

Cost Accounting Records (Insecticides) Rules, 1993

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MINISTRY OF LAW, JUSTICE & COMPANY AFFAIRS

(Department of Company Affairs)

NOTIFICATION

New Delhi, the 3rd March 1993

G.S.R.258 (E) - In exercise of the powers conferred by sub-section (1) of section 642, read with clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following rules, namely:

1. Short title and commencement

- (1) These rules may be called: the Cost Accounting Records (Insecticides)¹ Rules, 1993.
- (2) They shall come into force on the date of their publication in the Official Gazette.

2. Application

These Rules shall apply to every company engaged in the production, processing or manufacture of the classes of Insecticides as defined under clause (c) of Section 3 of the Insecticides Act. 1968 (46 of 1968) and included in the schedule annexed to the said Act and as amended from time to time, excepting those companies falling under the category of "Small Scale Industrial Undertaking".

Explanation: - For the purposes of this rule, the expression "Small Scale Industrial Undertaking" means a Company -

[(a) The aggregate value of the machinery and plant installed wherein does not exceed The limit as specified for a small scale industries (Development and regulation) Act.1951 (65 of 1951), as on the last date of the preceding financial year]² and

(b) The aggregate value of the realization made by the Company from the sale or supply of all its products during the preceding financial year does not exceed ten crore rupees.

3. Maintenance of Records

(1) Every company to which these rules apply shall, in respect of each of its financial year commencing on or after the commencement of these rules, keep proper books of account containing inter-alia, the particulars specified in Schedule I and II annexed to these rules or in a form as near thereto as practicable, relating to the utilization of materials, labour and other items cost in so far as they are applicable to Insecticides referred to in rule 2.

Provided, that if the said company is manufacturing any product(s) or is engaged in other activities in addition to items referred to in rule 2 the particulars relating to utilization of materials, labour and other items of cost in so far as they are applicable to such other products or activities shall not be included in the cost of the items referred to in rule 2.

(2) The books of account referred to in sub-rule (1) shall be kept on a regular basis in such a manner as to make it possible to calculate the cost of production and cost of sale of all types of Insecticides referred to in rule 2 for quarter of the financial year (hereinafter referred to as the relevant period) as well as for the financial year as a whole, from the particulars entered therein and every such books of account and the Proformae specified in Schedule II annexed to these rules shall be completed not later than ninety days from the closing of the financial year of the company to which they relate.

¹ Inserted by GSR 774(E), dated 5th December, 1995

² Substituted by GSR 457(E), dated 3rd August, 1998

(3) It shall be the duty of every person referred to in sub-section (6) and sub-section (7) of Section 209 of the Companies Act, 1956 (1 of 1956) to take all reasonable steps to secure compliance by the company with the provisions of sub-rules (1) and (2) of this rule in the same manner as he is liable to maintain accounts required under subsection (1) of section 209 of the said Act.

(4) Statistical and other records shall be maintained in accordance with the provisions of Schedule annexed to these rules which shall be such as to enable the company to exercise as far as possible control over the various operations and costs with a view to achieve optimum economics in cost and provide necessary data required by the Cost Auditor to suitably report on all the points referred to in Cost Audit (Report) Rules, 1968, as amended from time to time. Such records shall be reconciled with the returns submitted to the Excise Department and other government authorities from time to time.

4. Penalty

If a company contravenes the provisions of rule 3, the company and every officer who is in default including the persons referred to in sub-rule (3) of rule 3 shall be subject to the provisions of section 209 of the Companies Act, 1956 (1 of 1956) punishable with fine, which may extend to five hundred rupees and where the contravention is a continuing one with a further fine which may extend to fifty rupees for every day after the first day during which period such contravention continues.

SCHEDULE I

(See rule 3)

1. MATERIALS

1(1) Proper records shall be maintained showing separately all receipts, issues and balances both in quantities and cost of each item of direct materials required and actually used in the production processing or manufacture of items referred to in rule 2, in any form or any type. These records for direct materials shall contain such details as to enable the company to determine the quantity cost of receipts (including all direct charges up to the works in respect of all major direct materials), issues and balances of each item of direct materials separately for imported and indigenous supplies. In case of imported material including those canalised through government agencies, details of Free-on-Board price, freight, insurance charges, custom duty, port charges, inland freight and handling and clearance charges paid shall be recorded separately. The basis on which the said quantities and costs of issue and consumption have been calculated shall be indicated in the cost records and followed consistently.

1(2) Proper records shall be maintained to show the receipts, issues and balances both in quantities and cost of each item of process material, chemical and catalyst. In case of catalyst, proper records shall be maintained for the value and quantity issued in a financial year suitably adjusted for consumption. If the life of the catalyst is more than one financial year, necessary adjustment should be made. If the life of the catalyst is not known, consumption may be assessed on technical basis. The cost of such process materials/chemicals and catalyst shall include all direct charges up to works. The issues and consumption shall be properly identified with the departments. Cost centres and products manufactured.

1(2) (1) In case where the process materials/ chemicals required in the production of items referred to in rule 2 are manufactured by the company, separate records showing the cost of manufacture of each such item indicating the break up of raw materials consumed for the production and conversion cost shall be maintained in Proforma 'A' to schedule II annexed to these rules or in any other proforma as near there to as may enable the company to determine the cost of such process materials/ chemicals produced.

1(2) (2) In case, any process chemical is covered under any Cost Accounting (Records) Rules prescribed under the Companies Act 1956, (1 of 1956) is manufactured by the company, proper cost records shall also be maintained as per the rules so as to arrive at the cost of such items.

1(3) if the quantity and value of materials consumed are determined on any basis other than actual, the method adopted shall be mentioned in the cost records and followed consistently. The overall reconciliation of such quantities and value of materials with the actual shall be made at least quarterly during the financial year explaining the reasons for variations. The treatment of such variations in determining the cost of the items referred to in rule 2 shall be indicated in the cost records.

1(4) Proper records shall be maintained indicating the quantity and cost of byproduct recovered in different processes having significant value say five percent or above of the cost of input of materials. In the case of by products recovered, which cannot be reused in the process and are sold or disposed of without further processing, the realization from such sales shall be recorded and adjusted against the process concerned on a reasonable basis. In case, further processing is necessary to make these byproducts usable or saleable, as the case may be adequate records of cost is involved for such further processing shall be maintained, 'Nil' net realization adjusted against the process concerned.

1(5) (1) Proper records shall be maintained to show the receipts, issues and balances, both in quantities and cost of each item of consumable stores, small tools, machinery spares. The cost shall include all direct charges up to works.

1(5) (2) In case of consumable stores and small tools the costs of which are insignificant the company may, if it so desires, maintain such records for the main group of such items.

1(5) (3) The cost of consumption of consumable stores, small tools, and machinery spares shall be charged to the relevant cost centres on the basis of actual issues.

1 (6) Proper records shall be maintained showing the quantity and value of wastages, spoilages, rejections and losses of raw materials, process materials, consumable stores, small tools, and machinery spares, whether in transit, storage, manufacture or at any other stage. The method followed for adjusting the above losses as well as income derived from the disposal of rejected and waste materials including spoilages if any, in determining the cost of product shall be indicated in the cost records. Any abnormal wastages or spoilages etc. shall be indicated distinctly and separately along with reasons thereof.

1 (7) Where Modified Value Added Tax (Modvat) or any other benefits under Central Excise and Salt Act, 1944 (1 of 1944) are available on any item of material, breakup details of such items should be furnished along with the proforma relating to cost of sales of the Schedule II annexed to these rules and also shown in cost of production or cost sheet of cost of sales.

2. SALARIES AND WAGES

2 (1) Proper records shall be maintained to show the attendance and earnings of all employees of the cost centres or departments and the work on which they are employed. The records shall also indicate the following separately for each cost centre:

- (a) Piece rate wages earned (wherever applicable);
- (b) Incentive wages earned individually or collectively as production bonus or under any other scheme based on output;
- (c) Overtime Wages earned;
- (d) Earnings of casual labour.

2 (2) the records shall be maintained in such manner as to enable the company to furnish necessary particulars under this head in the various Annexures Proforma of schedules I and II annexed to these rules. Where the employees work in such a manner that it is not possible to identify them with any cost centre, the labour charges shall be apportioned to the cost centres on equitable basis and applied consistently.

2 (3) Idle time shall be separately recorded under classified headings indicating the reasons therefore. The method followed for accounting of idle time payments in determining the cost of product shall be disclosed in the cost records.

2 (4) any wages and salaries allocable, to capital works such as additional to plant and machinery, buildings, or other fixed assets shall be accounted for under the relevant capital heads.

2 (5) If the wages and salaries are charged to production on any basis other than actuals, the method adopted shall be indicated in the cost records. The reconciliation of such wages and salaries with actuals shall be made at least quarterly during the financial year explaining the reasons for variations. The treatment of such variations in determining the cost of items referred to in rule 2 shall be indicated in the cost records.

3. SERVICE DEPARTMENT EXPENSES

Detailed records shall be maintained to indicate expenses incurred in respect of each service department of cost centre like laboratory, welfare, transport etc. these expenses shall be apportioned to other services and production department on equitable basis and applied consistently. Where these services are utilized for other products of the company also, the basis of apportionment to the Insecticides referred to in rule 2 and to other products shall be equitable and clearly indicated in the records and applied consistently.

4. UTILITIES

4(1) Water: - Proper records showing the quantity and cost of treated/cooling/ Demineralised water produced and consumed for the manufacture of Insecticides in different cost centres or departments shall be maintained in such details as may enable the company to furnish the necessary particulars in Annexure I to this Schedule. Similar records shall be maintained for effluent treatment. The cost of treated water apportioned to the departments concerned shall be on a reasonable basis and applied consistently.

4 (2) Steam: - 4(2) (1) Where steam is raised by the company proper records showing the quantity and cost of steam raised and consumed in the production of Insecticide(s) as referred to in rule 2 in different cost centres or departments shall be maintained in such details as may enable the company to furnish the necessary particulars in Annexure-II to this Schedule. The cost of steam consumed by the insecticides plant and other units of the company shall be calculated on a reasonable basis and applied consistently. Where steam is raised and supplied by any other unit of the company to the Insecticides plant the cost of steam so supplied shall be charged to Insecticides plant on a reasonable basis and applied consistently. Proper records shall be maintained for the quantity of the exothermic heat (waste heat) generated by other identical reaction plants and supplied to boiler house and any other service plants and credit should be given to the product(s). the credit shall be on a reasonable basis and applied consistently.

4 (2) (2) Wherever steam is produced and used by process plants at differentiate (pressure) quantitative records for production and consumption of steam in different plant shall be maintained at actual pressure but the same shall be converted into an equated quantity in terms of one pressure (Low Pressure/Medium Pressure. / High Pressure) for the purpose of computation of steam cost and also its allocation to different user departments Equated pressure(ata) shall be suitably indicated in the cost sheet for steam.

4 (2) (3) In case steam is generated in waste heat boiler of the Captive Power Plant proper records of value of heat so used shall be maintained so that its cost is debited to the steam cost and appropriate credit given to the cost of generated power. Where it is not possible to exactly quantify this heat, this should be done on reasonable technical estimates or other methods like heat per unit of steam consumed in package boiler (main boiler) etc.

4.3 Power-4 (3) (1) Proper records shall be maintained for the quantity and cost of power if generated by the company itself, adequate records shall be maintained to show the cost of power generated and consumed for the production of insecticides in different cost centres and departments etc. These records shall be maintained in such details as may enable the company to furnish the necessary particulars in Annexure-III to this schedule.

4 (3) (2) Where power is generated and supplied by any other unit of the company to the Insecticide Plant, adequate records shall be. Maintained to indicate the quantity and cost of power so supplied. The cost of power allocated to production of Insecticides referred to in rule 2 shall be on a reasonable basis and applied consistently.

4 (4) Utilities other than water steam and power.

4 (4) (1) Proper records shall be maintained in respect of any other than water, steam and power produced or purchased by the company to enable the company to furnish the particulars in Annexures I, II or III to this Schedule whichever is appropriate.

4 (4) (2) If an utility is purchased, proper records showing the delivered cost up to the works including all direct charges shall be maintained for the quantity and value of each utility purchased.

4 (4) (3) Where any other utility is produced and supplied by the other unit of the company, adequate records shall be maintained to assess the cost and quantity of the utility so supplied.

4 (4) (4) The cost of utility, if any, supplied to any other unit(s) of the company, shall be calculated on a reasonable basis

and applied consistently.

4 (4) (5) The cost of any other utility allocated/apportioned to the cost centres and further to the individual products shall be on a reasonable basis and applied consistently.

5. WORKSHOP/REPAIRS MAINTENANCE TOOL ROOMS

5 (1) Proper records showing the expenditure incurred by the workshop under different heads and on repairs and maintenance by the various cost centres and departments shall be maintained. The records shall also indicated the basis of charging the workshop / tool room, expenses to different cost centres/departments and units. Where direct workers of any production cost centre, the wages and salaries of such workers do maintenance work shall be treated as direct expenses of the respective cost centre. If the services are utilised for other products also, the manner of charging a share to Insecticides referred to in rule 2 shall be equitable and clearly indicated in records and applied consistently.

5(2) Expenditure on major repair, works from which benefit is likely to accrue for more than one financial year; shall be shown separately in the cost records indicating the method of accounting in determining the cost with reference to the period for which the benefit of such expenditure is likely to last.

5(3) Expenditure incurred on works of a capital nature shall be capitalized. The cost of such jobs shall include the expenditure on material, labour and due share of the overheads.

5(4) The jobs carried out by workshops of Insecticides units and for other units of the company shall be charged on a reasonable basis and applied consistently.

6. DEPRECIATION

6 (1) Proper records shall be maintained showing the cost and other particulars of fixed assets in respect of which depreciation is to be provided for. These records shall, inter alia, indicate the cost of each item of asset including installation charges, if any, the date of its acquisition, the date of installation depreciation and the location of each asset. In respect of these assets, the original cost of acquisition of which cannot be ascertained without any unreasonable expenditure or delay, the valuation shown in the books on the first day of the financial year beginning on or after the commencement of these rules shall be taken as cost. Such evaluation shall exclude revaluation of any asset that had been done prior to the aforesaid date.

6 (2) The basis on which depreciation is calculated and allocated/apportioned to the various cost centres and departments and absorbed on the products shall be clearly indicated in the cost records. Depreciation chargeable tq the different cost centres and departments shall not be less than the amount of depreciation chargeable in accordance with provisions of sub-section (2) of Section 205 of the Companies Act, 1956(1 of 1956) and shall relate to plant, machinery and other fixed assets utilized in such cost centres and departments. However, the cost of lesser value items of plant and machinery shall be allowed to be completely written off in the year of acquisition upto the limit specified in the Income tax Act, 1961 (43 of 1961). Similarly, hundred percent depreciation shall be charged on assets specified in Schedule XIV to the Companies Act; 1956 (1 of 1956). In case, the amount of depreciation chargeable under the aforesaid provisions of the Companies Act, 1956 (1 of 1956), the amount so charged in excess shall also show the effect of the said excess on the per unit cost of Insecticide referred to in rule 2. The cumulative depreciation charged in the cost records, against any individual item of asset shall not, however, exceed the original cost of the respective asset.

7. ROYALTY/TECHNICAL KNOW-HOW FEE

Adequate records shall be maintained showing the royalty or other recurring or non-recurring payments if any, made to collaborators or technology suppliers in terms of agreements entered into with them. Such records shall be kept separately in respect of each such supplier. The basis of charging such amounts including one time payments to the products shall be indicated in the cost records.

8. OTHER OVERHEADS

8 (1) Proper records shall be maintained showing the various items of expenses shall be analyzed, classified and grouped according to functions, viz. works administration and selling and distribution.

8 (2) Where the company is manufacturing any product(s) other than Insecticides referred to in rule 2, the records shall clearly indicate the basis followed for apportionment of the common overheads including head office expenses of the company to the Insecticides and other activities including capital works. Where certain expenses forming part of overheads can be identified with a particular activity or product such expenses shall be segregated and charged to the relevant activity or product in the first instance and thereafter the common expenses under the above categories of overheads shall be apportioned on a reasonable and equitable basis and works shall be indicated separately in the cost records. Basis of apportionment or absorption of overheads to the cost centres and products shall be indicated in the cost records.

8 (3) The details of works, administration and selling and distribution overheads shall be maintained in such manner as to enable the company to fill up necessary particulars in Annexures I to III of this Schedule and Proformae A to I of Schedule II annexed to these rules.

9. CONVERSION COST

9 (1) Proper records shall be maintained for splitting up of conversion cost (the cost of manufacture less direct material cost) into fixed and variable cost for filing the relevant Annexures and Proformae in Schedules I & 11 annexed to these rules.

9 (2) When more than one manufacturing process is carried out in a particular vessel or series of vessels, adequate records about the usage of such vessels for different products shall be kept. The cost of using such vessels shall be charged to the different products on an equitable basis e.g. equipment occupancy hours. Where composite machine hours rates are applied for absorption of wages, overheads and equipment usage, proper records relating to the utilization of labour and multi-purpose vessels for different processes connected with the manufacture of different products shall be kept to enable determination of total machine hours and the amounts chargeable to the respective insecticide(s) referred to in rule 2. The variance between the actuals and the amounts charged at pre-determined rates shall be adjusted for arriving at the actual cost of production at the end of the financial year.

10. RESEARCH AND DEVELOPMENT EXPENSES

10(1) Proper records showing the details of expenses, if any incurred by the company for the research and development work on the products covered under these rules according to the nature viz. Development of products, existing and new; processes of manufacture, existing and new; design and development of new plant facilities and market research for the existing and the new products etc. shall be maintained separately.

10(2) The method of charging these expenses to the cost of the products shall be indicated in the cost records. Where the utility of such research and development work extends over more than one financial year, such expenses shall be treated as deferred expenses and charged to cost of production of product (s) referred to in rule 2 and to other products, if any, on a reasonable basis and applied consistently.

10(3) Expenses incurred by the Research and Development Department for providing technical know how to outsiders shall be recorded separately and excluded the cost of product(s) referred to in rule 2. The amounts recovered for providing technical know-how to outsiders shall also be indicated separately.

11. INTEREST

Proper records shall be maintained showing interest charges separately on term loan and cash credit/overdraft (working capital). The amount of interest shall be allocated/apportioned to the products covered by these rules and other activities on a reasonable and equitable basis, which shall be followed consistently. The basis of such apportioned shall be spelt out clearly in the cost statements. Basis of further charging of share of the interest to the various types of such products shall also be reasonable and the same shall be followed consistently.

12. EXPENSES/INCENTIVES ON EXPORTS

Proper records showing the expenses incurred on the export sales of the products covered by rule 2, if any, shall be separately maintained, so that the cost of export sales can be determined correctly. The expenses incurred on exports, as well as any export incentives earned shall be reflected in the cost statement relating to export sales. Export incentives shall be treated as other income and reflected in the cost records. Separate cost statement as per Proforma 'C' in Schedule II annexed to these rules (suitably modified) shall be prepared for products exported giving details of export expenses

incurred, incentive earned. In case, duty free imports are made, the cost statements should reflect this fact.

13. BY-PRODUCTS

Proper records shall be maintained for each item of by-product, if any, produced showing the receipt, issues and balances, both in quantity and value. The basis adopted for valuation of by-product for giving credit to the respective process shall be equitable and consistent and should be indicated in cost records. Records showing the expenses incurred on further processing, if any, as well as actual sales realization of byproduct(s) shall be maintained.

14. JOINT PRODUCTS

Where more than one product which is of equal economic importance arises from processes, the cost up to the point of separation of products shall be apportioned to joint products on reasonable and equitable basis and shall be applied consistently. The basis on which such joint costs are apportioned to different products arising from the process/ processes shall be indicated in the cost records. The cost of products shall be indicated in the cost records. The cost of products shall be shown in Proforma B of Schedule II annexed to these rules.

15. CAPTIVE CONSUMPTION

Proper records shall be maintained in Proforma C of Schedule II annexed to these rules showing the quantity and cost of products referred to under rule 2 transferred to other departments, unit of the company for captive consumption. Such transfers shall ordinarily be affected at cost and shall be disclosed in the cost records. If however, the transfer of items/product under rule 2 is made for captive consumption at a valuation other than cost, notional profit or loss arising out of such transfer shall also be disclosed in the records.

16. PACKING (PRIMARY AND SECONDARY)

16(1) Proper records shall be maintained showing the quantity and cost of various packing materials and other expenses incurred for packing the finished products for marketing of items referred to under rule 2. Where such expenses are incurred in common for other products including those stated under rule 2, the basis of apportioning the expenses between the relevant products shall be clearly indicated in the cost records and applied consistently. If the company manufactures such packing materials, proper records showing the cost of production of such items shall be maintained.

16(2) Detailed records of the expenses incurred on export packing, if any, shall also be kept separately and exhibited in the relevant cost statements for exports.

17. EXPENSES OF CAPITAL NATURE

Material consumed, wages and other expenditure including appropriate share of overheads incurred in respect of works of capital nature, carried out departmentally, such as additions to plants and machinery and other assets, shall be capitalized under relevant heads.

18. WORK IN PROGRESS AND FINISHED GOODS STOCK

The method followed for determining the cost of work in progress and finished goods referred to in rule 2 shall be indicated in the cost records so as to reveal the cost elements that have been taken into account in such computation. The appropriate share of conversion cost up to the stage of completion shall be taken into account while computing the cost of work in progress. The method adopted for determining the cost of work in progress and finished goods shall be followed consistently. Records showing the cost of works in progress and the quantities and the cost of finished goods shall be maintained in such details as to enable the company to fill up the particulars in Proforma 'D' of Schedule II annexed to these rules.

19. COST STATEMENTS

19(1) The Product emerging from a process and which forms the raw material for a subsequent process shall be valued at the cost of production up to the previous stage and shown in proforma 'B' of Schedule 2 annexed to these rules, Separate cost statement shall be maintained for each product which is produced by further processing the output of previous

process in the said Proforma 'B' or in any form as near thereto as practicable.

19(2) Separate cost of sale statement in respect of different type/grades of intermediates/ products under rule 2 produced and sold, if any, shall be maintained in Proforma 'C' of Schedule II annexed to these rules. Summary cost statement as per Proforma 'E' and T shall be maintained for each product produced and sold.

19(3) If the company is operating more than one plant/factory separate cost statements as specified above shall be maintained in respect of each plant/factory.

19(4) Exports of products under rule 2 shall be exhibited separately in respective cost statements and the same shall be excluded from the cost statements meant for sale in the domestic market.

20. PRODUCTION RECORDS

Quantitative records of all finished and packed production issues for sales and balances of different types of products referred to in rule 2 produced by the company shall be maintained. The cost of all finished and packed production shall be kept in detail for each type of product in the form of control accounts provided the value of the balances according to such control accounts are reconciled periodically at least once in a year with the value of the quantities shown in the quantitative account maintained for each grade of products referred to in rule 2.

21. RECONCILIATION OF COST AND FINANCIAL ACCOUNTS

21(1) Cost records shall be reconciled with the financial books of account for the financial year so as to ensure accuracy. Variations, if any, shall be clearly indicated and explained. The reconciliation shall be done in such a manner that profit of the product under reference can be correctly arrived at and reconciled with the overall profit in the company.

21(2) A statement showing the total expenses incurred and income received by the company under different heads of accounts and share applicable to the products under rule 2 shall be maintained in Proformae 'F' and 'G' of Schedule II annexed to these rules and reconciled with the financial accounts for the period.

22. ADJUSTMENT OF COST VARIANCES

Where the company maintains cost records on any basis other than actuals such as standard costing, the records shall indicate the procedure followed by the Company in working out the cost of product under such system. The method followed for adjusting the cost variances in determining the actual cost of the product shall be indicated clearly in the cost records. The cost variances shall be shown against the relevant heads in the respective proforma of Schedule II annexed to these rules and analyzed into material, labour, overheads and broken up into quantity, price, capacity utilization etc. and shall be made at least quarterly during the financial year. The reason for the variances shall be duly explained in the cost records.

23. RECORDS AND PHYSICAL VERIFICATIONS

Records of physical verifications shall be maintained in respect of all items held in stock, such as raw materials, consumable stores, machinery spares, chemicals, fuels finished goods and fixed assets. Reasons for shortages/surpluses arising out of such verifications and the method followed for adjusting the same in the cost of products shall be indicated in the records.

[24] INTER-COMPANY TRANSACTIONS

(1) In respect of related party transactions or supplies made or services rendered by a company to its holding company or subsidiary or a company termed "related party relationship" as defined below and vice-a-versa, records shall be maintained showing contracts entered into, agreements or understanding reached in respect of:

- (a) Purchase and sale of raw materials, finished products, process materials, chemicals and rejected goods including scraps, etc;
- (b) Utilization of plant facilities and technical know-how;

- (c) Supply of utilities and any other services;
- (d) Administrative, technical, managerial or any other consultancy services; (e) purchase and sale of capital goods including plant and machinery;
- (f) Any other payment related to production, processing or manufacturing of product under reference.

These records shall also indicate the basis followed for arriving at the rates charged or paid for such products or services so as to enable determination of the reasonableness of such rates in so far as they are in any way related to product under reference.

(2) The transactions by the following "related party relationships" shall be covered under sub-rule (1):

- (a) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, of are under common control with, the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries);
- (b) Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;
- (c) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;
- (d) Key management personnel and relatives of such personnel; and
- (e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise.

However, the following shall not be deemed as "related party relationships":

- (a) Two companies simply because they have a Director in common, notwithstanding paragraph (d) or (e) above (Unless the Director is able to affect the policies of both companies in their mutual dealings);
- (b) A single customer, supplier, franchiser, distributor, or general agent with whom an enterprise transacts a significant volume of business merely by virtue of the resulting economic dependence; and
- (c) The parties listed below, in the course of their normal dealings with an enterprise by virtue only of those dealings (although they may circumscribe the freedom of action of the enterprise or participate in its decision making process);
 - (i) Providers of finance;
 - (ii) Trade unions;
 - (iii) Public utilities;
 - (iv) Government departments and government agencies including government sponsored bodies.

Explanation: -For the purpose of these Rules,

(a) "Related party relationship" mean parties who are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions;

(b) "Related party transaction" means a transfer of resources or obligations between related parties, whether or not a price is charged;

(c) "Control" means

- (i) Ownership, directly or indirectly, of more than one-half of the voting power of an enterprise; or
- (ii) Control of the composition of the Board of Directors in the case of a company or of the Composition of the corresponding governing body in case of any other enterprise; or
- (iii) a substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the enterprise.

(d) "Significant influence" means participation in the financial or operating policy decisions of an enterprise, But not control of those policies;

(e) "Associate," means an enterprise in which an investing reporting party has significant influence and which is neither a subsidiary nor a joint venture of that party;

(t) "Joint venture" means a contractual arrangement whereby two or more parties undertake an economic activity, which is subject to joint control;

(g) "Joint Control" means the contractually agreed sharing of power to govern the financial and operating policies of an economic activity So as to obtain benefits from it;

- (h) "**Key management personnel**" mean those persons who have the authority and responsibility for planning, directing and controlling the activities of the reporting enterprise;
- (i) "**Relative**"-in relation to an individual, means the spouse, son, daughter, brother, sister, father and mother who may connected by blood relationship;
- (j) "**Holding company**" means a holding company within the meaning of Section 4 of the Companies Act, 1956 (1 of 1956);
- (k) "**Subsidiary**" means a subsidiary company within the meaning of Section 4 of the Companies Act, 1956 (1 of 1956);
- (l) "**Fellow subsidiary**" means a company is said to be a fellow subsidiary of another company if both are subsidiaries of the same holding company;
- (m) "**State-controlled enterprise**" means an enterprise which is under the control of the central Government or a State Government."]³

25. STATISTICAL RECORDS

25(1) Data regarding available machine hours, direct labours hour in different production departments and actually utilised shall also be maintained and shortfall suitably analysed. Suitable records for compulation of idle times of machine shall be maintained. Statement showing reasons for loss of production due to various reasons shall be prepared in Proforma 'H' of Schedule II annexed to these rules or in any form as near thereto practicable.

25(2) Adequate records shall be maintained to enable the company to identity the capital employed, net fixed assets and working capital separately for each type of product or group of products as listed under rule 2 and other activities. Fresh investments on fixed assets that have not contributed to the production during the relevant period, shall be indicated in the cost record. The records shall, in addition show assets added as replacement and that added for increasing existing capacity.

26. POLLUTION CONTROL

Expenditure incurred by the company on various measures to protect the environment like effluent treatment, control of pollution of air, waste etc. should be properly recorded under the relevant annexure to Schedule 1.

³ Inserted by G.S.R.737 (E) dated 28th September, 2001

SCHEDULE – 1
(Sec Rule 3)
ANNEXURE – 1

Name of the Company

Name and Address of the Insecticides factory

Statement showing the cost of treated/cooling Demineralised water/effluent treatment during the year ending

	Unit	Current Year		Previous Year		
1.	Installed capacity					
2.	Production					
3.	Purchases					
4.	Total production and Purchases					
5.	Consumption					
6.	Tranctic losses					
7.	Production at 2 as a percentage of installed capacity mentioned at 1 above					
8.	Tranctic losses at 6 as a percentage of production at 2 above					
<hr/>						
S. No.	Particulars	Qty	Rate per unit Rs.	Amount Rs.	Cost per unit Current year Rs.	Previous year Rs.
1	2	3	4	5	6	7
<hr/>						
A.	1. Raw materials					
	a.					
	b. to be specified					
	c.					
	2. Utility					
	a. Water					
	b. Steam					
	c. Power					
	1 Purchased Kwh					
	2 Own					
	d. Others (Specify)					
	Total					
B.	Conversion cost					
	1. Consumable stores/ Chemicals & Catalysis					
	2. Salaries & wages					
	3. Repairs & maintenances					
	4. Factory overhead					
	5. Administrative overhead					
	6. Depreciation					
	7. Total conversion cost (1 to 6)					
	7.1 Fixed conversion cost					
	7.2 Variable conversion cost					
C.	Credit, if any					
D.	Net total (A+B-C)					
E.	Net transferred/sold					
	a. Demineralised water plant					
	b. Steam generation plant					
	c. Captive power plant					
	d. Intermediate plant(s) (Specify)					
	e. End product plant(s) (Specify)					
	f. For non plant use					
	g. Others (Specify)					
	Total (As per item D above)					

Notes: -

1. Separate cost sheet is to be prepared for each utility as well as effluent treatment.
2. Bonus of employees other than incentive bonus, provision for statutory gratuity or actual amount paid on this account during the period and interest charges on borrowings including debenture shall be shown in Proforma C, E, F, G & I only.

SCHEDULE I
(Sec Rule 3)
ANNEXURE – II

Name of the Company

Name and Address of the Factory

Statement showing the cost of steam raised/consumed during the year ending

	Current year Pressure Qty	Previous year Pressure Qty
1. Installed capacity		
2. Production		
a. High pressure Steam*		
b. Medium Pressure Steam*		
c. Low pressure Steam*		
d. Transit loss		
e. Total		
3. Production at 2 as a percentage of installed capacity mentioned at above		
*Indicate the steam pressure		

S. No.	Particulars	Qty (Units)	Rate per unit	Amount	Cost per tonne steam raised Current year	Previous year
1	2	3	4	5	6	7

A. 1. Water

2. Fuels

- a. Coal
- b. Fuel oil
- c. Electricity
- d. Other, if any (to be specified)

3. Qty of waste heat from plant, if any

Total (1 to 3)

B. CONVERSION COST

1. Consumable stores/ Chemicals & Catalysis

2. Salaries & Wages

3. Repairs & Maintenances

4. Factory Overheads

5. Administrative overhead

6. Depreciation

7. Total conversion cost (1 to 6)

7.1 Fixed conversion cost

7.2 Variable conversion cost

C. Credit, if any

D. Net Qty and cost of live steam

Total (A+B-C)

E. Consumed in

1. Processing departments

- a.
- b. (specify)
- c.

2. Services

- a.
- b.

3. Other, if any (to be specified)

Notes:

1. If steam is supplied to any other outside party necessary credit for recoveries shall be given against item C
2. Bonus of employees other than incentive bonus, provision for statutory gratuity or actual amount paid on this account during the period and interest charges on borrowings including debenture shall be shown in Proforma C, E, F, G & I only.
3. The rate at which the waste heat is evaluated vide item A3 of this annexure should be indicated giving details of cost centers from which transferred.
4. Basis adopted for Valuation of Steam at different pressures be also indicated in the record.

SCHEDULE I
(Sec Rule 3)
ANNEXURE – III

Name of the Company

Name and Address of the Factory

Statement showing the cost of power generated, purchased and consumed during the year ending

	Current Year	Previous Year
1.	Installed capacity (MW)	
2.	No. Of units generated (KWH)	
3.	Capacity utilization (percentage)	
4.1	Consumption in power house (KWH)	
4.2	Other losses (KWH)	
5.	No .Of units purchased (KWH)	
6	Net units available for consumption (KWH)	
7	Percentage of loss of total power generated and purchased	

S. No.	Particulars	Qty	Rate per unit	Amount	Cost per unit of power	
					Generated	Purchased
					Current year	Previous Year
1	2	3	4	5	6	7

- A. 1. a. Fuel Oil
b. Other materials (to be specified)
c. Other direct charges
Such as Electricity Duty etc
- B. Conversion cost
1. Consumable stores/ Chemicals & Catalysis
 2. Salaries & Wages
 3. Repairs & Maintenances
 4. Factory overhead
 5. Administrative overhead
 6. Depreciation
 7. Total conversion cost (1 to 6)
 - 7.1 Fixed conversion cost
 - 7.2 Variable conversion cost
- C. Credit, if any
- D. Net cost of power generated (A+B-C)**
- E. Power purchased
- F. Total (D+E)**
- G. Average cost per unit
- H. CONSUMED IN

S. No.	Particulars	Qty	Amount
1			
2			
3			
4			
	Etc.		
	Total as per F		

Notes

1. Cost per unit shall be worked out with reference to net units of power for use after deducting consumption in the power house and other losses.
2. Bonus of employees other than incentive bonus, provision for statutory gratuity or actual amount paid on this account during the period and interest charges on borrowings including debenture shall be shown in Proforma C, E, F, G & I only.
3. Realisation if any by sale of power to outside parties shall be shown separately.
4. In case meters are not consumption of power by different cost centers/ departments shall be assessed on a reasonableness and applied consistently.
5. If rate of cost inputs is different according to end use, these should be loaded to the respective user department and suitably indicated in this statement.
6. If purchased power is used in a specific plant, its allocation should be shown accordingly.

**SCHEDULE II
(Sec Rule 3)
PROFORMA A**

Name of the Company

Statement showing the cost of production self manufactured ingredient/substances used in the manufacture of *
..... production during the year**

Name of the self manufacture intergedient/ substance

Licensed capacity of the plant

Installed capacity of the plant

Unit	Current year	Previous year
Batch size		
Number of batches produced		
Total production		
Capacity utilization (%)		
Gross input		
Output		
Yield percentage		
Standard yield percentage		

*** Name of Insecticide to be inserted

* Yield % may be indicated with reference to principal raw material.

Particulars	Qty	Rate per unit	Amount	Per unit			
				Current Year Standard	Actual	Previous Year Standard	Actual
1	2	3 Rs	4 Rs	5 Qty. Cost (Rs)	6 Qty. Cost (Rs)	7 Qty. Cost (Rs)	8 Qty. Cost (Rs)

A.

1. Raw materials (each item to be specified)
2. Chemicals

B. CONVERSION COST

1. Salaries & Wages
2. Utility
 - a. Power
 - b. Water
 - c. Steam
 - d. Brine
 - e. Chilled water
 - f. Air
 - g. Other services if any in detail
3. Other works overhead
4. Repair & Maintenances
5. Royalty
6. Qty control
7. Research & Development
8. Depreciation
9. Administrative overhead
10. Total conversion cost (1 to 9)
- 10.1 Fixed conversion cost
- 10.2 Variable conversion cost

Total (A + B)

- Less:
- 11.1 Realizable value of by-products
 - 2 other credits, if any
 - 12. Adjustment for the different in the value of opening and closing WIP
 - 13. Cost of production
 - 14. Stock adjustment
 - Add: Opening stock
 - Less: Closing stock
 - 15. Cost of self-manufactured intermidient/ substance
 - Transferred to Proforma B insecticides or sold
 - 16. Average sales realizable if sold
 - C. 1. Machine house/ Direct Labour Hour
 - a. Available
 - b. Worked
 - 2. Cost per machine/ Direct labour Hours worked
 - a. Fixed
 - b. Variable
 - c. Total
-

Notes:

1. Separate cost sheet shall be maintained in respect of each ingredient manufactured and used in manufacture of insecticides as specified under Rule 2.
2. The basis on which realizable value is determined for the by-product shall be clearly indicated in the cost records.
3. Abnormal loss if any shall be indicated both in qty and cost in a separate statement.
4. Reasons between std and actuals shall be clearly recorded. Circumstances leading to revision of std, if any, shall also be indicated in form of footnote.
5. The appointment of common overhead expenses to the products in the case of multipurpose units shall be equitable vide Para 8 of Schedule 1
6. Where composite machine hours rate are applied proper supporting records indicating the equipment usage in the case of multipurpose plants shall be maintained. The variance arising out of the predetermined rate shall be adjusted to arrive at the actual cost at the end of the year.
7. Details of raw material used are to be incorporated under item A.I. If part of the product is sold, details of the qty, price and value thereof shall be shown in records.
8. Bonus of employees other than incentive bonus, provision for statutory gratuity or actual amount paid on this account during the period and interest charges on borrowings including debenture shall be shown in Proforma C, E, F, G & I only.

**SCHEDULE II
(Sec Rule 3)
PROFORMA B**

Name of the Company
Statement showing the cost of
Insecticides manufactured during the year
Conversion of into

	Current Year	Previous Year
1. Capacity of the plant Licensed Installed		
2. Batch size		
3. Number of batches produced		
4. Gross input		
5. Recoveries, if any		
6. Net input		
7. Outputs		
8. Yield %		
9. Standard yield %		

* Yield % may be indicated with reference to principal raw material/ intermediate

Particulars	Qty	Rate	Amount	Standard Norms		Actual		Per unit		Percentage Valuation From standard	
				Qty.	Cost	Qty.	Cost	Qty.	Cost	Current	Previous
1	2	3	4	5	6	7	8	9	10		
		Rs	Rs	Qty. (Rs)	Cost (Rs)	Qty. (Rs)	Cost (Rs)	Qty. (Rs)	Cost (Rs)		

A.

1. Raw materials

- a. Purchased (to be specified)
- b. Intermediate (to be specified)
- c. Raw materials covered by Proforma A
- d. Other conversion materials & chemicals

B. CONVERSION COST

2. Salaries & wages

3. Utilities:

- a. Power
- b. Water
- c. Steam
- d. Brine
- e. Chilled water
- f. Air
- g. Other services, if any in detail

4. Other work overhead

5. Repairs & maintenances

6. Royalty

7. Quality control

8. Research & Development

9. Depreciation

10. Administrative overhead

11. Total conversion cost

11.1 Fixed conversion cost

11.2 Variable conversion cost

TOTAL (A + B)

Less:

1. Realizable value of by-production
 2. Other credit
 14. Adjustment for difference in the value of opening & closing work-in-progress
 15. Cost of production of insecticide/ Intermediate
-

C.

1. Machine house/Direct labour house
 - a. Available
 - b. Worked
 2. Cost per machine/Direct labour house worked
 - a. Fixed
 - b. Variable
 - c. Total
-

D. Transferred to
Value Rs.

Qty

1. Capacity consumption further processing
 - a.
 - b. specify
 - c.
 2. Transfer for sale
 - i.
 - ii.
 - iii Specify
 - iv
-

Notes:

1. Separate cost statement shall be maintained in respect of each insecticides manufactured.
2. The basis on which realizable value is determined for the by-product shall be clearly indicated in the cost records.
3. Abnormal loss if any shall be indicated both in qty and cost in a separate statement indicating the reasons thereof.
4. Where composite machine hours rate are applied proper records relating to the utilization of the labour & multipurpose plants for different process products shall be kept to enable determination of total machine hour cost chargeable to the particular insecticides. The variance in this regard shall be adjusted to arrive at the actual cost of production at the end of the year.
5. Actual direct labour/ machine hour utilized for each type and size of pack of insecticides shall be recorded batchwise.
6. The appointment of common overhead expenses to the products in the case of multipurpose units shall be equitable vide Para 8 of Schedule 1
7. Details of raw material are to be indicated under item 1 raw material.
8. Intermediate transferred from one process to next process shall be at actual cost.
9. Reasons between std and actuals shall be clearly recorded. Circumstances leading to revision of std, if any, shall also be indicated in form of footnote.
10. If any intermediary is sold details of quantity price and value thereof shall be shown in records.
11. Bonus of employees other than incentive bonus, shall be excluded and exhibited only in Proforma 'C' under the head in 'other expenses not included in cost'.
12. Modvat and other benefits if any (also benefit for exports) availed by the company should be indicated separately showing their impact on per unit cost of product.

**SCHEDULE II
(Sec Rule 3)
PROFORMA C**

Name of the Company

Statement showing cost of sales of packed**

Product and sold/consumed during the year

		Current Year	Previous Year			
<ol style="list-style-type: none"> 1. Qty produced 2. Qty used for captive consumption by the company 3. Qty packed 4. Qty export 5. Sizes of packing 						
S.No.	Particulars	Qty	Rate per unit	Total cost	Cost per unit	
					Current Year	Previous Year
1	2	3	4	5	6	7
	<ol style="list-style-type: none"> 1. Cost of naked product as per Proforma B 2. Packing cost <ol style="list-style-type: none"> a. Non-returnable containers b. Other packing materials c. Wages d. Overtime 					
	<ol style="list-style-type: none"> 3. Total cost of packing insecticides 					
	<ol style="list-style-type: none"> 4. Add: Opening stock 5. Less: Closing stock 					
	Net ex-works cost of packed product sold/ consumed during the year					
	<ol style="list-style-type: none"> 6. Cost of packed qty transferred to sales 7. Cost of naked qty transferred 8. Selling & distribution exp (for qty sold only) <ol style="list-style-type: none"> a. Salaries & wages b. Publicity c. Depot exp d. Freight e. Handling charges f. Discount commissions g. Other 					
	<ol style="list-style-type: none"> 9. Total selling and distribution exp 					
	<ol style="list-style-type: none"> 10. Total cost <ol style="list-style-type: none"> 1. Fixed cost 2. Variable cost 11. Total cost including selling & distribution exp 12. Interest charges 13. Other exp not included in cost (details to be listed) 14. Total exp including interest and other charges and excluding excise duty 15. Total exp in respect of qty sold in the country excluding excise duty & export expenses <ol style="list-style-type: none"> (a) For Packed (b) For Naked 16. Average sales realization (excluding excise duty) of qty sold in the country <ol style="list-style-type: none"> (a) For Packed (b) For Naked 					

17. Margin on the sale within the country (item 16-15)

(a) For Packed

(b) For Naked

Notes:

1. Separate cost statement shall be maintained in respect of each insecticides manufactured.
2. The apportionment of common selling and distribution expenses to the product in case of multi product unit shall be equitable vide para 8 of schedule I
3. All bonus to employees incentive bonus shall be shown under item 13 "other expenses"
4. Detailed records for the total selling and distribution expenses shall be maintained and only the appropriate share allocable to the insecticide is to be charged indicating in the records the basis adopted for allocation.
5. Average sales realization shall be indicated separately for quantities sold.
6. Separate cost statements shall be prepared for insecticide intermediate products exported.
7. Reasons between std and actuals shall be clearly recorded.
8. Proforma C shall be maintained in respect of intermediated also if sold.

**SCHEDULE II
(Sec Rule 3)
PROFORMA D**

Name of the Company

Name and Address of the Factory

Statement showing the value of work-in-progress at the end of the year

Particulars	Rs.
1. Opening work-in-progress as on.....	
2. Add: exp relation to production of insecticides (including items covered by Proforma A of schedule II: incurred during the year)	
Total	
3. Less: Cost of production of insecticides (including items referred to in proforma A of schedule II)	
4. Closing work-in-progress as on	

II Statement showing the finished stock of insecticides/self-manufactured ingredients/substances.

Opening Stock as on		Production during The year		Sold during the year		Captive Consumption		Physical Stock adj if any		Closing stock as on		
Type of product												
Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost	
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Self-manufactured ingredients/ substances vide proforma A of schedule II												
2. Intermediates												
i												
ii												
iii												
3. Insecticides												
i												
ii												
iii												
Total												

SCHEDULE II
(Sec Rule 3)
PROFORMA E

Name of the Company

Name and Address of the Factory

Statement showing cost of sales, sales realization and margin of the year ending

S. No.	Name of the Insecticide	Qty issued for Sale		Packing	Selling and interest and distribution exp		Bonus	
		Qty	Value		Rs.	Rs.	Minimum Statutory	Other than Minimum Statutory
		Unit	Rs.	Rs.			Rs.	Rs.
1	2	3	4	5	6	7	8(a)	8(b)

1
2
3
4
Etc.

Total

Gratuity	other exp net of income	Total cost of sales	Sales Realisation	Margin		Previous Year		
				Total	Per unit	cost of sales per unit	Sales Realisation	Margin per unit
9	10	11	12	13	14	15	16	17
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.

1
2
3
4
Etc.

Total

SCHEDULE II**(Sec Rule 3)****PROFORMA F**

Statement showing the allocation of total expenses incurred and income received by the company as per internal account between the products covered under these Rules 1 and other activities during the year ending.

S. No.	Particulars	Total as per Financial Accounts	direct expenses allocated in		Utilities		
			Products covered Under the Rules	Other Activities	Water	Steam	Power
1	2	3	4	5	6	7	8
	Compressed Treated water	Effluent treatment	other to be specified	Factory overhead	Administrative overhead	Packing	Selling & distribution
9	10	11	12	13	14	15	16
	Bonus other than incentive	Gratuity provision paid	Interest charges	other exp	Work-in-progress adjustment	Finished stock adjustment	
17	18	19	20	21	22		

A. Expenditure

Rupees

1. Direct materials consumed
2. a. Process materials
- b. Packing materials consumed
3. Salaries, wages & bonus
4. Co. s contribution to provided and other funds
5. Welfare
6. Stores & Spares parts
7. Power & fuels
8. Other utilities
9. Repairs: - Building, Plant & Machinery other
10. Other exp (specify)
11. Rent
12. Rates and taxes
13. Insurance
14. Traveling
15. Advertising exp
16. Handling, packing carriage and freight
17. Commission and discount royalty & service charges
18. Other (to be specified)
19. Depreciation
20. Interest
21. Opening stock
 - work-in-progress
 - finished stock
22. Less: closing stock
 - work-in-progress
 - finished stock

Total

B. Income

1. Sales

2. Other income (specify)

Total

C. Margin

Notes: -

1. Item detail in column (2) is illustrative and not exhaustive. While by and large expenses head may conform to items mentioned in column 2 wherever expenses are classified under other head these may be adopted.
 2. Details of utilities maintained in column nos. 6 to 11 are illustrative only.
 3. In case financial accounts have not been audited, figures in column (3) may be given on the basis of provisional financial account.
-

SCHEDULE II
(Sec Rule 3)
PROFORMA G

Name of the Company

Statement showing the allocation/apportionment of total exp/income of the company between products covered under Rule 2 and other activities during the year ending

S. No.	Particulars	Total Exp	Share applicable	
1	2	3	to products cover under rule 2	to other activities
1	2	3	4	5
	1. Direct materials consumed			
	2. Process materials consumed			
	3. Consumable stores & spares			
	4. Direct salaries & wages			
	5. Utilities			
	power			
	fuel,			
	steam			
	effluent treatment			
	other (specify)			
	6. Repairs & Maintenances			
	7. Depreciation			
	8. Works overhead			
	9. Administrative overhead			
	10. Adjustment for difference between opening & closing work-in-progress			
	11. Less credit for recoveries			
	12. Less self-consumption, if any			
	13. Stock adjustment for differences opening & closing stocks of finished goods			
	14. Total			
	15. Packing exp			
	16. Interest charges			
	17. Selling and distribution exp			
	18. Annual bonus other than incentive bonus			
	Minimum statutory			
	Other than Minimum statutory			
	19. Statutory gratuity (including provision)			
	20. Any other exp not include in cost			
	21. Less: Any other income not considered in cost			
	22. Total excluding excise duty			
	23. Less: export benefit			
	24. Net sales realization (excluding excise duty			
	25. Margin			

Notes:

1. Figures in column 3 shall be same as those shown in column 3 item A,B,C of proforma F,
2. All incomes and expenditure in this proforma shall be reconciled with the financial accounts of the relevant period.

**SCHEDULE II
(Sec Rule 3)
PROFORMA H**

Name of the Company

Name and Address of the Factory

Statement showing reasons for loss production during the year ending

Name of the Section

Reason for loss of production	Production losses HRS Qty	Under utilization installed capacity	Remarks
1	2	3	4

1. Routine plant maintenance (indicate nature of maintenance)
2. Unforeseen breakdown of plant and machinery
3. Shortage of raw materials
4. Power failure
5. Strike, lock out etc.
6. Any other reason

Date in accordance with the above proforma shall be maintained separately for each production section and utilities such as power house, boiler unit etc.

**SCHEDULE II
(Sec Rule 3)
PROFORMA I**

Name of the Company

Name of the Factory

Statement showing summary of cost of production, cost of sales realization and margin obtained per unit (specify the product) for the year ended

S.No.	Particulars	(Rs per Unit)				
		Products (Specify)				
		1	2	3	4	etc.
1. Materials						
a.						
b.						
c.						
d. Total						
2. Less						
a. Credit for by product						
b. Scrap/rejection						
3. Conversion cost						
a. Variable						
b. Fixed						
c. Total						
4. Adjustment for opening & closing work in progress						
5. Total cost of production						
6. Adjustment for opening & closing stock of finished goods						
7. Selling and distribution exp						
8. Packing cost						
9. Cost of sales						
10. Other exp (net of Misc Income)						
11. Total cost						
Current year						
Previous year						
12. Average sales Realisation						
Previous year						
Current year						
13. Margin						
Previous year						
Current year						

Foot Note: The principal rules were published vide GSR no. 258(E), dated the 3rd March, 1993 and subsequently amended vide:

1. GSR 691(E), dated 4th November, 1993 (corrigendum)
2. GSR 774(E), dated 5th December, 1995
3. GSR 457(E), dated 3rd August, 1998