

**MINISTRY OF FINANCE AND COMPANY AFFAIRS**  
**(Department of Company Affairs)**

**NOTIFICATION**

New Delhi, the 8<sup>th</sup> October, 2002

**G.S.R. 685 (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 (Plantation Products) Rules, 2002.

(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 production, processing or manufacture of product(s) as specified in the Appendix to these rules:

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

(a) the aggregate value of machinery and plant installed wherein, as on the last date of the preceding financial year, does not exceed limit 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 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 proper books of account relating to utilisation of materials, labour and other items of cost in so far as they are applicable to any of the products referred to Appendix. The books of account, so maintained, shall contain, *inter-alia*, the particulars specified in Schedule 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 product(s) referred to in Appendix, 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 product(s) referred to in the Appendix.

(2) The books of account referred to in sub-rule (1) shall be kept on a regular basis in such a manner as to make it possible to calculate the cost of production and cost of sales of product(s) under reference for every financial year from the particulars entered therein and every such books 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, 2001 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.

**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, be punishable as provided under sub-section (2) of section 642 read with sub-sections (5) and (7) of section 209 of Companies Act, 1956 (1 of 1956).

**Appendix  
(see rule 2)**

List of plantation products for which the rules shall apply.

1. Tea and tea products
2. Coffee and coffee products
3. Other commercial plantation products including seeds thereof.

**SCHEDULE**  
**[see rule 3]**

**1. MATERIALS**

- (1) The proper records shall be maintained showing separately all receipts, issues and balances both in quantities and values of each item of input materials required for production, processing or manufacturing of products referred to in Rule 2. These records shall contain such details so as to enable the company to determine the quantity and cost of receipt (including all direct charges up to Estate/works in respect of materials) issues and balances in quantity as well as value of each item of all such materials used in raising of nursery, clones, plantlets, shade management, cultivation of new sections, re-plantation of the sections, regular maintenance of existing plantation sections and processing of products produced. 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 materials proper records shall be maintained showing FOB value, overseas freight, insurance, customs duty and inland freight charges etc. 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 materials, 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. Proper records shall also be maintained showing the quantity and cost of any material recovered from waste and re-used for producing, processing or manufacture of product(s) referred under rule 2.
- (2) The proper record shall be maintained to show the receipts, issues both in quantity and cost of each item of consumable stores, tools, spares etc. The cost of consumption of consumable stores, small tools and spares etc. shall be charged to relevant cost center or department on the basis of actual issues. In case of consumables stores and tools the value of which are not significant, the company may, if so desires, maintain such records for the main group of such items.
- (3) The proper records shall be maintained showing the quantity and value of wastage, spoilage, rejections and losses of materials, process materials, consumable stores whether in transit, storage, 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, shall be indicated in the cost records.
- (4) The proper records shall also be maintained to indicate the value of materials and components which have not moved for more than twelve months.
- (5) If any of the materials purchased such as green leaves is processed in house or by an outside party, proper records shall be maintained for the quantity purchased and processed in house, quantity sent for processing outside, quantity received after processing, by products received, if any, and the cost involved in processing.
- (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 or receivable on any item of material and/or consumable stores or spares, the cost of such material and/or consumable stores or spares should be shown after adjusting such credit or benefits.

## **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 estate and the work on which they are employed. The records shall also indicate the following separately for each cost centre or estate:
  - (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 earning 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 annexed to these rules. The records may be maintained to book these expenses section-wise under nursery, shade management, immature plantation, and replantation, regular up keep and maintenance of existing plantation and processing or manufacturing of products. Where the employees work in such a manner that it is not possible to identify them with any specific cost centre or product, the labour charges shall be apportioned to the cost centres or products on equitable and reasonable basis and applied consistently.
- (3) The idle labour cost shall be separately recorded under classified headings indicating the reasons therefore. The method of accounting 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. Similarly, payments in the nature of deferred revenue expenditure shall be separately recorded under separate classified headings indicating the reasons therefore. The method followed for accounting of such payments in determining the cost of the product 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 separately recorded under separate heads. The method followed for such cost in determining the cost of products referred to in the Appendix shall be on equitable and reasonable basis, applied consistently and disclosed separately. Subject to the accounting standard or guidelines issued by the Institute of Chartered Accountants of India in this regard, only the termination benefits say in respect of voluntary retirement scheme, which are payable in addition to the normal retirement benefits and 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 detailed records shall be maintained to indicate expenses incurred in respect of major service department or cost centre. These expenses shall be apportioned to other services production and processing departments on equitable and reasonable basis and applied consistently. Where these services are utilised for other products or activities of the company also, the basis of apportionment of such expenses to the

products referred to in the Appendix and to other products or activities shall be on equitable and reasonable basis and applied consistently.

#### **4. UTILITIES:**

- (1) Water - The proper records showing the quantity and cost of water consumed, if any for the production, process, manufacture of product under reference shall be maintained. The cost of water shall be apportioned to the different cost centers or departments concerned 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 production, processing or manufacturing of the product(s) referred to in the Appendix shall be maintained. The cost of steam consumed by various units of the company shall be apportioned on equitable and reasonable basis and applied consistently. Where steam is raised and supplied by any other unit of the company to the referred product, the cost of steam so supplied shall be charged to the referred product on equitable and reasonable basis and applied consistently.
- (3) Power - Where power is purchased, proper records shall be maintained for the units and cost of power consumed for the product(s) under reference in different cost centers or departments. Where the company itself generates power, adequate records showing all elements of cost shall be maintained to show the cost of power generated and consumed for the product(s) under reference in different cost centers or departments.
- (4) Other Utilities - The proper records showing the quantity and cost shall be maintained in respect any other utilities purchased or produced by the company for the production, processing or manufacturing of product(s) under reference, the cost of these utilities shall be apportioned to the product(s) on equitable and reasonable basis and applied consistently. The cost statements of each utility shall be maintained in proforma 'A'.

#### **5. REPAIRS AND MAINTENANCE**

- (1) The proper records showing the expenditure incurred on repairs and maintenance of roads and fencing, drip irrigation systems, buildings and equipment etc in the various sections of estates or cost centers etc shall be maintained. The records shall also indicate the basis of charging such repairs and maintenance expenses to different cost centres or departments.
- (2) The records should indicate the amount and also the proportion of closing inventory 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 along with the basis of allocation of such costs shall also be clearly indicated in cost records.

#### **6. DEVELOPMENT COST OF LANDS, NEW PLANTATION OR RE-PLANTATION:**

- (1) The proper record shall also be maintained for new plantation/re-plantation development. These records shall indicate expenses on manuring, sapling, and plantation, pesticides, weedicides, infilling. These records shall be maintained section wise and year wise.

- (2) The expenses incurred on development of land, and new plantation/re-plantation shall be capitalised or charged off in accordance with the accounting standard/guidelines issued by the Institute of Chartered Accountants of India or other generally accepted accounting principles followed in respective plantation industries.
- (3) In case new plantation or re-plantation yields some crops during its period of immaturity, credit for sale of such crop shall be given to the development costs. The subsidy received from Government or Commodity Board each year till the new planted or replanted section matures shall be credited to the development cost of new plantation or re-plantation subject to accounting standard or guidelines issued by the Institute of Chartered Accountants of India. The net capitalised cost shall be amortised over its useful life beginning for the year in which the plantation/re-plantation becomes mature and gives regular yield of crop. In case leasehold land is developed and the lease period is shorter than the life of plantation, then the net capitalised cost of plantation should be amortised over the remaining lease period.

#### **7. FIXED ASSETS AND DEPRECIATION:**

- (1) The proper and adequate records shall be maintained for assets used for each of the products 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, capitalised cost of plantation or replantation, date of acquisition/ plantation and rate of depreciation. The adequate records shall be maintained to enable the company to identify the capital employed, net fixed assets and working capital separately for the product(s) under reference and other activities or product(s). Fresh investment on fixed assets that have not contributed to the product(s) referred to in the Appendix shall be indicated in the cost record.
- (2) The basis on which depreciation is calculated and allocated or apportioned to various cost centres or departments and absorbed on such 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 section 205 of the Companies Act, 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 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.

#### **8. OTHER OVERHEADS:**

- (1) The proper records shall be maintained for the product(s) under reference showing the various items of expenses comprising the other overheads. These expenses shall be analysed, classified and grouped according to functions, namely, up keep and maintenance of plantation, manufacturing, administration and sales etc.
- (2) Where the company is manufacturing product(s) other than the product(s) 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 product(s) and to other product(s) or 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 and the products shall be indicated in the cost records

#### **9. ROYALTY OR TECHNICAL KNOW-HOW FEE OR LEASING CHARGES:**

- (1) The adequate 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 product(s) 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.
- (2) In the case of leasing arrangements, proper record shall be maintained showing details of terms and conditions, leasing charges paid or payable as well as received or receivable.
- (3) If a lease land is developed and the lease period is shorter than the life of plantation, the period of lease and conditions for future renewals of lease shall be indicated in the record.

#### **10. RESEARCH AND DEVELOPMENT EXPENSES:**

- (1) The proper records showing the details of expenses, if any, incurred by the company on the research and development work related product(s) under reference shall be maintained. Proper records for the contribution to any outside Research and Development organisation to avail of the benefits of research in the augmentation of productivity, quality or value of product should be maintained.
- (2) The method of charging these expenses to the cost of product(s) 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 product(s) under reference and all other products or activities 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:
  - (1) the output or process is clearly defined and the costs attributable to the output or process can be separately identified;
  - (2) the technical feasibility of the output or process has been demonstrated;
  - (3) the management of the enterprise has indicated its intention to produce and market or use the output or process;
  - (4) 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
  - (5) 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 product(s) 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 product(s) under reference.

## **11. EXPENSES OR INCENTIVES ON EXPORTS:**

The proper records showing the expenses incurred on the export sales, if any, of the product(s) under reference shall be separately maintained so that the cost of export sales can be determined correctly. Separate cost statement shall be prepared for product(s) 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.

## **12. TASTING/TESTING (Quality Control)**

- (1) Proper records shall be maintained showing date wise tasting or testing results i.e. quality index of different samples against different grades of product manufactured.
- (2) Detailed records of expenses incurred on expenses on tasting or testing for the whole year shall also be kept so as to assess the over all achievement in terms of quality of product manufactured in the garden.

## **13. PACKAGING AND PACKING**

- (1) Proper records shall be maintained showing the quantity and cost of various packaging materials and other expenses incurred for packaging the product(s) under reference.
- (2) Detailed records of expenses incurred on expenses on export packaging and packing if any, shall also be kept separately and exhibited in the relevant cost statement for exports.

## **14. INTERESTS AND BORROWING COST:**

The proper records shall be maintained for money borrowed separately for each project and/or working capital and interest charges thereon. The amount of interest shall be allocated or apportioned to the product(s) under reference and other products or 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 products 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 borrowing cost incurred on borrowed money or outlays for projects under execution, shall be capitalised for the period up to the date of commencement of commercial activities.

## **15. WORK IN PROGRESS AND FINISHED STOCK:**

The method followed for determining the cost of work in progress and finished stock of the outputs 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 up to the stage of completion shall be taken into account while computing the cost of work in progress. The method adopted for determining the cost of work in progress and finished goods shall be followed consistently.

## **16. COST STATEMENTS**

- (1) The cost statements showing details of total land, cultivated land, production, wastage and sales and all elements of cost of the current financial year and previous year shall be prepared for each product under reference in Proformae A, B, C, D, E and F. The product emerging from a process which forms raw material for a subsequent process, shall be valued at the cost of production upto the previous stage.



- (2) If the company is operating in more than one garden/manufacturing unit, separate cost statements as specified above shall be maintained in respect of each such garden or manufacturing unit.

#### **17. PRODUCTION RECORDS:**

- (1) The detailed records of crop produce from different gardens or estate and purchased from other source, if any, shall be maintained to keep account of produce processed and the conversion factor i.e. ratio of crop produce and finished product(s) manufactured or produced. The records of production shall be in such details that the company is in a position to fill in the relevant proforma or any other proforma thereto applicable. Separate records shall also be maintained for the products sent to outside agencies for curing or processing and charges paid thereof. In case product is graded according to quality or size, complete details shall be maintained for graded products.
- (2) Quantitative records of all finished goods, whether packed or unpacked, showing production, issues for sales and balances of different types of the product(s) under reference shall be maintained.

#### **18. 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 other activities or services shall be prepared in Proforma F and reconciled with the financial statement.

#### **19. 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 products and services under such system. The cost variances shall be shown against the separate heads and analysed into material, labour, and 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 product(s) shall be indicated clearly in the cost records. The reasons for the variances shall be duly explained in the cost records and statements.

#### **20. STATISTICAL RECORDS:**

1. Data regarding productivity and area under different sections namely nursery, re-plantation etc. shall be maintained. Details regarding section wise pruning shall also be maintained.
2. In the case of new projects for product under reference, proper records shall be maintained indicating the funds raised from different sources, their utilisation, stage-wise cost incurred and progress of the project as per the project report. Cost and time over run shall also be analysed with reference to the cost of services/ activity and profitability of the company

3. Whenever World Trade Organisation 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 World Trade Organisation 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. 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 World Trade Organisation regarding anti dumping measures under Article VI of General Agreement on Trade and Tariff 94.

**21. CAPTIVE CONSUMPTION:**

If product(s) under reference are used for captive consumption, proper records shall be maintained showing the quantity and cost of each item of output transferred to other department or units of the company for self-consumption and sold to outside parties separately.

**22. POLLUTION CONTROL:**

The 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.

**23. HUMAN RESOURCES DEVELOPMENT:**

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

**24. INTER COMPANY TRANSACTIONS:**

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

- (a) purchase and sale of raw materials, finished products, process materials, chemicals and rejected goods including scraps, etc;
- (b) utilisation of plant facilities and technical know-how;
- (c) supply of utilities and any other services;
- (d) administrative, technical, managerial and/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 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.

Explanations: - 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, regardless of 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 and/or operating policy decisions of an enterprise, but not control of those policies;

**(e) “an 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) “a 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” means** in relation to an individual, means the spouse, son, daughter, brother, sister, father and mother who may be connected by blood relationships;

**(j) “holding company” means** a company having one or more subsidiaries;

**(k) “subsidiary” means** a subsidiary 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;

**(j) “state-controlled enterprise” means** an enterprise, which is under the control of the Central Government or State Government.

PROFORMA A

Name of the Company:

Name and address of Estate or Works:

Statement showing the cost of Utilities likes (1) Water, (2) Power, (3) Steam generation, (4) Effluent treatment etc. produced or consumed during the year or period.

I Quantitative Information:

Serial Number	Particulars	Unit	Current year	Previous year
1.	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			

II Cost Information:

Serial Number	Particulars	Quantity	Rate per unit(Rs.)	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 Direct Expenses, if any					
8.	Other overheads					
9.	TOTAL					
10.	Less: Credit, if any					
11.	Net Total					
B.	Apportioned to cost centre or activity 1.					

	2. 3. 4.etc.					
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Notes: -

1. Separate cost sheet is to be prepared for each utility.
2. If any of the utilities, which are manufactured by the company, is sold to outside parties, proper credit should be given in the cost of production of the respective utility.
3. The proforma may be modified suitably to incorporate unit specific special features, if any, indicating reasons thereof.
4. Delete items not applicable.

PROFORMA B

Name of the company :  
 Name and address of Estate :  
 Name of the Product:

Statement showing the cost of Nursery raised during year or period :

A. Quantitative Information

Serial No.	Particulars	Unit	Current year	Previous year
1.	Area Under Nursery - Clones :			
2.	Area under Nursery - Seeds :			
3.	Total Area under Nursery :			
4.	Number of plantlets			
	(a) From clones			
	Balance brought forward :			
	Used for plantation:			
	Spoilage or death:			
	Balance carried forward:			
	(b) From seeds			
	Balance brought forward :			
	Used for plantation:			
	Spoilage or death:			
	Balance carried forward:			
	(c) Total plants consumed			

B. Cost Information

Cost Per 100 Plants

Serial Number	Particulars	Quantity (Unit)	Rate (Rs)	Amount (Rs)	Current year (Rs)	Previous year (Rs)
1.	Materials(Please specify major items)					
2.	Utilities (specify)					
3.	Wages & Salaries					
4.	Other Direct Expenses, if any (specify)					
5.	Consumable Stores					
6.	Repairs and Maintenance					
7.	Depreciation					
8.	Other overheads					
9.	Total Cost of Nursery					
10.	Less: Credits, if any					
11.	Net Total (9-10)					

C. Nursery Plants used in

	No. of Plants	Amount
1. Plantation 1 (to be specified)		
2. Plantation 2		
3. Plantation 3		
Total		

Note:

1. Separate statement shall be prepared in respect of each type of plantation.
2. Delete items not applicable.
3. The proforma may be modified suitably to incorporate unit specific special features, if any, indicating reasons thereof.

Proforma 'C'

Name of the company :  
 Name and address of Estate :  
 Name of the Product:

Statement showing the Cost of Development - New plantation, replantation or rejuvenation

Name of Estate or Garden

A. Quantitative Information

Serial No.	Particulars	Unit	Current year	Previous year
1.	Area of land			
2.	Year of plantation			
3.	No. of plants			
4.	Density of plants per hectare			
5.	Plants ratio(Clone:Seed)			
6.	Period of ammortisation			

B. Cost Information

No.	SL.	Particulars	Cumulative balance till date	Amount spent during the year	Total Amount c/f	Amount spent during previous year
1.		Material: (a) Cost of nursery plants(Proforma B) (b) Fertilizer (1) (2)(to be specified) (c) Others (specify)				
2.		Salaries & Wages:				
3.		Consumable stores				
4.		Repairs and Maintenance				
5.		Other direct expenses (specify)				
6.		Depreciation				
7.		Other overheads				
8.		Total Cost (1 to 7) Less credit: (a)subsidy or grant from Government/Board (b)Others(to be specified)				
9.		Net Development Cost				

Notes:

- (1) Separate statement shall be prepared for different development work in respect of each garden/estate.



- (2) Development expenditure incurred for new plantation or re-plantation shall be amortised or capitalised or charged off in accordance with the generally accepted accounting principles followed in respective plantation industries.
- (3) Columns for recording year wise expenditure are illustrative only.
- (4) In case of any other development programme for the estate, which needs capital expenditure, detailed records in suitable proforma may be maintained for compilation of the same to be included in the cost records.
- (5) The proforma may be modified suitably to incorporate unit specific special features, if any, indicating reasons thereof.

## Proforma 'D'

Name of the company :

Name and address of Estate :

Name of the product:

Statement showing the cost for production of \_\_\_\_\_(crop) produced during year or period :

### A. Quantitative Information

SL No	Particulars	Unit	Current Year	Previous Year
1.	Area			
2.	Year of Plantation			
3.	Density of plants per Hectare			
4.	Plantating material used			
5.	Pruning type			
6.	Total quantity produced			
7.	Quantity sold to other units			
8.	Quantity of wastage			
9.	Net Quantity transferred to factory/works (6-7-8)			
10.	No of plucking or tapping days			
11.	No of man days for plucking or tapping			
12.	Plucking average			

### B. Cost Information

SL No	Particulars	Quantity (Unit)	Rate/ Amount	Cost		Per Unit	
				Current Amount	Previous Amount	Current Amount	Previous Amount
			(Rs)	(Rs)	(Rs)	(Rs)	(Rs)
1.	Materials (Major items to be specified)						
2.	Wages and Salaries						
3.	Consumables and Spares						
4.	Other direct expenses(please specify)						
5.	Repair and Maintenance						
6.	Amortisation of cost of development program						
7.	Depreciation						
8.	Quality Control						
9.	Research and Development						
10.	Other Overheads						
11.	Statutory Cess or Levy, if any						
12.	Total Cost						
13.	Less Credit for by-product						
14.	Net Cost of production						

C. Production used in

	Quantity	Rate	Amount
1. Other departments for further processing			
2. Sales to related parties			
3. Other Sales			
Total			

Notes:-

1. This proforma shall be separately filled in respect of all major type of products produced or processed in the garden/estate.
2. If the production is sold without further processing, separate proforma E shall be prepared to compute the Cost of Production or Sales and Margin on such sales.
3. The proforma may be modified suitably to incorporate unit specific special features, if any, indicating reasons thereof.

Proforma E

Name of the company :  
 Name and address of Estate :  
 Name of the Product:

Statement of Cost of product manufactured or sold during the year ending \_\_\_\_ :

**A. Quantitative Information**

SL No	Particulars	Unit	Current Year	Previous Year
1.	Crop produced (as per proforma D)			
2.	Crop purchased or received from other units			
3.	Total crop (1+2)			
4.	Less wastage/driage, if any			
5.	Net Crop ( 3-4)			
6.	Finished product produced			
7.	Less wastage for finished products			
8.	Net finished product (6-7)			
9.	Ratio of 5:8			
10.	Installed capacity of finished goods			
11.	Quantity used for captive consumption			
12.	Quantity sold (a) Domestic (b) Export			
13.	Closing stock			
14.	Opening stock			

**B. Cost Information**

SL. No.	Particulars	Quantity	Rate	Amount	Cost	
					Current year	Previous year
		(Unit)	(Rs)	(Rs)	(Rs)	(Rs)
1.	Crop produced as per proforma D					
2.	Crop Purchased					
3.	Other materials,(specify)					
4.	Total Material Cost(1 to 3)					
5..	Utilities (specify)					
6.	Wages and Salaries					
7.	Processing charges paid					
8.	Other direct expenses, if any					
9.	Consumable stores					
10.	Repair and maintenance					
11.	Depreciation					
12.	Lease rent, if any					
13.	Royalty or technical know-how fee, if any					
14.	Research and Development expenses					
15.	Tasting or Testing expenses (quality control)					
16.	Other Production Overheads					
17.	Cess, if any (specify)					

18.	Administration Overhead (a)Salaries and Wages (b) Labour welfare cost (c) Others(specify) Sub Total					
19.	Total Cost					
20.	Stock adjustment (work in progress)					
21.	Less credit for by-product or wastage					
22.	Net cost of production					
23.	Stock Adjustment (Finished product)					
24.	Packing or Packaging Cost					
25.	Selling and Distribution Overhead (a)Salary and Wages (b)freight and transport (c)Warehousing (d) Commission to agent (e)Advertisement exp Others, specify					
26.	Cost of sales					
27.	Interest and finance charges: (h) for manufacturing activity (i) Others(specify) (j) Sub total					
28.	Total Cost					
29.	Sales Realisation					
30.	Margin(29-28)					
31.	Add: (1) Subsidy or grant from Govt. or Board. (2)Export Benefits and incentives, if any					
32 .	Total Margin(30+31)					

Notes:

1. Separate cost sheet shall be maintained in respect of each main/major type and grade of product, as far as practicable.
2. Input/output ratio for different products shall be indicated separately in the cost sheet.
3. The basis on which cost is apportioned to different grades of product along with their sales realisation shall be indicated in this proforma, as far as practicable.
4. Separate proforma shall be prepared for the quantity sold within the country and quantity exported. Expenses incurred on export and incentive earned thereon shall be indicated in the proforma for quantity produced and exported.
5. The proforma may be modified suitably to incorporate unit specific special features, if any, indicating reasons thereof.
6. Separate proformae shall be prepared in respect of related party transfers as defined under the rules.

PROFORMA 'F'

Name of the company:

Statement showing the allocation or apportionment of total expenses or income of the company between activities covered under Appendix and other activities during the year ending:

Serial No.	Particulars	Total actual expenses	Share applicable to products covered under Appendix			Share applicable to other activities	Basis of allocation
			Plantation	Processing	Others (to be specified)		
1.	Materials & supplies						
2.	Process materials consumed						
3.	Utilities (a) Power (b) Fuel (c) Steam (d) Effluent Treatment (e) Other (specify)						
4.	Direct Salaries and wages						
5.	Consumable Stores and Spares)						
6.	Repairs and Maintenance						
7.	Depreciation						
8.	Transportation Charges						
9.	Quality Control						
10.	Royalty or Technical Know-how/Lease rent						
11.	Research and development						
12.	Works overhead						
13.	Administrative overhead						
14.	Adjustment in difference between opening and closing work in progress						
15.	Less credit for recoveries						
16.	Less self consumption, if any,						
17.	Adjustment in difference between opening and closing stock of finished goods						
18.	Total (1 to 17)						
19.	Packing Expenses						
20.	Interest						
21.	Selling and Distribution						

	expenses						
22.	Any other expenses not included in cost						
23.	Less any other income not considered in cost						
24.	Total cost excluding Excise duty						
25.	Total Sales realisation excluding Excise Duty Add: (1) Subsidy or grant from Govt.or Board. (2)Export Benefits and incentives, if any.						
26.	Margin (25-24)						

Notes: -

- 1) Cost centers are illustrative only.
- 2) All items of income and expenditure in this Proforma shall be reconciled with the financial accounts for the relevant period/year.

[F.No.52/21/CAB-2001]  
RAJIV MEHRISHI, Jt. Secy.