

[TO BE PUBLISHED IN PART II, SECTION 3, SUB-SECTION (i) OF THE GAZETTE OF INDIA]

Government of India
MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS
(DEPARTMENT OF COMPANY AFFAIRS)

NOTIFICATION

New Delhi, the 24th April, 2001

G.S.R. 276 (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 **(Mining and Metallurgy)** 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 the mining, production, processing or manufacturing activities of any of the products (metals and non-metals, their minerals, ores and alloys) as specified in the **Appendix** to these rules :

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 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 1st day of April, 2001 keep proper books of account containing, inter-alia, the particulars specified in **Schedule I** annexed to these rules and **Proformae A,B,C,D,E and F**, relating to the utilization of materials, labour and other items cost in so far as they are applicable to the mining, production, processing or manufacture of products referred to in rule 2 :

Provided that if the said company is engaged in mining or manufacturing of any other product(s) or is engaged in other activities in addition to mining or manufacturing of products under reference, 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 products under reference.

- (2) The books of accounts 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 mining, cost of production and cost of sales of products under reference, which are mined or manufactured or produced or processed, for every financial year, from the particulars entered therein and every such books of account and the Proformae specified in said Schedule I, shall be completed not later than ninety days from the close of the financial year of the company to which they relate.

(3) The statistical and other records shall be maintained in accordance with the provisions of the Schedule I 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 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.

(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.

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 the provisions of section 209 of the 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.

APPENDIX (See rule 2)

List of products (metals and non-metals, their minerals, ores and alloys) for which the rule shall apply :

1. Uranium
2. Thorium
3. Zirconium
4. Titanium
5. Copper
6. Lead
7. Zinc
8. Nickel
9. Cobalt
10. Chromium
11. Gallium
12. Germanium
13. Platinum
14. Molybdenum

SCHEDULE I [See rule 3]

1. MATERIALS:

(1) The proper records shall be maintained showing separately all receipts, issues and balances both in quantities and cost of each item of raw material required for mining or production of products under reference by way of calcination, oxidation, electrolysis or any other method. Where the company have its own facilities to produce basic raw materials such as minerals from captive mines, ores, electrodes, power, etc., detailed records indicating the break up of raw materials consumed for their production and conversion cost, shall be maintained in such details so as to enable the ascertainment of the cost of these raw materials and intermediates. These

records shall contain such details so as to enable the company to determine the quantity, cost of receipt (including all direct charges upto the works in respect of major raw material), issues and balances in quantity as well as value of each item of all such raw materials. The basis on which said quantities and costs of issue and consumption have been calculated, shall be indicated in the cost records and followed consistently. In the case of imported raw materials, proper records shall be maintained showing FOB value, overseas freight, insurance, customs duty and inland freight charges. If both indigenous 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 raw material, proper records shall 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) The proper records shall be maintained separately showing the receipts, issues and balances both in quantities and cost of each item of process material or chemicals used in the mining or manufacturing of products under reference. The cost shall include all direct charges upto works. The issues or consumption shall be properly identified with the departments, cost centres and products manufactured.

(3) Where the company produces these process materials, separate records showing the cost of production of each such material indicating the break up of material consumed shall be maintained to determine the cost of process material produced. The basis on which the quantities and cost of issues and consumption of such materials produced or raised by the company are calculated, shall be indicated in the cost records and followed consistently.

(4) The proper records shall be maintained indicating the quantity as well as value of the by-products recovered in different processes and having significant value of the cost of input of material. In the case of certain 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 the by-products usable or saleable, as the case may be, adequate records of the cost involved for such further processing shall be maintained. If such processing is done by any outside agency, proper records to show the quantity sent for processing, quantity received back after processing and cost incurred thereon shall be maintained in detail. The net realization, if any, shall be adjusted against the major process relating to such by-product. The basis adopted for determining cost of the by-products shall be on equitable and reasonable basis and applied consistently. The records indicating the actual sales realization of by-products shall also be maintained.

(5) The proper records shall be maintained to show the receipts, issues and balances, both in quantities and cost of each item of consumable stores, other chemicals not covered by sub-rule (2), tools and machinery spares. The cost shall include all direct charges upto works.

(6) In the case of consumable stores and small tools the cost of which are insignificant, the company may, if it so desires, maintain such records for the group of such consumable stores and tools.

(7) The cost of consumption of consumable stores, small tools and machinery spares shall be charged to the relevant cost centre or department on the basis of actual issues.

(8) The proper records shall be maintained showing the quantity and value of wastage, spoilage, rejections and losses of raw materials, process materials, consumable stores whether in transit, storage, manufacture or at any other stage. The method followed for adjusting the above losses as well as the income derived from the disposal of rejected and waste materials including spoilage, if any, in determining the cost of product, shall be indicated in the cost records. Any abnormal wastage or spoilage or rejection shall be indicated distinctly and separately along with

reasons thereof. The records shall also be maintained to indicate the value of raw materials and components, finished and semi-finished, which have not moved for more than twelve months.

(9) Where any credit under Modified Value Added Tax (MODVAT) or any other benefits of the nature of MODVAT credit under the Central Excise Act, 1944 (1 of 1944), are available on any item of material, the cost of such material should be shown after adjusting such credit or benefits.

(10) If any of the materials purchased is processed by an outside party, proper records shall be maintained for the quantity sent for processing, quantity received after processing, by-products received, if any, and the cost involved in processing.

2. SALARIES AND WAGES:

(1) The 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 or department:

- (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) payments to casual or contractual labour;
- (e) bonus or gratuity, statutory as well as other;
- (f) contribution to superannuation scheme;
- (g) any other payment.

(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 cost centrewise or departmentwise with reference to activities related to mining and production activities of products under reference. Where the employees work in such a manner that it is not possible to identify them with any cost centre or department, the labour charges shall be apportioned to the cost centres or departments on equitable and reasonable basis and applied consistently.

(3) The idle labour cost shall be separately recorded under classified headings indicating the reasons therefor. The method followed for accounting of idle time payments in determining the cost of the product 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.

3. SERVICE DEPARTMENT EXPENSES:

The detailed records shall be maintained to indicate expenses incurred in respect of each service department or cost centre like laboratory, welfare, transport etc. These expenses shall be apportioned to other services and production departments on equitable and reasonable basis and applied consistently. Where these services are utilized for other products of the company also, the basis of apportionment of such expenses to mining and production activities of products under reference and to the other products shall be on equitable and reasonable basis and applied consistently.

4. UTILITIES:

(1) Water:- The proper records showing the quantity and cost of treated or cooling water produced and consumed, if any, for the mining and manufacturing of products under reference in different cost centres or departments, shall be maintained. The cost of treated water apportioned to the cost centres or departments concerned shall be on equitable and reasonable basis and applied consistently.

(2) Steam:- Where steam is raised by the company, proper records showing the quantity and cost of steam raised and consumed for the mining and manufacturing of products under reference shall be maintained. The cost of steam apportioned to the cost centres or department concerned shall be on equitable and reasonable basis and applied consistently. Where steam is raised and supplied by any other unit of the company for products under reference, the cost of steam so supplied shall be charged to the products under reference on actual cost basis.

(3) Power: - Where power is purchased, proper records shall be maintained for the units and cost of power consumed for the mining and production of products under reference in different cost centres or departments. Where power is generated by the company itself, adequate records, showing all elements of cost shall be maintained to show the cost of power generated and consumed for products under reference in different cost centres or departments. Records shall also indicate installed capacity, number of units generated, losses and consumption in each cost-centres or departments separately. Where power is generated and supplied by any other unit of the company to the mining and production of products under reference, adequate records shall be maintained to indicate the quantity and cost of power so supplied. The cost of power apportioned to production or manufacture of products under reference in different cost-centres or departments, shall be on equitable and reasonable basis and applied consistently. The records should state clearly the measures taken on conservation of energy and its corresponding impact on unit cost of production.

(4) Other Utilities: - The proper records showing quantity and cost shall be maintained in respect of any other utilities produced or purchased by the company for the production or manufacture of products under reference.

(5) The cost statements for each utility shall be maintained in Proforma `A`.

5. WORKSHOP OR REPAIRS AND MAINTENANCE OR TOOL ROOMS:

(1) The proper records showing the expenditure incurred by the workshop or tool room under different heads and on repairs and maintenance in the various cost centres or departments shall be maintained. The records shall also indicate the basis of charging the workshop or tool room expenses to different cost centres or departments. Where maintenance work is done by direct workers of any production cost centre or department, the wages and salaries of such workers shall be treated as direct expenses of the respective cost centre or department. If the services are utilized for other products also, the manner of charging a share to such products shall be on equitable and reasonable basis and applied consistently. In addition to the above, records shall indicate the amount and also the proportion of closing inventory of stores and spare parts representing items which have not moved for over 24 months.

(2) 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. RELINING OF POTS:

The proper records shall be maintained showing the expenditure incurred in the relining or patching up of pots, where such pots are used in smelter house. The records shall indicate the cost of pot relining mix, pot lining coke, side and bottom lining blocks, collector bars, insulating bricks, wages, sundry supplies and outside services, if any. The records shall also indicate the number of pots relined during the relevant period. The basis of charging such expenses to the products under reference, shall be clearly indicated in the cost records. The details of cost incurred for initial pot lining and starting at the time of commissioning a new smelter or a new set of pots shall be maintained. The cost incurred for re-starting of pots shall also be maintained separately. The treatment of such expenses in costs shall be clearly indicated in the cost records.

7. DEPRECIATION:

The basis on which depreciation is calculated and allocated or apportioned to the various cost centres or departments and absorbed on all products 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 calculated by applying the rates of depreciation prescribed under the provisions of sub-section (2) of Section 205 of the Companies Act, 1956 (1 of 1956), 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 products under reference. 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.

8. OTHER OVERHEADS:

(1) The proper records shall be maintained for the products under reference showing the various items of expenses comprising the other overheads. These expenses shall be analyzed, classified and grouped according to functions, namely, works, administration, selling and distribution.

(2) Where the company is manufacturing other products not 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 other products and the products under reference, 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 residue expenses under the above categories of overheads shall be apportioned on a reasonable and equitable 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 departments and products shall be indicated in the cost records. The records shall be maintained in such a manner as to indicate the details of works, administration, selling and distribution overheads.

9. ROYALTY OR TECHNICAL KNOW-HOW FEE:

The adequate records shall be maintained showing the royalty and/or technical know-how fee including other recurring or non-recurring payments of similar nature, if any, made for the products 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 royalty amount, including lump sum payment, to the products shall be at point of incidence in accordance with the royalty agreement and shall be indicated in the cost records.

10. RESEARCH AND DEVELOPMENT EXPENSES:

(1) The 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 of development of products, existing and new products and processes, development of process of manufacture, existing and new, design and development of new plant facilities and market research for the existing and new products, shall be maintained separately.

(2) The method of charging these expenses to the cost of products under reference and all other 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 the cost of production of products under reference and all other products if any, on equitable and reasonable basis and applied consistently.

(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 products 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 products under reference.

11. SCRAP LOSS AND MELTING LOSS :

The proper records showing the quantity of scrap generated in the cast house while converting basic metal into any marketable form or shape and the materials scrapped on account of sales returns, deterioration due to storage and handling or for any other reasons, shall be maintained. The basis of ascertaining the loss on account of such materials and method of treating the same in determining the cost of products shall be indicated in the cost records and applied consistently. Adequate records shall also be maintained showing the melting loss in the remelting furnace. Adjustment for realisation from dross shall also be indicated in the cost records.

12. QUALITY CONTROL:

The adequate records shall be maintained to indicate the expenses incurred in respect of quality control department or cost centre for products under reference. Where these services are also utilized for other products of the company, the basis of apportionment to products under reference and other products, shall be on equitable and reasonable basis and applied consistently.

13. INTEREST:

The proper records shall be maintained for interest charges paid. The amount of interest shall be allocated or apportioned to the products covered under these rules and other activities on a reasonable and equitable basis and applied consistently. The basis of further charging of the share of the interest to the various types of products under reference shall also be on a reasonable and equitable basis and applied consistently. The basis of such allocation or apportionment shall be spelt out clearly in the cost records or statements.

14. EXPENSES OR INCENTIVES ON EXPORTS:

The proper records showing the expenses incurred on the export sales, if any, of the products under reference shall be separately maintained so that the cost of export sales can be determined correctly. Separate cost statement shall be prepared for products under reference, if exported, giving details of export expenses incurred or incentive earned. In case, duty free imports are made, the cost statements should reflect this fact. If the duty free imports have been made after actual production, the statement should reflect this fact also.

15. PACKING EXPENSES:

(1) The proper records shall be maintained showing the quantity and cost of various packing materials and other expenses incurred on packing for marketing of products under reference. Where such expenses are incurred in common for other products also, the basis of apportioning the expenses between the relevant products shall be on equitable and reasonable basis and applied consistently.

(2) The 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.

16. WORK-IN-PROGRESS AND FINISHED STOCK:

The method followed for determining the cost of work-in-progress and finished stock of the products under reference, shall be indicated in the cost records so as to reveal the cost element that have been taken into account in such computation. The appropriate share of conversion cost upto 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.

17. COST STATEMENTS:

(1) The cost statement showing details of installed capacity, production, wastage, issues and sales and all elements of cost of the current financial year and the previous year shall be prepared for each process adopted in the production of products under reference in Proformae A,B,C,D,E and F.

(2) The product emerging from a process, which forms raw material for a subsequent process, shall be valued at the cost of production up to 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.

18. PRODUCTION RECORDS:

Quantitative records of all finished goods, whether packed or unpacked, showing production, issues for sales and balances of different types of the product under reference shall be maintained.

19. 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 product 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 the other products and the products under reference shall be prepared and reconciled with the financial statement.

20. 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 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 separate heads and analyzed into material, labour, overheads

and further segregated into quantity, price and efficiency variances. The reasons for the variances shall be duly explained in the cost records or statements.

21. STATISTICAL RECORDS:

(1) The records regarding available machine hours or direct labour hours in different production departments and actually utilized shall be maintained for production of products under reference and shortfall suitably analyzed. Suitable records for computation of idle time of machines shall also be maintained and analyzed.

(2) The adequate records shall be maintained to enable the company to identify the capital employed, net fixed assets and working capital separately for the mining or production or manufacture of products under reference and other products or activities not under reference. Fresh investments on fixed assets that have not contributed to the production of products under reference during the relevant period 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) Whenever WTO provisions are attracted, proper 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 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.

22. CAPTIVE CONSUMPTION:

If any of the products under reference is used for captive consumption, proper records shall be maintained showing the quantity and cost of each such product transferred to other departments or units of the company for self-consumption. The rates at which the transfers are effected shall be at cost only.

23. POLLUTION CONTROL:

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

24. HUMAN RESOURCES DEVELOPMENT:

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

[25 INTER-COMPANY TRANSFER:

(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, 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 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 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);

(1) "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."]*

*Inserted vide GSR NO . 744(E) dated 28th September,2001

PROFORMA 'A'

Name of the company :

Name and address of the factory :

Statement showing the cost of **Utilities** like Power, Steam, Water, etc., produced and consumed during the year/period :

A. Quantitative Information:

Serialnumber	Particulars	Current Year (unit)	Previous Year (unit)
1.	Installed capacity		
2.	Quantity produced		
3.	Capacity utilisation		
4.	Quantity recirculated		
5.	Quantity purchased		
6.	Self-consumption including other losses		
7.	Net units consumed		

B. Cost Information :

Serialnumber	Particulars	Quan- tity	Rate (Rupees) per unit	Amount (Rupees)	Cost Per Unit (Rupees)	
					Current Year	Previous Year
A 1.	Materials(specify) (a) (b) (c)					
2.	Utilities (specify) (a) (b) (c)					
3.	Consumable stores and spares					
4.	Salaries and wages					
5.	Repairs and maintenance					
6.	Other overheads					
7.	Depreciation					
8.	Total					
9.	Less:Credit(if any)					
10.	Net Total					

B.	Apportioned to various departments/ cost centres: 1. 2. 3. 4. . . n.					
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Note 1.-Separate cost sheet is to be prepared for each utility as well as effluent treatment.

Note 2.- If any of the utility, which is manufactured by the company, is sold, proper credit should be given in the cost of generation of that utility.

Proforma `B`

Name of the company :

Name and address of the factory :

Statement showing the cost of **Mineral** raised and transported to Ore producing plant during the year/period :

A. Quantitative Information:

Serialnumber	Particulars	In MTs	
		Current Year	Previous Year
1.	Quantity raised		
2.	Quantity rejected, if any		
3.	Net Quantity raised		
4.	Quantity transported to Ore producing plant		
5.	Quantity of overburden removed		

B. Cost Information:

Serial number	Particulars	Amount (Rupees)	Per MT	
			Current Year (Rupees)	Previous Year (Rupees)
1.	Direct wages and salaries			
2.	Utilities (a)Power (b)Others(specify) Total			
3.	Consumable stores and spares			
4.	Depreciation			
5.	Repairs and maintenance			
6.	Royalty			
7.	Other works overhead			
8.	Administrative Overhead (a)Salaries and wages (b)Others(specify) (c) Total(a+b)			
9.	Total cost of raising			
10.	Freight and Transport charges			
11.	Handling expenses			
12.	Total Cost			
13.	Adjustment for difference in the value of opening and closing stock			
14.	Cost of mineral transferred to Proforma 'C'			

Note 1.- Quantity of rejected mineral sold and the amount realized, shall be indicated separately and be deducted from the cost of raising.

Proforma `C`

Name of the company :

Name and address of the factory :

Statement showing the cost of **Ore** (to be specified) produced and sold during the year/period :

A. Quantitative Information:

Serialnumber	Particulars	In MTs	
		Current Year	Previous Year
1.	Installed capacity		
2.	Quantity produced		
3.	Capacity utilization		
4.	Quantity sold (a) Domestic (b) Export		
5.	Quantity transferred to Metal/ Non-metal producing plant for captive consumption		
6.	Closing stock (Ore)		
7.	Opening stock (Ore)		

B. Cost Information:

Serial number	Particulars	Quantity	Rate	Amount	Per MT	
			Rupees per unit	(Rupees)	Current Year (Rupees)	Previous Year (Rupees)
1.	Material cost: (itemwise covering 80% of value) (a) mineral (to be specified) (b) Other process material or chemicals (to be specified) (c) Total(a+b)					
2.	Direct wages and salaries					
3.	Utilities : (a) Power (b) Steam (c) Others(specify) (d) Total(a to c)					
4.	Consumable stores and spares					
5.	Repairs and maintenance					
6.	Effluent treatment expenses					
7.	Technical assistance fees					
8.	Depreciation					
9.	Other works overhead					
10.	Administrative overhead (a) Salaries and wages (b) Others (specify) (c) Total(a+b)					
11.	Total(1 to 10)					

12.	Stock adjustment (Work-in-progress)					
13.	Less: Credit (for wastage and by-products)					
14.	Cost of production of Ore (11 to 13)					
	Cost of Sales					
15.	Packing cost (a)Packing material (b)Direct wages and salaries (c)Other overheads					
16.	Selling and distribution Expenses (a)Salaries and wages (b)Freight and transport charges (c)Commission to selling agents (d)Advertisement expenses (e)royalty (f)Others (g)Total(a to f)					
17.	Interest					
18.	Total cost of sales excluding excise duty (14 to 17)					
19.	Total sales realization Less :(i)excise duty (ii)export incentives					
20.	Margin (19 – 18)					

Note 1.- Separate proforma shall be prepared for the quantity used for captive consumption, quantity sold within the country and the quantity exported. Expenses incurred on export and the incentive earned thereon shall be indicated in the proforma applicable for the quantity produced and exported.

Proforma `D`

Name of the company :

Name and address of the factory :

Statement showing the cost of basic **metal or non metal** produced during the year/period :

A. Quantitative Information:

Serialnumber	Particulars	In MTs	
		Current Year	Previous Year
1.	Installed capacity		
2.	Quantity produced		
3.	Capacity utilization		
4.	Scrap generated		
5.	Scrap as percentage of total production		
6.	Quantity used for captive consumption		
7.	Closing stock (finished goods)		
8.	Opening stock (finished goods)		

B. Cost Information:

Serial number	Particulars	Quantity	Rate	Amount	Per MT	
			Rupees per unit	(Rupees)	Current Year (Rupees)	Previous Year (Rupees)
1.	Material cost : (itemwise covering 80% of value) (a)Ore : (i)Own manufactured (ii)Purchased (b)Others (specify major items)					
2.	Direct wages and salaries					
3.	Utilities (a)Power (b)Furnace oil (c)Others (specify) (d)Total(a to c)					
4.	Relining of pots, where applicable					
5.	Consumable stores and spares					
6.	Depreciation					
7.	Repairs and maintenance					
8.	Technical assistance fees					
9.	Research and development					
10.	Quality control					
11.	Other works overhead					
12.	Administrative overhead (a)Salaries and wages (b)Others (specify) (c) Total(a+b)					
13.	Total(1 to 12)					

14.	Stock adjustment (Work-in-progress)					
15.	Less: Credits (from wastage and by-products)					
16.	Cost of production					
17.	Stock adjustment (finished products)					
18.	Total cost of basic metal/non-metal transferred to Proforma `E`					

Note 1.- If basic metal or non-metal under reference is sold as such without further processing or refining, the cost of sales and sales realisation shall also be shown in detail as illustrated against serial number 19 to 25 in Proforma `E`

Proforma `E`

Name of the company :

Name and address of the factory :

Statement showing the cost of production, cost of sales, sales realisation and margin in respect of each of the **final products** (metals and non metals, their minerals, ores and alloys) produced during the year/period :

A. Quantitative Information:

Serialnumber	Particulars	In MTs	
		Current Year	Previous Year
1.	Installed capacity		
2.	Quantity produced		
3.	Capacity utilization		
4.	Scrap generated		
5.	Scrap as percentage of total production		
6.	Quantity used for captive consumption		
7.	Quantity sold (a)Domestic (b)Export		
8.	Closing stock (finished goods)		
9.	Opening stock (finished goods)		

B. Cost Information:

Serial number	Particulars	Quan- tity	Rate	Amount	Per MT	
			Rupees per unit	(Rupees)	Current Year (Rupees)	Previous Year (Rupees)
1.	Material cost : (itemwise covering 80% of value) (a)Hot metal (b)cold metal (c)Alloying material (d)Scrap charged (e)Others(specify) (f)Less: credit for scrap generated (g)Net material cost					
2.	Direct wages and salaries					
3.	Utilities (a)Power (b)Furnace oil (c)Others (specify) (d)Total(a to c)					
4.	Cost of dies, where applicable					
5.	Consumable stores and spares					
6.	Depreciation					
7.	Repairs and maintenance					
8.	Technical assistance fees					
9.	Research and development					

10.	Quality control					
11.	Other works overhead					
12.	Administrative overhead (a)Salaries and wages (b)Others (specify) (c) Total(a+b)					
13.	Total(1 to 12)					
14.	Stock adjustment (Work-in-progress)					
15.	Less: Credits (from wastage and by-products)					
16.	Cost of production(13 to 15)					
17.	Stock adjustment (finished products)					
18.	Total (16+17)					
19.	Quantity and cost transferred for : (i) captive consumption (ii)sales					
20.	Packing Cost (a)Materials (b)Others					
21.	Selling and distribution Expenses (a)Salaries and wages (b)Freight and transport charges (c)Commission to selling agents (d)Advertisement expenses (e)royalty (f)Other (g)Total(a to f)					
22.	Interest					
23.	Total cost of sales excluding excise duty (19 to 22)					
24.	Total sales realization Less : (i)excise duty (ii)export incentives					
25.	Margin(24 – 23)					

Note 1.- Separate proforma shall be prepared for each product under reference.

Note 2.- Separate proforma shall be prepared for the quantity used for captive consumption, quantity sold within the country and the quantity exported. Expenses incurred on export and the incentive earned thereon shall be indicated in the proforma applicable for the quantity produced and exported.

Proforma `F`

Name of the company :

Name and address of the factory :

Statement showing the total production and **allocation** of total actual expenses and income of the company among various products under reference and other products or activities for the year ending :

A. Production Data:

Serialnumber	Particulars	Current Year	Previous Year	Current Year	Previous Year
		Product 1		Product 2	
1.	Installed capacity				
2.	Budgeted capacity				
3.	Actual production during the year				
4.	Percentage of (3) to(1)				
5.	Percentage of (3) to(2)				

B.Allocation of total expenses and income for the year ending :

Serial number	Particulars	Total actual expenses	Share applicable to other activities not under reference	Share applicable to products under reference activity No.1	Share applicable to products under reference activity No.2 and so on
1.	Raw-material consumed				
2.	Process materials or chemicals consumed				
3.	Packing materials				
4.	Salaries and wages				
5.	Utilities				
6.	Consumable stores and spares				
7.	Depreciation				
8.	Repairs and maintenance				
9.	Royalty				
10.	Research and Development				
11.	Quality control				
12.	Other works overheads				
13.	Administrative Overhead (a)salaries and wages (b)others(specify) (c)total(a+b)				
14.	Total(1 to 13)				
15.	Stock adjustment (Work-in-progress)				
16.	Less: Credits (from wastages)				

	and by-products)				
17.	Cost of production (14 to 16)				
18.	Stock adjustment (finished products)				
19.	Net cost of Production of unpacked finished goods (17+18)				
20.	Less: captive consumption				
21.	Packing cost (a) Materials (b) Others				
22.	Less: captive consumption in packed condition				
23.	Net cost of materials available for sales				
24.	Selling and distribution Expenses (a)Salaries and wages (b)Freight and transport charges (c)Commission to selling agents (d)Advertisement expenses (e)Royalty (f)Others (g)total(a to f)				
25.	Interest				
26.	Total cost of sales excluding excise duty (23 to 25)				
27.	Total sales realization Less: (i)excise duty (ii)export incentives				
28.	Margin(27 – 26)				

Note.- All items of income and expenditure in this proforma shall be reconciled with the financial accounts for the relevant period.

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F.No.52/24/CAB-2000

Foot Note:- The principal Rules were published vide G.S.R. No.276E), dt. 24th March, 2001 and subsequent amended vide:-

1. GSR 744(E) dt. 28th Sept.2001.