

MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS
(DEPARTMENT OF COMPANY AFFAIRS)

NOTIFICATION

NEW DELHI, the 21st December ,2001

G.S.R. 913(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 (**Electricity Industry**) Rules, 2001.

(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 any of the following activities, namely :-

(1) Generation of electricity from:-

- (a) thermal power
- (b) gas turbine
- (c) hydro-electric power
- (d) atomic power
- (e) solar power
- (f) wind power
- (g) any other source of energy;

(2) Transmission and bulk supply of electricity;

(3) Distribution and retail supply of electricity :

Provided that these rules shall not apply to a company,-

- (a) the aggregate value of the machinery and plant installed wherein, as on the last date of the preceding financial year, does not exceed the limits as specified for a small scale industrial undertaking under the provisions of Industries (Development and Regulation) Act, 1951 (65 of 1951); **and**

(b) the aggregate value of the turnover made by the company from sale or supply of all its products or activities during the preceding financial year does not exceed ten crores of 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 books of accounts]¹ relating to utilisation of materials, labour and other items of cost in so far as they are applicable to any of the activities referred to in rule 2. The books of account, so maintained, shall contain, *inter-alia*, [the particulars of records specified in the Schedule]¹ annexed to these rules and Proformae A, B C, D, E and F mentioned in the said Schedule :

Provided that if the said company is manufacturing any other product(s) or is engaged in other activities in addition to generation, transmission, distribution and supply of electricity, the particulars relating to utilisation 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 activities 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 each activity referred to in rule 2 for every financial year from the particulars entered therein. Every such book of account and the proformae specified in the said Schedule, shall be completed not later than ninety days from the close of the financial year of the company to which it relates.

(3) The statistical and other records shall be maintained in accordance with the provisions of the Schedule to these rules in such a manner as to enable the company to exercise, as far as possible, control over the various operations and costs with a view to achieve optimum economies in cost. These records shall also provide the necessary data required by the Cost Auditor to suitably report on all the points referred to in the Cost Audit (Report) Rules, 1996 as amended from time to time.

(4) It shall be the duty of every person, referred to in sub-section (6) and (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),(2) and (3) of this rule in the same manner as he is liable to maintain accounts required under sub-section (1) of section 209 of the said Act.

¹ Substituted vide Notification no. GSR 387 (E) dated 27.6.2006

4. **Penalty** .– If a company contravenes the provisions of rule 3, the company and every officer thereof who is in default, including the persons referred to in sub-rule (4) of rule 3 shall, subject to provisions of section 209 of Companies Act,1956 (1 of 1956) be punishable with fine which may extend to five thousand rupees and where the contravention is a continuing one, with a further fine which may extend to five hundred rupees for every day, after the first day during which such contravention continues.

SCHEDULE
[See rule 3]

1. MATERIALS:

(1) The [proper]² records shall be maintained showing all receipts, issues and balances both in quantities and values of all major fuel such as coal, lignite, gas, naphtha, bagasse alongwith their calorific values and other materials used in the generation, transmission, distribution or supply of electricity. These records shall contain such details so as to enable the company to determine the quantity and cost of receipt (including all direct charges upto the works in respect of major materials/fuels), issues and balances in quantity as well as value of each item of all such materials. The basis on which said cost of issue and consumption have been calculated shall be indicated in the cost records and followed consistently. The records shall indicate quantity and expenses incurred for loading and unloading, transport, handling, grinding charges etc. The quantity and cost of transportation of material by different modes of transportation viz. road, conveyer, rail, pipeline, rope way etc shall be indicated separately. In the case of imported materials/fuels [proper]² records of quantity and value shall be maintained for each item showing FOB value, overseas freight, insurance, customs duty, clearing charges, inland freight etc. If both indigenious and imported materials are consumed, the records showing details of percentage mix of the same, have to be maintained for each item. In the case of imported materials, [proper]² records shall also be maintained showing license-wise allowed quantities, actual quantities imported, actual quantities consumed, quantities in stock and quantities yet to be imported out of total licensed quantities.

(2) Where any material such as coal, lignite etc are used from mines owned or leased by the company or by its wholly owned subsidiary, separate records showing the cost of raising such materials shall be maintained in such details as may enable the

company to fill up particulars in proforma 'B' or any other proforma as thereto practicable.

(3) The [proper]² records shall be maintained showing the receipts, issues and balances both in quantity and value of each item of consumable stores (station stores), small tools and other materials required for any of the activities referred to in rule 2. The value shown shall include all direct charges up to works whenever specifically incurred. In the case of consumable stores, the value of which are not significant, the company may, if so desires, maintain such records for the main group of such items. The value of consumable stores, consumed for the power system shall be charged to the relevant head of accounts.

(4) The [proper]² records shall be maintained showing the quantity and value of wastage, spoilage, rejections and losses of input materials/fuels and consumable stores whether in transit, storage, operation 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 spoilage, if any, in determining the cost of activities, shall be indicated in the cost records.

(5) The [proper]² records shall also be maintained to indicate the value of materials which have not moved for more than twelve months for effective control of inventory.

(6) Where any credit under Central Value Added Tax (CENVAT) under the Central Excise Act, 1944 (1 of 1944) or any other benefits of the nature of CENVAT credit, are received/receivable on any item of material and/or consumable stores or spares, the cost of such material and/or consumable stores/spares should be shown after adjusting such credit or benefits.

2. SALARIES AND WAGES:

(1) The [proper]² records shall be maintained to show the attendance and earnings of all employees function-wise or activity-wise and the works on which they are employed. The records shall also indicate the following separately for each such function or activity:

- (a) piece rate wages (wherever applicable);
- (b) incentive wages, either individually or collectively as production bonus or under any other scheme based on output;

- (c) overtime wages;
- (d) earnings of casual or contractual labour;
- (e) bonus or gratuity, statutory as well as other;
- (f) contribution to superannuation scheme; and
- (g) any other earnings of the nature specified in (a) to (f) above.

(2) The records shall be maintained in such a manner as to enable the company to furnish necessary particulars under this head in Proformae A, B, C, D, E and F of Schedule I annexed to these rules. The records may be maintained to book these expenses function-wise or activity-wise. Where the employees work in such a manner that it is not possible to identify them with any specific function or activity, the employees cost shall be apportioned to the functions or activities on equitable and reasonable basis and applied consistently.

(3) The idle labour cost, other than due to backing down demand from customers, shall be separately recorded under classified headings indicating the reasons therefor. The method of accounting followed for accounting of idle time payments shall be disclosed in the cost records.

(4) Any wages and salaries allocable to capital works, such as, additions to plant and machinery, buildings or other fixed assets shall be accounted for under the relevant capital heads. Similarly, payments in the nature of deferred revenue expenditure shall be separately recorded under separate classified headings indicating the reasons therefor. The method followed for accounting of such payments in determining the cost of the product or service shall be on equitable and reasonable basis and applied consistently. The said method shall be disclosed in the cost records also.

(5) The cost of termination benefits payable to employees shall be recorded under separate head. The method followed for such cost in determining the cost of the electricity generated, transmitted or distributed shall be on equitable and reasonable basis, applied consistently and disclosed separately. Only the termination benefits say in respect of voluntary retirement scheme, which are payable in addition to the normal retirement benefits and that are likely to provide benefits in terms of savings in cost in future shall be treated as deferred revenue expenditure over a period not exceeding five years. These costs shall not form part of salaries and wages and shall be shown separately. Such costs shall be excluded from valuation of inventories since these do not result in putting the inventories to their present location and condition.

3. SERVICE DEPARTMENT EXPENSES:

The [proper]² records shall be maintained to indicate expenses incurred in respect of each service department or function like laboratory, welfare measures, safety implementation, transport, dispensary, school, crèche, township etc. These expenses shall be apportioned to other services and power activities on equitable and reasonable basis and applied consistently. Where these services are utilized for other products or activities of the company also, the basis of apportionment of such expenses to other products or activities shall be on equitable and reasonable basis and applied consistently.

4. UTILITIES:

(1) The [proper]² records showing quantity and cost of water collection, water treatment, ash handling, effluent treatment etc. shall be maintained by the company for the activities under reference.

(2) The cost statements for each utility shall be maintained separately in respect of each such utility in Proforma 'A'.

5. WORKSHOP OR REPAIRS AND MAINTENANCE OR TOOL ROOMS:

(1) The [proper]² records showing the expenditure incurred by the workshop or tool room under different heads and on repairs and maintenance shall be maintained function-wise or activity-wise. The amount incurred on schedule/annual maintenance shall be separately recorded under the head preventive maintenance. The records shall also indicate the basis of charging the workshop or tool room or repairs and maintenance expenses to different activities. Where maintenance work is done by direct workers of any of the generation, transmission, distribution & supply department, the wages and salaries of such workers shall be treated as direct expenses of the respective function or department. If the services are utilized for other products or activities also, the manner of charging a share to such products or activities shall be on equitable and reasonable basis and applied consistently.

(2) The records shall also indicate the quantity and amount and also the proportion of closing inventories of stores and spare parts representing items which have not moved for over twenty four months.

(3) The expenditure on major repair work from which benefit is likely to accrue for more than one financial year shall be allocated over the period expected to benefit on equitable and reasonable basis and applied consistently. Such costs shall be shown separately and the method of accounting alongwith the basis of allocation of such costs shall also be clearly indicated in cost records.

6. FIXED ASSETS AND DEPRECIATION:

(1) The [proper and adequate]² records shall be maintained for assets used for each of the activities under reference in respect of which depreciation has to be provided for. These records shall inter-alia, indicate the cost of acquisition of each item of asset including installation charges, date of acquisition and rate of depreciation.

(2) Also such records as will enable to identify and/or allocate gross fixed assets, accumulated depreciation upto the year and net fixed assets under the heads; land and building, plant and machinery, furniture and fixtures etc. employed for the production of activities under reference alongwith the method and rate of depreciation shall be maintained. The basis of apportionment of common assets to the product(s) under reference shall also be indicated. In case of revaluation of assets, the same shall be indicated separately. The basis of allocation of indirect assets to the products under reference shall be on equitable and reasonable basis and applied consistently.

(3) The basis on which depreciation is calculated and allocated or apportioned to various cost centres or activities and absorbed on such activities shall be clearly indicated in the cost records. If depreciation charged or chargeable to the cost centres or departments is in excess or lower than the depreciation prescribed and applicable to the company under [the Electricity Act, 2003]³ or under the provisions of sub-section (2) of Section 205 of the Companies Act, 1956, as the case may be, such amount of excess or lower depreciation shall be indicated clearly in the cost records. The cost records shall also show the effect of such excess or lower depreciation, as the case may be, on the per unit cost of activity. 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.

³Substituted vide Notification no.G.S.R. 709(E) dated 7th December,2005

7. LEASING CHARGES:

In the case of leasing arrangements, [proper]² record shall be maintained showing details of terms and conditions, leasing charges paid or payable as well as received or receivable.

8. OTHER OVERHEADS:

(1) The [proper]² records shall be maintained for the activities under reference showing the various items of expenses comprising the other overheads. These expenses shall be analyzed, classified and grouped according to functions, namely, operation, administration and sales for each activity under reference.

(2) Where the company is manufacturing products other than the products or activities under reference, the records shall clearly indicate the basis followed for apportionment of the common overheads including head office expenses of the company to such products and to power activities including capital works. Where certain expenses forming part of overheads can be identified with a particular activity or a product, such expenses shall be first segregated and charged to the relevant activity or product and thereafter the residual expenses under the above categories of overheads shall be apportioned on equitable and reasonable basis and applied consistently. The overheads chargeable to capital works shall be indicated separately in the cost records. The basis of apportionment or absorption of overheads to the cost centres or activities and the products shall be indicated in the cost records. The Records shall be maintained in such a manner as to indicate the details of operation, administration and sales overheads.

9. ROYALTY OR TECHNICAL KNOW-HOW FEE :

The [adequate]² records shall be maintained showing royalty and/or technical know-how fee including other recurring or non-recurring payments of similar nature if any, made for the activities under reference to collaborators or technology suppliers in terms of agreements entered into with them. Such records shall be kept separately in respect of each such collaborator or supplier. The basis of charging such amount, including lump sum payment and its treatment shall be indicated in the cost records.

10. RESEARCH AND DEVELOPMENT EXPENSES:

(1) The [proper]² records showing the details of expenses, if any, incurred by the company on the research and development work of the activities covered under these rules shall be maintained.

(2) The method of charging these expenses to the cost of activities under reference and all other products or activities 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 revenue expenses and charged to the cost of activities under reference and all other products if any, on equitable and reasonable basis and applied consistently. The detailed criteria on which it has been decided to extend the utility period of these expenses to more than one financial year shall be disclosed in the cost records. The following criteria, which are only indicative and not exhaustive, may be adopted in such cases :

- (i) the output or process is clearly defined and the costs attributable to the output or process can be separately identified;
- (ii) the technical feasibility of the output or process has been demonstrated;
- (iii) the management of the enterprise has indicated its intention to produce and market or use the output or process;
- (iv) there is a reasonable indication that current and future research and development costs to be incurred on the project together with expected production, administrative and selling costs are likely to be more than covered by related future revenues or benefits; and
- (v) adequate resources exist or are reasonably expected to be available to complete the project and market the output or process.

(3) The expenses incurred by the Research and Development Department for providing technical know-how to outsiders shall be recorded separately and excluded from the cost of activities under reference. The amount recovered for providing technical know-how to outsiders shall also be indicated separately and excluded from the income arising from the sale of outputs or activities under reference.

11. INTEREST:

The [proper]² records shall be maintained for money borrowed for each project and/or working capital and interest charges thereon. The amount of interest shall be allocated or apportioned to the

activities covered under these rules and other activities on equitable and reasonable basis and applied consistently. The basis of further charging of the share of the interest to the various types of such activities shall also be equitable and reasonable and applied consistently. The basis of such allocation or apportionment shall be spelt out clearly in the cost records and statements. Net interest incurred on borrowed money or outlays for projects under execution, shall be capitalized for the period between the date of conception of the project and commencement of commercial activities.

12. EXPENSES OR INCENTIVES ON EXPORTS:

The [proper]² records showing the expenses incurred on the export sales, if any, on the products or services under reference, shall be separately maintained so that the cost of export sales can be determined correctly. Separate cost statement shall be prepared for power exported giving details of export expenses incurred and incentive earned. In case, duty free imports of input materials are made, the cost statements should reflect this fact.

13. COST STATEMENTS:

(1) The cost statements showing details of installed capacity, generation, peak load and all elements of cost of the current financial year and previous year shall be prepared for each process and/or activity under reference in Proformae A, B, C, D, E and F.

(2) The activity emerging from a process, which forms input for a subsequent process, shall be valued at the cost upto the previous stage.

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

14. PRODUCTION RECORDS:

The quantitative records of each activity relating to generation, transmission, distribution and supply of electricity shall be maintained. The [proper]² records shall also be maintained for backing down of generation and diversion of energy (DOE) recovery.

15. RECONCILIATION OF COST AND FINANCIAL ACCOUNTS:

(1) The cost statements shall be reconciled with the financial statements for the financial year specifically indicating the expenses or incomes not considered in the cost records or statements so as to ensure accuracy and to adjudge the profit of the activity under reference with the overall profit of the company. The variations, if any, shall be clearly indicated and explained.

(2) A statement showing the total expenses incurred and income received by the company under different heads of accounts and the share applicable to other the activities or services shall be prepared and reconciled with the financial statement.

16. ADJUSTMENT OF COST VARIANCES:

Where the company maintains cost records on any basis other than actual such as standard costing, the records shall indicate the procedure followed by the company in working out the cost of the activities and services under such system. The cost variances shall be shown against the separate heads and analysed into material, labour, overheads and further segregated into quantity, price and efficiency variances. The method followed for adjusting the cost variances in determining the actual cost of the activities and services shall be indicated clearly in the cost records. The reasons for the variances shall be duly explained in the cost records and statements.

17. STATISTICAL RECORDS:

(1) The records regarding installed capacity of power plant, peak load demand (normal/maximum demand), plant load factor (PLF), power generated, power consumed at the generating station/sub-stations, number of stations/ sub-stations/auxiliaries, captive consumption, etc., transmission of power under different voltages, such as HV, EHV, LV, length of transmission lines, and area covered, consumer served under different sectors, viz. agriculture, industry, commercial and domestic sector, operational losses, transmission losses, plant hours available, and actually utilized, man power per MU generated/transmitted/per 1000 consumer, shall be maintained. The suitable records for computation of idle time of machines and/or plants, average frequency, details of power supplied, tariff rate structure for different consumers, etc. shall also be maintained and analysed.

(2) The [adequate]² records shall be maintained to enable the company to identify the capital employed, net fixed assets and working capital separately for different activities under reference

and other products and activities. Fresh investments on fixed assets that have not contributed to the production or processing of activities under reference during the year shall be indicated in the cost records. The records shall, in addition, show assets added as replacement and those added for increasing existing capacity.

(3) In the case of new projects for activity under rule 2, [proper]² records shall be maintained indicating the funds raised from different sources, their utilization, stage-wise cost incurred and progress of the project as per the project report. Cost and time over run shall also be analyzed with reference to the cost of services/activity and profitability of the company.

(4) Whenever WTO provisions are attracted, [proper]² records shall be maintained to identify the competitiveness of the product in the domestic as well as global market and the expenses, if any, incurred to combat the competition arising out of WTO provisions. Adequate statistical records shall also be maintained to identify the market share of the product manufactured and the likely impact thereon on account of competitive goods imported in to the country. These records shall indicate, inter-alia, the total volume of imports, names of importers, countries of origin and contain such empirical evidence as to show whether such imports can be construed as dumping and affecting the market share of the product. [proper]² records shall also be maintained, containing such details as may be necessary to show that the export price of the product is not such as to be construed as dumping in the importing country, by applying the provisions of WTO regarding anti-dumping measures under Article VI of GATT 94.

18. CAPTIVE CONSUMPTION:

If power is used for captive consumption, [proper]² records shall be maintained showing the quantity and cost of power transferred to other departments or units of the company for self-consumption and sold to outside parties. The rates at which the transfers are effected shall be at cost only.

19. POLLUTION CONTROL:

The Expenditure incurred by the company on various measures to protect the environment like effluent treatment, control of pollution of air, water, ash pond, ash mound, etc., should be properly recorded.

20. HUMAN RESOURCES DEVELOPMENT:

Expenditure incurred by the company on the human resources development activity shall be recorded separately.

21. RELATED-PARTY 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) utilisation 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 payments related to generation, transmission, distribution and supply of power or activity 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 activity 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, or 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 venturer 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 relationships"** means 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;
 - (f) "**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**" means 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 be 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.

² deleted vide notification number G.S.R. 387(E) dated 27th June,2006

PROFORMA 'A'

Name of the company :

Name and address of the Plant :

Statement showing the **cost of utilities** like (1) Water collection, (2) Water treatment, (3) Ash handling plant, (4) Effluent treatment, etc. :

I Quantitative Information:

Serial Number	Particulars	Unit	Current Year	Previous Year
A1.	Installed capacity			
2.	Quantity produced			
3.	Capacity utilization %			
4.	Quantity re-circulated			
5.	Quantity purchased, if any			
6.	Self-consumption including other losses (to be specified)			
7.	Net units consumed			
B1.	Gross fixed assets at the end of the year /period (Rs./Lakhs)			
2.	Net fixed assets at the end of the year/period (Rs./Lakhs)			
3.	Date of commissioning			

II Cost Information:

Serial Number	Particulars	Quantity	Rate (Rupees per unit)	Amount (Rupees)	Cost per unit	
					Current Year (Rupees)	Previous Year (Rupees)
A 1.	Materials (specify) (a) (b) (c)					

2.	Utilities (specify) (a) (b) (c)					
3.	Wages and salaries					
4.	Consumable stores and spares					
5.	Repairs and maintenance					
6.	Depreciation					
7.	Other overheads					
8.	Total					
9.	Less: Credits, if any					
10.	Net total					
B.	Apportioned to cost centre/ activity : i. ii. iii. iv. etc.					

Notes:-

1. Separate cost sheet is to be prepared for each major utility.
2. If any of the utility or service, which is manufactured by the company, is sold to outside parties, proper credit should be given in the cost of production of the respective utility.
3. Delete utilities/items not applicable.

PROFORMA 'B'

Name of the company :

Name and address of the plant :

Statement showing the cost of procurement of coal, lignite, gas, naphtha, fuel oil, bagasse or any other primary or secondary conventional or non-conventional fuel:

Serial Number	Particulars	Quantity	Rate	Amount	Cost per unit	
			Rupees per unit	Rupees	Current Year (Rupees)	Previous Year (Rupees)
A.	Purchase :					
1.	(a) Total purchased (b) Less: deduction for driage, loss in transit etc. (c) Net weight of receipt at the gate					
2.	Other incidental charges : (a) Commission/broker age paid (b) Loading and unloading (c) Taxes and levies (d) Transportation charges (e) Others, if any (specify) (f) Sub total					
3.	Total 1(c) + 2(f)					
B.	Fuel procured from own/ leased land/companies					
1.	Opening balance in the land/ companies					
2.	Procurement during the					

	year and the related expenses : (a) Royalty (b) Storage (c) Expenses at collection centres (specify) (d) Share of land development expenses, if any (e) Sub total					
3.	Less : expenses for driage, burning, pilferage etc.					
4.	Less : closing stock					
5.	Net quantity transferable to factory gate					
6.	Other incidental charges : (a) Loading and unloading (b) Transportation charges (c) Others, if any (specify) Sub total					
7.	Total quantity/ cost at the factory gate (5+6)					
C.	Total (A3+B7)					
D.	Cost of issues from storage :					
1.	Opening balance at storage					
2.	Transferred from gate (item C above)					
3	Sub total (1+2)					
4.	Less : deduction for driage and other losses at storage					
5.	Less : closing balance					
6.	Cost of net quantity transferred to Proforma 'C'					

Notes:-

1. Separate cost statement shall be prepared for the different kind of materials/fuels such as coal, lignite, gas naphtha, bagasse etc.
2. Delete items not applicable.
3. Where the company has its own facilities/mines to produce coal, lignite, etc., cost of raising such material shall be worked out in detail using proforma 'A' prescribed for utilities.

Proforma 'C'

Name of the company :

Name and address of the Generating Unit :

Statement showing the **Cost of generation of Power** (Thermal/ Hydro-electric/Gas Turbine/ Atomic, etc.) during the year /period :

I Quantitative Information:

Serial No.	Particulars	Unit	Current Year	Previous Year
A 1.	Installed capacity			
2.	Minimum power to be purchased under PPA			
3.	Planned outage			
4.	Forced outage			
5.	Plant availability			
6.	Loss due to backing down			
7.	Reserve outage			
8.	Partial unavailability factor			
9.	Power generated			
10.	Plant load factor			
11.	Auxiliary power consumption			
12.	Free supply, if any, to employees and office			
13.	Net power generated			
14.	Add power purchased, if any			
15.	Power available for transmission			
16.	Station Heat Rate (KCal/KWH)			
B 1.	Gross fixed assets at the end of the year/period (Rs./Lakhs)			
2.	Net fixed assets at the end of the year/period (Rs./Lakhs)			
3.	Date of commissioning			

II Cost Information:

Serial No.	Particulars	Quantity and calorific value of the fuel used	Rate	Amount	Cost per unit (Rs./KWH)	
			(Rupees per unit)	(Rupees)	Current Year	Previous Year
1.	Material/Fuel cost:					

	(a) Coal (b) Lignite (c) Naphtha / Oil (d) Gas (e) Bagasse (f) Others (specify) (g) Total fuel cost					
2.	Utilities, if any (specify)					
3.	Direct wages and salaries					
4.	Consumable stores and spares					
5.	Repairs and maintenance (a) Building (b) Plant and machinery (c) Others, if any					
6.	Insurance					
7.	Depreciation					
8.	Lease rent, if any					
9.	Ash handling					
10.	Royalty or technical know-how fee, if any (specify)					
11.	Research and development					
12.	Other plant overheads					
13.	Administrative overhead (a) Salaries and wages (b) Others (specify) (c) Total (a+b)					
14.	Total (1 to 13)					
15.	Less: Credits, if any (specify)					
16.	Cost of generation (a) Fixed cost (b) Variable cost					
17.	Selling expenses, if any					
18.	Cost of sales					
19.	Interest and finance					

	charges : (a) for manufacturing activity (b) Others (specify) (c) Sub total					
20.	Total cost of generation (excluding electricity duty and other statutory levies) transferred to Proforma 'D'					
21.	Add : Shortfall in minimum offtake quantity of power by Electricity Board, etc.					
22.	Total (20+21)					
23.	If sold, sales realisation (excluding electricity duty and other statutory levies)					
24.	Margin (23-22)					

Notes:-

- 1.- Separate plantwise/unitwise Proforma shall be prepared for each type of generation viz. Hydro-electric, Thermal, Atomic etc.
- 2.- Separate proforma shall be prepared for the power used for captive consumption, power sold within the country and the power exported. Expenses incurred on export and the incentive earned thereon shall be indicated in the proforma applicable for the quantity produced and exported.
- 3.- Separate proforma shall be prepared in respect of related party transactions referred to in para 21 of Schedule.
- 4.- Cost per unit shall be computed with reference to net units of power generated.
- 5.- Delete items not applicable.

Proforma 'D'

Name of the company :

Name and address of the transmitting unit :

Statement showing the **cost of Transmission/Distribution** during the year/period :

I Quantitative Information:

Serial No.	Particulars	Unit	Current Year	Previous Year
A1.	Installed capacity			
2.	Power received from generating units including purchased, if any			
3.	Loss in transmission/distribution			
4.	Self consumption for employees and office			
5.	Net power transmitted/distributed			
6.	Length of transmission/Distribution lines			
B1.	Gross fixed assets at the end of the year/period (Rs./Lakhs)			
2.	Net fixed assets at the end of the year/period (Rs./Lakhs)			
3.	Date of commissioning			

II Cost Information:

Serial No.	Particulars	Quantity	Rate	Amount	Cost per unit	
			(Rupees per unit)	(Rupees)	Current Year (Rupees)	Previous Year (Rupees)
1.	Cost of power : (a) self generated transferred from Proforma 'C' (b) purchased - (i) Thermal (ii) Hydro-electric (iii) Atomic, etc. (c) sub total					
2.	Utilities, if any (specify)					
3.	Direct wages and					

	salaries					
4.	Consumable stores and spares					
5.	Repairs and maintenance: (a) Sub-station (b) Transmission lines					
6.	Insurance					
7.	Depreciation					
8.	Lease rent, if any					
9.	Royalty or technical know-how fee, if any (specify)					
10.	Research and development					
11.	Other plant overheads					
12.	Administrative overheads : (a) Salaries and wages (b) Others (specify) (c) Sub total (a+b)					
13.	Total (1 to 12)					
14.	Less: Credits, if any (specify)					
15.	Cost of transmission/distribution					
16.	Selling expenses, if any					
17.	Cost of sales					
18.	Interest and finance charges : (a) for manufacturing activity (b) Others (specify) (c) Sub total					
19.	Total cost of transmission/ distribution transferred to Proforma 'E'					
20.	If sold, sales realisation (excluding electricity duty and other statutory levies, if any)					
21.	Margin (20 -19)					
22.	Add: Export benefits and incentives, if any					

23.	Total Margin (21 + 22)					
-----	------------------------	--	--	--	--	--

Notes:-

1. Separate proforma shall be prepared for working out cost of transmission and cost of distribution.
2. Proforma used for working out **cost of transmission** shall be named as D-I and shall be prepared for each major zones/areas.
3. Proforma used for working out **cost of distribution** after suitably modifying the above proforma, shall be named as D-II and shall be prepared voltage-wise for each major zones/areas.
4. Separate proforma shall be prepared for the power used for captive consumption, power sold within the country and the power exported. Expenses incurred on export and the incentive earned thereon shall be indicated in the proforma applicable for the quantity produced and exported.
5. Separate proforma shall be prepared in respect of related party transactions referred to in para 21 of Schedule.
6. If the company enters into a wheeling arrangement for transmission, necessary payment/receipt may be recorded as separate item under this proforma.
7. Delete items not applicable.

Proforma 'E'

Name of the company :

Name and address of the supplying unit :

Statement showing the cost of supply (**consumer servicing and billing, etc.**) during the year/period :

I. Quantitative Information:

Serial Number	Particulars	Current Year		Previous Year	
A1.	Installed capacity				
2.	Power received				
3.	Power supplied :	Number of consumers	Unit	Number of consumers	Unit
	(a) Domestic				
	(b) Commercial				
	(c) Industrial				
	(d) Public Lighting				
	(e) Agriculture				
	(f) Others				
	Total (a to f)				
4.	Losses				
5.	Area covered (square KM)				
B1.	Gross fixed assets at the end of the year/period (Rs./Lakhs)				
2.	Net fixed assets at the end of the year/period (Rs./Lakhs)				
3.	Date of commissioning				

II. Cost Information:

Serial No.	Particulars	Qty	Rate (Rs. per unit)	Amount (Rupees)	Cost per unit	
					Current year (Rupees)	Previous Year (Rupees)
1.	Cost of Power : (a) transferred from Proforma 'D' (b) purchased (c) sub total					
2	Wages and salaries : (a) Maintenance of lines					

	(b) Billing including meter reading					
	(c) Others(specify) Sub total (a to c)					
3	Consumables stores and spares					
4	Servicing and contract work					
5	Insurance					
6	Depreciation					
7	Lease rent, if any					
8	Other supply overheads					
9	Administrative overhead : (a) Salaries and wages (b) Others (specify) (c) Sub total					
10	Total (1 to 8)					
11	Selling expenses					
12	Interest (net of interest on consumer deposits)					
13	Total cost of sales					
14	Sales realization					
15	Margin (14-13)					
16	Average sale realization (a) Domestic (b) Commercial (c) Industrial (d) Public Lighting (e) Agriculture (f) others					

Notes:-

1. Separate proforma shall be prepared voltage-wise for working out cost of supply of major zones/areas.
2. Delete items not applicable.

PROFORMA 'F'

Name of the company :

Statement showing the **allocation/apportionment** of total expenses/ income of the company between activities covered under rule 2 and other activities during the year/period :

Serial No.	Particulars	Total actual expenses	Share applicable to activities covered under rule 2				Share applicable to other activities	Basis of allocation
			Generation	Transmission	Distribution	Supply/billing		
1.	Material/fuel (specify)							
2.	Process materials and chemicals							
3.	Utilities, if any (specify)							
4.	Wages and salaries							
5.	Consumable stores and spares							
6.	Repairs and maintenance							
7.	Insurance							
8.	Depreciation							
9.	Lease rent							
10.	Royalty and technical know-how fee, if any							
11.	Research and development							
12.	Works overheads							
13.	Administrative overheads							
14.	Total (1 to 13) (a) Fixed							

	(b) Variable							
15.	Stock Adjustment, if any							
16.	Less : Credits, if any							
17.	Self Consumption, if any							
18.	Interest Charges							
19.	Selling expenses							
20.	Add : any other expenses not included in cost							
21.	Less : any other income not considered in cost							
22.	Total cost of sales (excluding electricity duty and other statutory levies, if any)							
23.	Sales realisation (excluding electricity duty and other statutory levies, if any)							
24.	Margin (23-22)							
25.	Add : Export benefits and incentives, if any							
26.	Total margin (24+25)							

Notes:-

1. All items of income and expenditure in this Proforma shall be reconciled with the financial accounts for the relevant period/year.
2. Delete items not applicable

F.No.52/13/CAB-2001

(A.Ramaswamy)
Joint Secretary to the Government of India

Foot Note: The principal rules were published vide GSR no. 913 (E), dated the 21st December,2001 and subsequently amended vide:

1. GSR 709(E), dated 7th December, 2005
2. GSR 387 (E) dated 27th June,2006