Cost Accounting Records
(Sugar) Rules, 1997
Cost Accounting Records Rules, 1997

MINISTRY OF FINANCE
(Department of Company Affairs)

NOTIFICATION
New Delhi, the 15th July, 1997

G.S.R. 388(E).—In exercise of the powers conferred by sub-section (1) of Section 621, read with clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 (1 of 1956), and in supersession of the notification of Government of India, Ministry of Law, Justice and Company Affairs (Department of Company Affairs) bearing G.S.R. 982(E) dated 4th September, 1974 as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely:

1. Short Title and Commencement- (1) These rules may be called the Cost Accounting Records (Sugar) Rules, 1997.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Application- (1) These rules shall apply to every company engaged in the production or manufacture of Sugar by vacuum pan process and excludes jaggery and khandsari.

(2) The provision of sub-rule (1) shall not apply to a company:

(a) the aggregate value of the machinery and plant installed wherein does not exceed Rupees sixty lakhs as on the last day of the preceding financial year, and for this purpose, the value of any machinery and plant shall be calculated in such manner as may be prescribed by the Central Government in the case of any machinery or plant owned by the company, the cost thereof to the company ; and in the case of hire purchase, the cost thereof in the case of owner of such machinery or plant ; and

(b) the aggregate value of the turnover made by the company from the sale or supply of all its products during the preceding financial year does not exceed Rupees ten crores.

3. Maintenance of Records— (a) Every company to which these rules apply shall, at regular intervals as well as for the financial year commencing on or after the commencement of these rules, keep proper books of account containing, inter-alia, the particulars specified in Schedule I and Schedule II including proformas A, B, C, D, E and F annexed to these rules, relating to the utilisation of materials, labour and other products of cost in so far as they are applicable to the product(s).

Provided that if the said company is manufacturing other product(s) or is engaged in other activities in addition to the product(s), 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).

(b) The books of account referred to in sub-rule (a) 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 the product(s) at regular intervals as well as for the financial year as a whole, from the particulars entered therein and every such books of account and the proforma specified in Schedules annexed to these rules shall be completed not later ninety days from the closing of the financial year of the company to which they relate.

(c) It shall be the duty of every person referred to in sub-section (6), a person having been charged by the person mentioned in the sub section (6) 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 (a) and (b) of this rule in the same manner as the person is liable to maintain accounts required under sub-section (1) of section 209 of the said Act.

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

4. Penalty— If a company contravenes the provisions of rule 3, the company and every person who is in default, including the persons referred to in sub-rule (c) 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 Rupees five hundred and where the contravention is a continuing one with a further fine which may extend to Rupees fifty for every day after the first day during which period such contravention continues.

SCHEDULE I
(see rule 3)

1. Materials— (i) (a) Proper records shall be maintained showing separately all receipts, issues and balances both in quantities and cost of sugar cane procured at the gate and other locations.

These records shall contain such details as to enable the company to determine the quantity, cost of receipt (including all direct charges upto the works) in respect of Sugarcane. The basis on which the said quantities and costs of issue and consumption have been calculated shall be indicated in the cost records and followed consistently.

(ii) (b) Where Sugarcane is grown in farms owned or taken on lease by the company detailed records shall be maintained so as to enable computation of the cost of such sugarcane. The State advisory price controlled rate will be adopted for pricing the sugarcane supplied by the farm to the sugar factory in cost records.

(i) (c) Where raw material other than sugarcane is used for manufacture of sugar, records referred to in (i) (a) shall be maintained for such raw material.

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(i) (d) Proper records shall be maintained for transport of raw material from source of supplies to factory. If company is operating its own transport, or inward transportation of raw materials log books and other records including financial records shall be maintained.

(ii) Proper records shall be maintained indicating the quantity and value of by-product recovered in the different process having significant value say five per cent or above of the cost of input of materials. In the case of by-products recovered, which cannot be reused in the process and are sold or disposed of without further processing, the realisation from such sales shall be recorded and adjusted against the process concerned on a reasonable basis. In case further processing is necessary to make these by-products usable or salable, as the case may be, adequate records of cost involved for such further processing shall be maintained and the net realisation adjusted against the process concerned. The basis adopted for valuation of the by-products shall be equitable and consistent. Records indicating the actual sales realisation of by-products shall also be maintained.

(iii) Proper records shall be maintained to show the receipts, issues and balances, both in quantities and cost of each item of any process material or chemicals, consumable stores, tools and machinery spares. The cost shall include all direct charges up to works.

(iv) In the case of consumable stores and tools the cost of which are insignificant, the company may, if it so desires, maintain such records for such items as a group together.

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

(vi) Proper records shall be maintained showing the quantity and value of wastages, spoilages, rejections and losses of raw materials, process materials, consumable stores, tools and machinery spares. The cost shall include all direct charges up to works.

(vii) Where Modvat is available on any item of material, cost thereof shall be shown at Net of Modvat.

2. Salaries and Wages- (i) Proper records shall be maintained to show the attendance and earnings of all employees of the cost centres/departments and the work on which they are employed. Such records shall contain the salaries & wages pertaining to the season and off season separately. The records shall also indicate the following separately for each cost centre/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) Earnings of casual labour;
(e) Reliance allowance;
(f) The records shall be maintained in such as manner so as to enable the company to furnish necessary particulars under this head in the Proforma of the Schedules II appended to these rules. Where the employees work in such a manner that it is not possible to identify them with any cost centre/department, the labour charges shall be apportioned to the cost centres/departments on equitable basis and applied consistently.

(iii) Idle time 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(s) shall be disclosed in the cost records.

(iv) 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- 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 basis and applied consistently. Where these services are utilised for other products of the company, the basis of apportionment to the product(s) and to the other products shall be equitable and clearly indicated in the records and applied consistently.

4. Utilities- (i) Water: Proper records showing the quantity and cost of treated/cooling water produced and consumed, if any, for the manufacture of the product(s) in different cost centres/departments shall be maintained in such details as may enable the company to furnish the necessary particulars in prescribed proforma of schedule II.

(ii) Steam: Proper records showing the quantity and cost of steam produced and consumed for the manufacture of the product(s) shall be maintained in such detail as may enable the company to furnish the necessary particulars in prescribed proforma of schedule II. The cost of steam consumed by the sugar plant and other units of the company shall be calculated on a reasonable basis and applied consistently. Where steam is produced and supplied by any other unit of the company to the sugar plant, the cost of steam so supplied shall be charged to sugar plant on a reasonable basis and applied consistently.

If bagasse, generated as a by-product, is used as fuel in the production of steam, it should be appropriately valued and accounted.

(iii) Power: (a) Proper records shall be maintained for the quantity and cost of power purchased. When power is generated by the company itself, adequate records shall be maintained to show the cost of power generated and consumed for the production of sugar in different cost centres and departments etc. These records shall be maintained in such detail as may enable the company to furnish the necessary particulars in prescribed proforma of schedule II.

(b) Where power is generated and supplied by any other unit of the company to the sugar plant, adequate records shall be maintained to indicate the quantity and cost of power so supplied. The cost of power allocated to produc-
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section of the product(s) shall be on a reasonable basis and applied consistently...
(iv) Utilities other than water, steam & power: Proper records shall be maintained in respect of any other utilities other than water, steam and power produced or purchased by the company...

5. Workshop/Repairs Maintenance/Tool Rooms - (i) Proper records showing the expenditure incurred by the workshop under different heads and on repairs and maintenance by the various cost centres/departments shall be maintained. The records shall also indicate the basis of charging the workshop/tool room expenses to different cost centres/departments. Where maintenance work is done by direct workers of any production cost centre/department, the wages and salaries of such workers shall be treated as direct expenses of the respective cost centre/department. If the services are utilised for other products also, the manner of charging a share to the product(s) shall be equitable and clearly indicated in records and applied consistently.

(ii) Expenditure on major repair work from which benefit is likely to accrue for more than one financial year shall be shown separately in the cost records indicating the method of accounting in determining the cost with reference to the relevant period...

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

6. Depreciation - The basis on which depreciation is calculated and allocated/apportioned to the various cost centres/departments and absorbed on the products shall be clearly indicated in the cost records. Depreciation chargeable to the different cost centres and departments shall not be less than the amount of depreciation chargeable in accordance with provisions of sub-section (2) of Section 205 of the Companies Act, 1956 (1 of 1956) and shall relate to Plant and Machinery and other fixed assets utilised in such cost centres/departments. In case the amount of depreciation charged in the cost accounts in a financial year is higher than the amount of depreciation chargeable under the aforesaid provisions of the Companies Act, 1956 (1 of 1956), the amount so charged in excess shall be indicated clearly in the cost records. The cost records shall also show the effect of the said excess on the per unit cost of the product(s). The 'cumulative depreciation charged in the cost records against any individual item of asset shall not, however, exceed the original cost of the respective asset...

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

8. Other Overheads - (i) Proper records shall be maintained showing the various items of expenses comprising the other overheads. These expenses shall be analysed, classified and grouped according to functions, viz. Works, administration, selling and distribution...

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

(iii) The details of works, administration, selling and distribution overheads shall be maintained in such a manner so as to enable the company to fill up the necessary particulars in pro forma of schedules if annexed to these rules...

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

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

10. Interest - The amount of interest shall be allocated/apportioned to the products covered by these rules and other activities on a reasonable and equitable basis which shall be followed consistently. The basis of such apportionment shall be spelt out clearly in the cost statements. Basis of further charging of the share of the interest to the various types of such products shall also be reasonable and the same shall be followed consistently...

11. Expenses/Incentives on Export - Proper records showing the expenses incurred on the export sales, if effected, of the product(s) if any shall be separately maintained so that the cost of export sales can be determined correctly. Separate cost statement shall be prepared for products exported giving details of export expenses incurred/incentive earned. If the duty free imports have been made after actual production, the statement should reflect this fact...

12. Captive Consumption - Proper records shall be maintained showing the quantity and cost of product(s) transferred to other departments/units of the company for cap-

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13. Work in Progress and Finished Goods Stock - The method followed for determining the cost of work in progress and finished goods of the product(s), shall be indicated in the cost records so as to reveal the cost elements that have been taken into account in such computation. The appropriate share of conversion cost up to the stage of completion shall be taken into account while computing the cost of work in progress. The method adopted for determining the cost of work in progress and finished goods shall be followed consistently. Records showing the cost of work in progress and the quantities and the cost of finished goods shall be maintained in such details as to enable the company to fill up the particulars in relevant Proforma of the Schedule II annexed to these rules.

14. Work in Progress and Finished Goods Stock - The work in progress and finished goods of the product(s), shall be valued at the cost of production up to the previous stage.

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

15. Cost Statement - (i) 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.

(ii) The product emerging from a process which forms raw material and other expenses incurred for packing the finished products for the marketing of sugar. Where such expenses are incurred in common for other products also, the basis of apportioning the expenses between the relevant products shall be clearly indicated in the cost records and maintained consistently.

16. Production Records - Quantitative records of all finished and packed production, issues for sales and balances of different types of the product(s) produced by the company shall be maintained. The cost of all finished and packed production shall be kept in detail for each type of the product(s) or in the form of control accounts provided the value of the balances according to such control accounts are reconciled periodically at least once in a year with the value of the quantities shown in the quantitative account maintained for each type of the product(s).

17. Reconciliation of Cost and Financial Accounts - (i) Cost records shall be reconciled with the financial books of account for the financial year so as to ensure accuracy. Variations, if any, shall be clearly indicated and explained. The reconciliation shall be done in such a manner that profit of the product(s) can be correctly arrived at and reconciled with the over all profit of the company.

(ii) A statement showing the total expenses incurred and income received by the company under different heads of accounts and the share applicable to the product(s) shall be maintained and reconciled with the financial accounts for the period.

18. 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(s) 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 in the respective Proformae of Schedule II annexed to these rules and analysed into material, labour, overheads and broken up into quantity, price, efficiency, capacity utilisation and shall be made at least quarterly during the financial year. The reason for the variances shall be duly explained in the cost records.

19. Statistical Records - (i) Data regarding available machine hours/direct labour hours in different production departments and actually utilised shall also be maintained and shortfalls suitably analysed. Suitable records for computation of idle time of machines shall be maintained.

(ii) 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) and other activities. Fresh investments on fixed assets that have not contributed to the production during the relevant period, shall be indicated in the cost record. The records shall, in addition show assets added as replacement and that added for increasing existing capacity.

20. 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.

SCHEDULE II
(See Rule 3)

Proforma A

Name of the Company

Location of the Sugar Factory

Statement showing the cost of Treated Water/Effluent Treatment during the year/period ended...

II: 1. Unit: I : Current Previous
   I. Installed Capacity
   2. Production
   3. Purchases
   4. Total produced, and purchased
   5. Consumption

5. No PARTICULAR Quantity Rate per Amount Cost per unit

A. Direct Materials (to be specified)
   (a) Water
   (b) Steam

B. Indirect Materials (to be specified)

C. Commodity Consumable

D. All other expenses involved

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(a) Purchases (Kwh)
(b) Own (Kwh)
(d) Others (specify)

B. Conversion Cost
1. Salaries and Wages
2. Consumable stores/Chemicals
3. Repairs and Maintenance
4. Factory Overheads
5. Administration Overheads
6. Depreciation
Total Conversion Cost (1 to 7)

C. Credit, if any
D. Net Total (Total of Item A plus B less total of items C)
E. Net Transferred/Sold
a) Demineralised Water Plant
b) Steam Generator Plant
c) Captive Power Plant
d) Intermediate Plants (specify)
e) End Product Plants (specify)
f) For non-plant use
g) Others (specify)

Total (As per item D above)

Notes:
1) Separate Cost sheet is to be prepared for each utility as well as effluent treatment.
2) Bonus to employees other than incentive bonus, provision for statutory gratuity or actual amount paid on this account during the period and interest charges on borrowings including debentures shall not be shown in this Proforma.

SCHEDULE II
(See Rule 3)
Proforma 'B'
Name of the Company
Location of the Sugar Factory
Statement showing the cost of steam raised/consumed during the year/period ended

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate per unit (Rs.)</th>
<th>Amount (Rs.)</th>
<th>Cost per tonne of steam raised</th>
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<tbody>
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</table>

1. Capacity of Boiler
2. Production
3. 2 as a percentage of 1

E. Consumed for:
a) Power Generation
b) Manufacturing Dept.
(c) Other service Dept.
d) Others, If any.

Total (as per item D above)

Notes:
1. If the steam is supplied to any other outside party, necessary credit for recoveries shall be given against item C.
2. Bonus to employees other than incentive bonus, provision for statutory gratuity or actual payment of the same during the period and interest charges on borrowed including debenture shall not be shown in this proforma.
3. The rate at which waste heat is evaluated vide item A 3 of this Proforma should be indicated giving details of cost centre from which transferred.
4. If bagasse, generated as a by-product, is used as fuel it should be appropriately valued.

SCHEDULE II
(See Rule 3)
Proforma 'C'
Name of the Company
Location of the Sugar Factory
Statement showing the cost of power generated, purchased and consumed during the year/period ended...
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1. Installed Capacity (KWH)
2. No. of units generated (KWH)
3. No. of units purchased (KWH)
4. Total
5. Self consumption in power house (KWH)
6. Losses (KWH)
7. Net unit consumed (KWH)
8. Percentage of loss to total power generated and purchased
9. Percentage of power generated to installed capacity

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate per unit (Rs)</th>
<th>Amount (Rs)</th>
<th>Cost per unit of power generated/purchased Current Year</th>
<th>Previous Year</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Steam</td>
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<td>(b) Other direct charges (such as Electricity Duty etc.)</td>
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<td>2.</td>
<td>Conversion Cost</td>
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<td>3.</td>
<td>Salaries and Wages</td>
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<td>4.</td>
<td>Consumable Stores/Chemicals</td>
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<td>5.</td>
<td>Repairs and Maintenance</td>
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<td>6.</td>
<td>Factory Overheads</td>
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<td>7.</td>
<td>Administration/Overheads</td>
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<td>8.</td>
<td>Other Expenses, if any</td>
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<td>9.</td>
<td>Depreciation</td>
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<td>10.</td>
<td>Total Conversion Cost (1 to 7)</td>
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<td>C.</td>
<td>Less: (i) Credits for supply to other units of the company</td>
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<td></td>
<td>(ii) Sale to outside parties</td>
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<td>D.</td>
<td>Net cost of power generated (Total of items A plus B less total of item C)</td>
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<td>E.</td>
<td>Purchased power</td>
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<td>F.</td>
<td>Total (D and E)</td>
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<td>G.</td>
<td>Cost per unit (average)</td>
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<td>H.</td>
<td>Consumed in:</td>
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<td>I.</td>
<td>Total (D and E)</td>
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</tbody>
</table>

Schedule II

Name of the Company
Location of the Sugar Factory
Statement showing the cost of sugarcane used for the production of sugar during the year/period ended...

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Tonnes)</th>
<th>% of loss (Figures in Col. 4 as a % of figures in Column 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased</td>
<td>Received</td>
<td>Loss, if any</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

Sugarcane:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Rs)</th>
<th>Rate (Rs)</th>
<th>Amount (Rs)</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
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<td>2.</td>
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</table>

Schedule II (continued)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Tonnes)</th>
<th>% of loss (Figures in Col. 4 as a % of figures in Column 2)</th>
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<td>2.</td>
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<td>4.</td>
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</table>

Notes:
1. Cost per unit of Power generated shall be worked out with reference to net units of power available for use after deducting consumption in the Power House/Own generator and other losses.

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8. Stock adjustments, if any
   Add: Opening stock of Cane
   Less: Closing stock of Cane

9. Cost of Sugarcane transferred to Proforma E

Notes:
1. Cane supplied from own farm shall be charged at State advisory price/contract rate and the profit/loss on farm shall be taken to profit and loss account directly.
2. All expenses relating to own farm shall be excluded from the Proforma.
3. Harvesting expenses are to be shown if cane is purchased ex-field (standing) and the harvesting etc. is done by the company. Charges, if any, recovered from the growers shall be deducted.
4. Transportation charges are to be shown, if raw material is purchased other than factory gate. Charges, if any, recovered shall be deducted.

**SCHEDULE II**

(See Rule 3)

Proforma 'F'

<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>Location of the Sugar Factory</th>
<th>Description of the Sugar Factory</th>
<th>Statement showing the cost of sugar produced during period ended</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Current Capacity</th>
<th>Previous Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugarbeet Tonnage</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>No. of days</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Average sugar content % in cane</th>
<th>Average recovery of sugar in cane</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Quantity of Sugar produced Quincals</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate per unit (Rs.)</th>
<th>Amount (Rs.)</th>
<th>Cost per quintal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current year (Rs.)</th>
<th>Previous year (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Material
   a) Sugarcane/Beet cost
   b) Lime
   c) Sulphur
   d) Others (to be specified)
   e) Total (a+b+c+d)

2. Cane development charges
   a) Salary and Wages
   b) Others (to be specified)
   c) Total (a+b)

3. Consumable Stores
   a) Salaries and Wages
   b) Others (to be specified)
   c) Total (a+b+c)

4. Direct Salaries and Wages
   a) Salaries and Wages
   b) Others (to be specified)
   c) Total (a+b+c)

5. Utilities
   a) Water
   b) Steam
   c) Power
   d) Others (to be specified)

6. Other works overheads
   a) Seasonal
   b) Off Seasonal
   c) Retainer Allowance
   d) Total (a+b+c)

7. Depreciation

8. Administrative overheads

9. Total (1 to 10)

10. Less : realisable value for
   a) Molasses
   b) Begasse
   c) Other recoveries (to be specified)
   d) Total (a+b+c)

11. Adjustment for opening and closing balance of work-in-progress

12. Total cost of naked sugar transferred for packing

Notes:
1. The apportionment of head office expenses and other common overheads to the product in case of multi-product units shall be equitable.
2. The basis on which the realisable value for by-product is determined shall be clearly indicated. Expenditure, if any, incurred for the disposal of the by-products shall be taken into account in arriving at the realisable value.
3. The stock adjustment of this Proforma shall relate to naked sugar only.
4. Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall not be shown in this Proforma.
Location of the Sugar Factory

Statement showing the cost of Sugar sold during the year/period ended

<table>
<thead>
<tr>
<th></th>
<th>Current Year (Quintals)</th>
<th>Previous Year (Quintals)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Quantity packed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Quantity sold</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Quantity used for self consumption by other units</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity</th>
<th>Rate (Rs.)</th>
<th>Total cost (Rs.)</th>
<th>Cost per quintals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

1. (a) Cost of naked sugar
   (b) Packing Cost
      i) Candy bags
      ii) Other packing materials
      iii) Salaries and Wages
      iv) Works Overheads
      v) Depreciation
   Total
   (c) Less: Self Consumption
   (d) Stock adjustments :
      Add : Opening Stock
      Less : Closing Stock
   (e) Net cost of sugar sold

2. Selling and Distribution Expenses
   i) Salaries and Wages
   ii) Commission to selling agents
   iii) Freight and Transport
   iv) Loading and unloading charges
   v) Godown rent

vi) Other expenses

3. Total cost including selling and distribution expenses

4. Interest charges

5. Annual bonus to employees
   a) Statutory Minimum Bonus
   b) Other
   c) Total (a + b)

6. Provision for statutory gratuity

7. Other expenses not included in cost (to be specified)
   Total

8. Less : any other income not considered in costs (items to be specified)

9. Net expenses excluding excise duty

10. Total sales realisation excluding excise duty for quantity sold within the country:
   (a) At levy/control price
   (b) At rates for free sale

11. Margin

Notes:
1. The apportionment of common selling and distribution expenses to the product in the case of multi-product units shall be equitable.
2. Interest charges actually incurred shall only be shown.
3. Bonus to employees other than incentive bonus, provision for statutory gratuity and interest shall be shown separately in this Proforma only.
4. Sales realisation shall be shown separately for each grade of sugar sold.
5. Separate cost statements under this proforma shall be maintained in respect of Sugar exported wherein expenses incurred on exports and incentive earned thereon shall also be shown.

R. O. (inbl. Jt. Secy)