b>	<b>Centre</b> <b>2</b>	<b>Markets</b> <b>3</b>
1. Andhra Pradesh	1. Godavarikhani	(i) Godavarikhani
	2. Guntur	(i) Guntur
	3. Hyderabad	(i) Chikkatpally
		(ii) Kukutpally Market
		(iii) Monda
	4. Vijaywada	(i) Kaleshwara Rao
		(ii) Rajagopalachari
	5. Vishakhapatnam	(i) Gajuvaka
		(ii) Poorna Market
	6. Warrangal	(i) Warrangal
		(ii) Kazipet
2. Assam	1. Doom-Dooma- Tinsukia	(i) Daily Bazar
		(ii) Makum
		(iii) Doom-Dooma
	2. Guwahati	(i) Fancy Bazar
		(ii) Ganeshguri
		(iii) Maligaon
		(iv) Paltan Bazar
	3. Labac-Silchar	(i) Labac
		(ii) Silchar
	4. Mariani-Jorhat	(i) Mariani
		(ii) Jorhat
	5. Rangapara-Tezpur	(i) Rangapara

		(ii) Tezpur
3. Bihar	Munger-Jamalpur	(i) Munger (ii) Jamalpur
4. Chandigarh	Chandigarh	(i) Burail (ii) Ram Darbar (iii) Sector 20 & 30
5. Chhattisgarh	Bhilai	(i) Akash Ganga (ii) Camp-2
6. Delhi	Delhi	(i) Azadpur (ii) Sabji Mandi (iii) Rani Baugh (iv) Shahadra (v) Samaipur Badli (vi) Mangol Puri (vii) Govind Puri / Kalkaji (viii) Motinagar
7. Goa	Goa	(i) Margao (ii) Mapusa (iii) Ponda (iv) Vasco (v) Curchorem (vi) Bicholim
8. Gujarat	1. Ahmedabad	(i) Isanpur (ii) Asarwa (iii) Bapunagar (iv) Sabarmati (v) Khokhara – Mahandrabad (vi) Rakhial-Gomtipur (vii) Bahrampur-Jamalpur (viii) Saraspur (ix) Madhopura (x) Naroda
	2. Bhavnagar	(i) K.P.K. (ii) Bordigate (iii) V.A.C.
	3. Rajkot	(i) Bedipara (ii) M.V.P. (iii) Gundawadi
	4. Surat	(i) Navasari (ii) Zampa Bazar (iii) Varachha (iv) Udhana (v) Lal Darwaja
	5. Vadodara	(i) Kadak Bazar (ii) Chowkandi (iii) Fatehpura
9. Haryana	1. Faridabad	(i) Old Faridabad (ii) NIT Faridabad

		(iii) Sarai Khwaza
		(iv) Ballabgarh
	2. Yamuna Nagar	(i) Yamuna Nagar
		(ii) Jagadhri
10. Himachal Pradesh	Himachal Pradesh	(i) Solan
		(ii) Parwanoo
		(iii) Nalagarh
		(iv) Baddi
		(v) Shimla
		(vi) Barmana
		(vii) Bhuntar
		(viii) Mandi
		(ix) Nurpur
		(x) Una
		(xi) Gagret
		(xii) Mehatpur
		(xiii) Paunta Sahib
		(xiv) Nahan
11. Jammu & Kashmir	Srinagar	(i) Zaina-Kadal
		(ii) Maharaja Bazar
		(iii) Pampore
12. Jharkhand	1. Bokaro	(i) Sector-9, Sector-4
		(ii) Sector-1 & DundiBagh
	2. Giridih	(i) Giridih Main
	3. Jamshedpur	(i) Sakchi
		(ii) Bistpur
		(iii) Jugsalai
		(iv) Burma Mines
	4. Jharia	(i) Jharia
		(ii) Lodna
		(iii) Kendua
		(iv) Katras
		(v) Sindri
	5. Kodarma	(i) Kodarma
		(ii) Jhumri Teliya
	6. Ranchi-Hatia	(i) Dhurva
		(ii) Ratu Road
		(iii) Upper Bazar
13. Karnataka	1. Bangalore	(i) Russel
		(ii) KR Market
		(iii) Yeshwantpura
		(iv) Madivala
		(v) T.Dashrahalli
		(vi) Rama Murthy
	2. Belgaum	(i) Raviwarpet
		(ii) Shahpur
	3. Hubli-Dharwar	(i) MG Market, Old Hubli
		(ii) Nehru Market
	4. Mercara	(i) Medikeri
		(ii) Siddapura
		(iii) Somawarpet
		(iv) Suntikoppa
	5. Mysore	(i) Vanivilas
		(ii) Devaraja

14. Kerala	1. Earnakulam	(i) Earnakulam	
		(ii) Alwaye	
	2. Mundakayam	(i) Mundakayam	
		(ii) Vandiperiyar	
		(iii) Ellapara	
	3. Quilon	(i) Big Bazar	
15. Madhya Pradesh	1. Bhopal	(i) Piplani Barkhera	
		(ii) Anand Nagar	
		(iii) Zumerati Azad	
	2. Chhindwara	(i) Junardeo	
		(ii) Chandametta Parasia	
	3. Indore	(i) Banganga	
		(ii) Malhar Ganj	
		(iii) Malwa Mill	
		(iv) K.P.N.P.	
	4. Jabalpur	(i) Garha	
		(ii) Ranjhi	
		(iii) Adhartal	
		(iv) Lal Mati	
		(v) Millaoni Ganj	
	16. Maharashtra	1. Mumbai	(i) Dadar
			(ii) Naigaum
(iii) Sewree			
(iv) Worli Naka			
(v) Lal Baug			
(vi) Haines Road			
(vii) Delisile Road			
(viii) Kamathipura			
(ix) Kurla			
(x) Andheri			
(xi) Vikroli			
(xii) Goregaon			
(xiii) Thane			
(xiv) Chembur			
(xv) Kalyan			
(xvi) Vashi			
2. Nagpur		(i) Itwari Bhudwari	
		(ii) Mehal & New Shukerwari	
		(iii) Dr. Ambedkar Road	
		(iv) Gokulpeth Dharampeth	
		(v) Shaniwari Sitabardi	
		(vi) Sakardara Ranghiji Nagar	
3. Nasik		(i) Bhadrakali	
		(ii) Nasik road	
		(iii) Satpur	
4. Pune		(i) Phule Laxmi Road	
	(ii) Chinchwad		
	(iii) Hadapsar		
	(iv) Yarwada		
	(v) Khadaki		
	(vi) Pimpri		
5. Sholapur	(i) Navi Peth		
	(ii) Mangalwar Peth		

17. Orissa	1. Angul-Talcher	(i) Angul
		(ii) Talcher
	2. Rourkela	(i) Old-Rourkela
		(ii) Ispat
18. Puducherry	Puducherry	(i) Puducherry
19. Punjab	1. Amritsar	(i) Rani Ka Bazar/Ram Bagh
		(ii) Chheharata
		(iii) Verka
		(iv) Putlighar
		(v) Sultanwind Road
	2. Jalandhar	(i) Sodal Road
		(ii) Guru Nanakpura
		(iii) Model House
		(iv) Basti Bawakhel
	3. Ludhiana	(i) Gill Road
		(ii) Field Ganj
		(iii) Purani Sabji Mandi
		(iv) Division No.3
20. Rajasthan	1. Ajmer	(i) Kesar Ganj
		(ii) Nagra Srinagar
	2. Bhilwara	(i) Bhilwara
		(ii) Gulabpura
	3. Jaipur	(i) Station Road
		(ii) Chandpole
		(iii) Ram Ganj
		(iv) Jhotwara
		(v) Sanganer
		(vi) Sodala
21. Tamil Nadu	1. Chennai	(i) Ambattur
		(ii) Perambur/pattalam
		(iii) Saidapet
		(iv) Sembium
		(v) Thiruvattiyour
		(vi) Wahermanpet
	2. Coimbatore	(i) GP Market
		(ii) TK Market
	3. Coonoor	(i) Coonoor
		(ii) Kotagiri
	4. Madurai	(i) Ram Nagar
	5. Salem	(i) Salem Town
	6. Tiruchirapally	(i) Gandhi market

22. Tripura	Tripura	(i) Kadamtala
		(ii) Dharamanagar
		(iii) Kailashar
		(iv) Kumarghat
		(v) Teliamura
		(vi) Mohanpur
		(vii) Ranir Bazar
		(viii) Maharajganj
		(ix) Bishalgarh
		(x) Santir Bazar
23. Uttar Pradesh	1. Agra	(i) Loha Mandi
		(ii) Ghatia Kinari Bazar
		(iii) Nai Ki Mandi
		(iv) Bandu Katra
		(v) Katra Wazir Khan
	2. Ghaziabad	(i) Ghaziabad main market
	3. Kanpur	(i) Gwaltoli
		(ii) Darshanpurwa
		(iii) Lal Bangla
		(iv) Kidwai Nagar
		(v) Gobind Nagar
		(vi) Shastri Nagar
	4. Lucknow	(i) Alam Bagh
		(ii) Indra Nagar
		(iii) Dolly Ganj
		(iv) Raja ji Puram
	5. Varanasi	(i) Englishia Line
		(ii) Manduadih
		(iii) Ram Nagar
		(iv) Mugal Sarai
(v) Khojawa		
24. West Bengal	1. Asansol	(i) Asansol
		(ii) Barakar

		(iii) Chittranjan
		(iv) Burnpur
	2. Darjeeling	(i) Chowk Bazar
		(ii) Phokriabong
		(iii) Kurseong
		(iv) Mirik
	3. Durgapur	(i) Benachitty
		(ii) Hattala
	4. Haldia	(i) Makan Babu Bazar
		(ii) Durgachak
		(iii) Baisnabchak
	5. Howrah	(i) Chinsurah
		(ii) Sri Rampur
		(iii) Ghusury
		(iv) Shibpur
		(v) Liluah
		(vi) Baurea
	6. Jalpaiguri	(i) Birpara
	(ii) Hamiltonganj	
	(iii) Samuktala	

		(iv) Bataigole
	7. Kolkata	(i) Baranagar
		(ii) Tangra
		(iii) Kidderpore
		(iv) Budge-Budge
		(v) Jagatdal
		(vi) Titagarh
		(vii) Belghoria
		(viii) Gorabazar
		(ix) Metiabruz
		(x) Naihati
	8. Raniganj	(i) Raniganj
		(ii) Jamuria
		(iii) Ukharah
	9. Siliguri	(i) Bagdogra
		(ii) Naxalbari
		(iii) Bidhan Market





## Annexure-VI

## CENTRE-WISE COVERAGE OF SECTORS AND TYPE OF SAMPLING ADOPTED IN WORKING CLASS FAMILY INCOME &amp; EXPENDITURE SURVEY 1999-2000

Sl. No.	State/ Union Territory	Name of the centre	Type of Sampling adopted													
			Factory		Mines		Plantation		Motor Transport		Electricity		Railways		Ports & Docks	
			Stratum		Stratum		Stratum		Stratum		Stratum		Stratum		Stratum	
			I	II	I	II	I	II	I	II	I	II	I	II	I	II
1	2	3	4		5		6		7		8		9		10	
<b>1.</b>	<b>Andhra Pradesh</b>															
	1.	Hyderabad	P	P					P		P		P			
	2.	Guntur		P					P				P			
	3.	Vishakhapatnam	P	P					P				P			P
	4.	Warrangal		P					P		P(U)		P			
	5.	Vijaywada	P(U)	P					P		P		R			
	6.	Godavarikhani		P	P				P		P					
<b>2.</b>	<b>Assam</b>															
	7.	Guwahati	P(U)	P					P	P(U)	P					
	8.	Doom-Dooma – Tinsukia		P			P					P	P			
	9.	Mariani –Jorhat		P			P					P	P			
	10.	Rangapara- Tezpur		P			P	P								
	11.	Labac-Silchar		P			P		P		P		P			
<b>3.</b>	<b>Bihar</b>															
	12.	Ranchi-Hatia	P	P					P(U)		P		P			
	13.	Monghyr- Jamalpur	P	P						P	P(U)					
	14.	Jamshedpur	P	P								P(U)				

	15.	Bokaro	T	T									P	P		
	16.	Jharia	P(U)	P	P	P							P	P		

Sl. No.	State/ Union Territory	Name of the centre	Type of Sampling adopted													
			Factory		Mines		Plantation		Motor Transport		Electricity		Railways		Ports & Docks	
			Stratum		Stratum		Stratum		Stratum		Stratum		Stratum		Stratum	
			I	II	I	II	I	II	I	II	I	II	I	II	I	II
1	2	3	4		5		6		7		8		9		10	
	17.	Giridih		P		P				P(U)				P		
	18.	Kodarma		P		P					P			P		
<b>4.</b>	<b>Goa</b>															
	19.	Goa	P(U)	P						P	P			P	P(U)	P
<b>5.</b>	<b>Gujarat</b>															
	20.	Ahmedabad	P	P					P	P	P(U)			P		
	21.	Vadodara	P	P						P	P		P	P		
	22.	Bhavnagar		P						P(U)	P			P(U)		P
	23.	Surat	P	P						P						
	24.	Rajkot	P(U)	P					P(U)		P		P(U)			
<b>6.</b>	<b>Haryana</b>															
	25.	Yamunanagar		P						P(U)		P				
	26.	Faridabad		P							P(U)	P				
<b>7.</b>	<b>Himachal Pradesh</b>															
	27.	Himachal Pradesh		P						P		P				
<b>8.</b>	<b>Jammu &amp; Kashmir</b>															
	28.	Srinagar	P(U)	P						P		P				
<b>9.</b>	<b>Karnataka</b>															
	29.	Bangalore	P	P					P	P		P		P		
	30.	Hubli-Dharwar	P	P						P		P		P(U)		

Sl. No.	State/ Union Territory	Name of the centre	Type of Sampling adopted													
			Factory		Mines		Plantation		Motor Transport		Electricity		Railways		Ports & Docks	
			Stratum		Stratum		Stratum		Stratum		Stratum		Stratum		Stratum	
			I	II	I	II	I	II	I	II	I	II	I	II	I	II
1	2	3	4		5		6		7		8		9		10	
	31.	Mysore	P	P					P		P(U)		P			
	32.	Belgaum		P					P		P		P			
	33.	Merccara		P			P		P							
<b>10.</b>	<b>Kerala</b>															
	34.	Ernakulam/ Alwaye	P	P												
	35.	Quilon		P		P			P				P			
	36.	Mundakayam		P			P									
<b>11.</b>	<b>Madhya Pradesh</b>															
	37.	Bhopal	P(U)	P					P		P		P			
	38.	Jabalpur	T						P(U)	T		P	P			
	39.	Bhilai		T								P(U)	P			
	40.	Indore	P	P					P		P					
	41.	Chhindwara	P	P	P	P							P			
<b>12.</b>	<b>Maharashtra</b>															
	42.	Mumbai		T				P	P	P		P	P	P	P	
	43.	Sholapur	P	P					P		P	P(U)				
	44.	Nasik	P	P				P			P					
	45.	Nagpur	P	P					P		P		P			
	46.	Pune	P	P				P	P		P	P(U)				
<b>13.</b>	<b>Orissa</b>															
	47	Rourkela		T									T			

	48	Angul-Talcher	P	P	P	P					P			P		
Sl. No.	State/ Union Territory	Name of the centre	Type of Sampling adopted													
			Factory		Mines		Plantation		Motor Transport		Electricity		Railways		Ports & Docks	
			Stratum		Stratum		Stratum		Stratum		Stratum		Stratum		Stratum	
			I	II	I	II	I	II	I	II	I	II	I	II	I	II
1	2	3	4		5		6		7		8		9		10	
14.	<b>Pondicherry</b>															
	49	Pondicherry	P(U)	P						P		P				
15.	<b>Punjab</b>															
	50.	Amritsar	P	P						P		P(U)	p		P	
	51.	Ludhiana	P	P											P	
	52.	Jalandhar	P(U)	P						P		P			P	
16.	<b>Rajasthan</b>															
	53.	Ajmer	P	P						P		P			p	
	54.	Jaipur	P	P						P		P(U)			P(U)	
	55.	Bhilwara	P(U)	P			P			P(U)					p	
17.	<b>Tamil Nadu</b>															
	56.	Chennai	P	P						P		P		P	P	P
	57.	Coimbatore	P	P						P		P			P	
	58.	Madurai	P(U)	P						P		P			P	
	59.	Tiruchirapally	P	P						P		P			P	
	60.	Salem		P			P			P		P				
	61.	Coonoor	P(U)	P				P							P(U)	
18.	<b>Tripura</b>															
	62	Tripura	P(U)	P			P(U)	P				P				
19.	<b>Uttar Pradesh</b>															
	63.	Ghaziabad	P	P											P	
	64.	Varanasi	P(U)	P						P		P			P	

	65.	Kanpur	P	P						P				P		
	66.	Agra		P						P		P		P		

Sl. No.	State/ Union Territory	Name of the centre	Type of Sampling adopted													
			Factory		Mines		Plantation		Motor Transport		Electricity		Railways		Ports & Docks	
			Stratum		Stratum		Stratum		Stratum		Stratum		Stratum		Stratum	
			I	II	I	II	I	II	I	II	I	II	I	II	I	II
1	2	3	4		5		6		7		8		9		10	
	67.	Lucknow	P	P						P		P	P	P		
<b>20.</b>	<b>West Bengal</b>															
	68.	Calcutta		P					P	P	P	P	P	P	P(U)	
	69.	Howrah		P							P(U)	P	P	P		
	70.	Asansol		P	P	P								P		
	71.	Durgapur		P							P			P		P
	72.	Haldia		P										P	P(U)	
	73.	Raniganj		P	P	P							P(U)	P		
	74.	Darjeeling		P			P	P				P				
	75.	Jalpaiguri		P			P	P								
	76.	Siliguri		P			P	P								
<b>21</b>	<b>Chandigarh</b>															
	77.	Chandigarh		P					P(U)	P		P		P		
<b>22.</b>	<b>Delhi</b>															
	78.	Delhi		P						P	P		P	P		

**P - Pay roll Sampling (Unistage Sampling has been indicated by putting 'U' alongwith 'P' wherever applicable elsewhere it is two stage).**

**T - Tenement Sampling (Tenement Sampling is invariably two stage).**





**ANNEXURE-7**

**ANNEXURE-8**

**ANNEXURE-9**

## Acronyms

1.	AICPI (IW)	All India Consumer Price Index for Industrial Workers
2.	AIMO	All India Manufacturer's Organisation
3.	APL/ BPL	Above Poverty Line / Below Poverty Line
4.	BMS	Bhartiya Majdoor Sangh
5.	CES	Consumer Expenditure Survey
6.	CGHS	Central Government Health Scheme
7.	CII	Confederation of Indian Industry
8.	COCSSO	Conference of Central and State Statistical Organisations
9.	COICOP	Classification of Individual Consumption according to Purpose
10.	CPI-IW	Consumer Price Index Numbers for Industrial Workers
11.	CPI-UNME	Consumer Price Index for Urban Non-manual Employees
12.	CSO	Central Statistical Organisation,
13.	CV	Coefficient of Variation
14.	DA	Dearness Allowance
15.	DDG	Deputy Director General
16.	ESI	Employees State Insurance
17.	FBE	Family Budget Enquiries
18.	FOD	Field Operations Division of NSSO
19.	FP	Fair Price
20.	GIS	Geographic Information Systems
21.	HRA	House Rent Allowance
22.	ILO	International Labour Organisation
23.	INTUC	Indian National Trade Union Congress
24.	IRC	Index Review Committee
25.	LEA	Labour & Employment Advisor
26.	MLA	Member Legislative Assembly
27.	MP	Member Parliament
28.	NGOs	Non-Governmental Organisations
29.	NSSO	National Sample Survey Organisation
30.	RCC	Regional Computer Centre, Chandigarh, now known as DOEACC Society, Chandigarh.
31.	RHRS	Repeat House Rent Surveys
32.	SNA 1993	National Accounts System 1993
33.	TA/DA	Travelling Allowance/Daily Allowance
34.	TAC on SPCL	Technical Advisory Committee on Statistics of Prices and cost of Living
35.	U.S.A.	United States of America
36.	UFS	Urban Frame Surveys
37.	VAT	Value Added Tax
38.	WCFI&ES	Working Class Family Income & Expenditure Survey