SECTION IV

COST ACCOUNTING RECORDS (PAPER) RULES, 1975
(As amended upto June, 2004)

Ministry of Law, Justice & Company Affairs
(Department of Company Affairs)

NOTIFICATION

New Delhi, the 31st December, 1975

G.S.R. 601 (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. \textbf{Short Title and Commencement} – These rules may be called the Cost Accounting Records (Paper) Rules 1975.

2. They shall come into force on 1st day of January, 1976.

\textbf{Application} – They shall apply to every company engaged in the production, processing or manufacturing of paper used for the purpose of printing, writing or wrapping, newsprint, paper board and exercise note books of companies manufacturing paper excepting those companies falling under the category of Small Scale Industrial units.

\textbf{Explaination} – For the purpose of this rule, the expression “small scale Industrial Undertaking” means a company –

(a) the aggregate value of the machinery and plant does not exceed the limit as specified for a small scale industrial undertaking under the Industries (Development and Regulation) Act 1951 (65 of 1951), as on the last date of the preceding financial year; and \[1\]

(b) \[ the aggregate value of the realization made by the company from the sale or supply of all its products during the preceding financial year does not exceed ten crore rupees.]\[2\]

3. \textbf{Maintenance of Records –}

(1) Every company to which these rules apply shall, in respect of each of it’s financial year commencing on or after commencement of these rules, keep proper books of accounts containing interalia the particulars specified in Schedule I & II annexed to these rules relating to the utilization of materials, labour and other items of cost in so far as these are applicable to the types of paper and paper products referred to in rule 2.

\[1\] Substituted by GSR No. 440 (E) dated 3rd August, 1998
\[2\] Inserted by GSR No. 316 (E) dated 24th March, 1993
Provided that if the said company is manufacturing any other product or is engaged in any other activities in addition to the manufacture to any of the articles referred to in rule 2, the particulars relating to the 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 paper and paper products referred to in rule 2.

(2) The books of accounts referred to in sub-rule (1) shall be kept in such a way as to make it possible to calculate the cost of production and cost of sales of each type of paper and paper products referred to in rule (2) during a financial year (herein after referred to as the relevant period) from the particulars entered therein and every such books of account and the proforma specified in Schedule II shall be completed within ninety days from the end of the financial year of the company to which they relate.

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

3 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 (3) 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 hundred rupees and where the contravention is a continuing one, with a further fine which may extend to fifty rupees for every day after the first day during which such contravention continues.

SCHEDULE I

(See Rule 3)

I. Materials :

(a) Raw materials :

(i) Proper records shall be maintained showing separately the quantity and cost of bamboos, wood, bagasse, grass, rags, paper cuttings procured from different sources. Where bamboo or wood is grown in forests owned or taken on lease by the company and collection is made by departmental operations or by contract, detailed records shall be maintained in a suitable proforma so as to enable computation of the cost of such bamboo or wood. As green bamboo or wood contains some moisture, records of receipts shall be maintained both in green weight as well as in Air Dry weight which may be obtained after deducting standard or average or actual moisture contents of such bamboo or wood. Monthly reconciliation of the Green weight and Air Dry weight or Bone Dry weight of bamboo or wood shall be effected. Records regarding issue and balance of bamboo or wood shall be maintained in Air Dry or Bone Dry weight only.

3 Added by Government Notification No. GSR 787 dated 3rd June 1977 in place of “Shall be punishable”
(ii) Where bagasse and various types of grasses are used as raw materials for the production of paper, records of quantity shall be maintained taking into account the moisture content at the receipt point and the cost of procurement thereof including direct charges from different sources either through contractors or departmentally operated farms shall be maintained on the lines similar to those of bamboo or wood.

(iii) If any other raw material such as rags or paper cuttings are used for the manufacture of paper, proper records showing separately the quantity and cost of receipts including all direct charges such as freight or octroi incurred up to works, issues and balances shall be maintained as may enable the company to fill up the particulars in Proforma ‘C’ of Schedule II or in any form as near thereto as practicable.

(iv) In cases, where pulp is purchased for production of paper, proper records shall be maintained to arrive at the cost of pulp inclusive of all direct charges such as freight or octroi, incurred up to works.

(v) Proper records shall be maintained to show the tonnage and cost of chemical and mechanical pulp separately. If actual weight is not possible the basis of determining the weight of pulp produced shall be stated clearly in the records. The records should also indicate the proportion of different kinds of pulp like chemical and mechanical utilized for the manufacture of different types of paper.

(b) **Process Materials**

Proper records shall be maintained to show the receipts, issues and balances both in quantities and cost of each item of process materials such as Sulphur, Sodium Sulphate, Chlorine, Caustic Solid, Caustic Liquid, Alum and Dyes. The costs shall include all direct charges up to the works wherever specifically incurred. The issues shall be properly identified with departments, cost centers and products manufactured as far as practicable. Where the process materials are produced by the company, separate records showing the cost of manufacture of such materials indicating the break-up of raw materials consumed for their production and conversion cost shall be maintained in such details as may enable the company to determine the cost of such process materials produced. In case, Caustic Soda is manufactured proper records as prescribed in the Cost Accounting Records (Caustic Soda) Rules, 1967 shall be maintained to arrive at the cost of Caustic Soda.

(c) **Recoveries of Process Chemicals**

Proper records shall be maintained indicating the quantity of the chemicals recovered in the different processes. In the case of certain chemicals thus recovered which cannot be used back in the process or disposed off without further processing, adequate records of cost involved for such further processing shall be maintained.

(d) **Consumable Stores, Small Tools, Machinery Spares etc.**

(i) Proper records shall be maintained to show the receipts, issues and balances both in quantities and cost of each item of consumable stores, small tools and machinery spares. The costs shown shall include all direct charges up to works, wherever specifically incurred.
(ii) In case of consumable stores and small tools, the costs of which are insignificant, the company may, if so desires, maintain such records for the main groups of such items.

(iii) The cost of issues of consumable stores, small tools and machinery spares, shall be charged to the relevant heads of accounts such as repairs to plant and machinery, repairs to buildings. Material consumed on capital works such as addition to buildings, plant and machinery and other assets shall be shown under the relevant capital heads.

(e) **Wastages, Spoilages, rejections, losses etc. of materials:**

Proper records shall be maintained showing the quantity and cost of wastages, spoilages, rejections and losses of raw materials, process materials, consumable stores, small tools and machinery spares, whether in transit, storage, manufacture or for any other reason. The methods followed for adjusting the above losses as well as the income derived from the disposal of rejected and waste materials including scrap, if any, shall be indicated in the cost records.

II **Salaries and Wages:**

(a) Proper records shall be maintained to show the attendance and earnings of all employees and the departments or cost centers and the work on which they are employed. The records shall also indicate separately:

(i) Overtime wages earned
(ii) Piece rate wages earned
(iii) Incentive wages earned, either individually or collectively as production bonus or under any other scheme based on output
(iv) Earning of casual labour

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

(c) Any salaries and wages allocable to capital works such as additions or heavy repair works to plant and machinery, buildings or on any other fixed assets shall be accounted for under the relevant capital heads.

III **Service Departments Expenses:**

Detailed records shall be maintained to indicate expenses incurred for each service department or cost center. These expenses shall be apportioned to other services and production departments on an equitable basis and applied consistently.

IV. **Power, Fuel & Other Services:**

(a) **Water:** Proper records showing the quantity and cost of the water treated and consumed for the manufacture of paper in different departments or cost centers shall be maintained in such a manner to enable the company to furnish the necessary particulars in Annexure I to this Schedule. The cost of water allocated shall be on a reasonable basis and applied consistently.
Steam:

Where steam is raised by the Paper Mill of the company, proper records showing the quantity and cost of steam raised and consumed for the production of paper in different departments or cost centers shall be maintained in such detail as may enable the company to furnish the necessary particulars in Annexure II to this Schedule. Proper records shall be maintained to show the quantity and cost of the steam purchased. The cost of the steam consumed by the paper mill and other units of the company shall be calculated on a reasonable basis and to be applied consistently. Where steam is generated and supplied by any other unit of the company to paper mill, the cost of the steam so supplied shall be charged on a reasonable basis and applied consistently.

Power:

When power is generated by the paper mill of the company, proper records showing the quantity and cost of power generated and consumed for the production of paper in different departments or cost centers shall be maintained in such details as may enable the company to furnish the necessary particulars in Annexure III to this Schedule. Proper records shall also be maintained to show the quantity and cost of power purchased. Where power is generated and supplied by any other unit of the company to the paper mill, adequate records shall be maintained for the quantity and cost of power so supplied. The rate charged by the unit shall be on a reasonable basis. Necessary records shall also be maintained to show the consumption of power by various departments or cost centers. The cost of power allocated to production shall be on a reasonable basis and applied consistently.

V. Workshop / Repairs and Maintenance:

Proper records showing the expenditure incurred by the workshop under different heads and on repairs and maintenance by the various departments and cost centers shall be maintained. The records shall also indicate the basis of charging the workshop expenses to different departments and cost centers. Expenditure on major repair works from which benefit is likely to accrue for more than one financial year shall be shown separately in the cost records indicating the method of its accounting in determining the cost of paper manufactured during the relevant period. Expenditure incurred on work of capital nature shall be capitalize. The cost of such jobs shall include the expenditure on material, labour and a share of the overheads. The jobs carried out by the workshop of any other unit of the company for the paper mill and vice versa shall be charged or credited on a reasonable basis and applied consistently.

VI. Depreciation:

Proper records shall be maintained showing the cost and other particulars of fixed assets in respect of which depreciation is to be provided. These records shall inter alia indicate the cost of each item of asset including installation charges if any, the date of its acquisition, the date of installation and the rate of depreciation. In respect of these assets, the original cost of acquisition of which cannot be ascertained without an unreasonable expenditure or delay, the valuation shown in the books on the first day of the financial
year beginning on or after the commencement of these rules shall be taken as opening balance.

(b) The basis on which depreciation is calculated and allocated to the various departments and cost centers and to the products shall be clearly indicated in the records. Depreciation chargeable to the different departments and cost centers shall not be less than the amount of depreciation chargeable in accordance with the 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 utilized in such departments and cost centers. In case the amount of depreciation charged in the cost records in any financial year is higher than the amount of depreciation chargeable under aforesaid provisions of the Companies Act, the amount so charged in excess shall be indicated clearly in the cost records. The cumulative depreciation charged in the cost records against any individual item of the assets shall not, however, exceed the original cost of the respective asset.

VII. Overheads:

Proper records shall be maintained showing the various items of expenses comprising overheads. These expenses shall be analyzed, classified and grouped into works, administration and selling and distribution overheads. Where the company is engaged in the manufacture of any other products in addition to paper the records shall clearly indicate the basis followed for apportionment of the common overheads including head office expenses of the company to the production of paper and other activities. Overheads allocable to capital works shall be indicated separately in the cost records. The method followed for the levy and absorption of the above categories of overheads to the products shall be indicated in the cost records. The basis followed for levy and absorption of the overheads shall be equitable and applied consistently.

VIII. Expenses on Export:

Records showing the expenses incurred on export of paper, if any, shall be separately maintained, so that the cost of export sales can be determined correctly. The expenses incurred on export, as well as any export incentive earned shall be reflected in the cost statement relating to export sales.

IX. By-Products:

Proper records shall be maintained for each item of by-products produced showing receipts, issues and balances both in quantity and value. The basis adopted for valuation of by-products shall be equitable and consistent. Records indicating the actual sales realization of by-products shall be maintained.

X. Paper Products transferred for Self-Consumption:
Proper records shall be maintained showing the quantity and cost of each item of paper products transferred to another department or unit of the company for self consumption. The rates at which such transfers are effected shall be disclosed in the cost records.

XI. Packings:
Proper records shall be maintained showing the quantities and costs of various packing materials such as wrapper, wire, jute strings, gum tapes, wooden plugs, paper rewinder core, kraft paper wrapper, card board boxes and wooden boxes and for wages and other expenses incurred in respect of different types of paper and paper products. Where the expenses are incurred in common, the basis of apportioning such expenses amongst different types of paper and paper products shall be equitable and clearly indicated in the cost records and applied consistently.

Detailed records of the expenses incurred on export packing shall also be kept separately and exhibited in the relevant cost statements for exports.

XII. Work-in-progress and Finished Goods:
The method followed for determining the cost of work-in-progress and finished goods stock shall be indicated in the cost records so as to reveal the cost elements that have been taken into account in such computation. The method adopted shall be followed consistently.

XIII. Cost Statements:
(a) Cost of Chips – The cost of chips manufactured from bamboos and wood by the company shall be separately calculated and shown in Proforma ‘B’ or in a proforma as near thereto as may be possible under the relevant items of cost. If the cost of such chips is calculated otherwise than on the basis of actuals, the methods by which such costs are calculated as well as the method of reconciling such costs with actual costs and the method of dealing with variations, if any, shall be disclosed in the cost records or indicated by way of footnotes, explanatory notes or in any other suitable manner.

(b) Cost of pulp – The cost of different kinds of pulp required for the various types of papers shall be calculated separately and shown in Proforma ‘C’, ‘C-I’, ‘D’ or in the proforma as near thereto as may be possible under the relevant items of cost. If the cost of each of the different kinds of pulp manufactured is determined otherwise than on the basis of actuals the method by which such costs are calculated as well as the method of reconciling such costs with actuals and the method of dealing with variations, if any, shall be disclosed in the cost records or indicated by way of footnotes, explanatory notes or in other suitable manner.

(c) Cost of Paper – The cost of different types of paper manufactured by the company shall be in accordance with the major and sub-product code for paper and paper board prescribed by the Directorate General of Technical Development from time to time and shall be

1 Substituted by Government Notification No. GSR 1528 dated 18th December, 1979
calculated separately in respect of paper or paper board of various densities, that is, grammes per square meter (hereinafter referred as G.S.M.) of the paper manufactured and shown in proforma – E of Schedule II or in proforma as near thereto as may be possible, under the relevant items of cost. In case, it is not practicable to furnish separate cost sheets for the individual G.S.M.s under each sub-code of paper, the same may be furnished within a group of 20 G.S.M. namely 1 to 20 G.S.M., 21 to 40 G.S.M., 41 to 60 G.S.M. and so on.\(^1\) If the costs under the different items are determined otherwise than on the basis of actuals, the method by which such costs are calculated as well as the method of reconciling such costs with actuals and the method of dealing with variations, if any, shall be disclosed in the cost records or indicated by way of footnotes, explanatory notes or in other suitable manner. The cost of different types of paper, packed and sold, shall be calculated separately and shown in Proforma ‘F’ or in a proforma as near thereto as may be possible. Exports of paper, if any, shall be exhibited in separate cost statements and the same excluded from the cost statements of paper sold in the internal market.

(d) In the case of companies where the paper produced is further processed to manufacture exercise note books by the printing and binding presses belonging to the companies, the cost of different kinds of note books thus manufactured by the company shall be calculated separately and shown in Proforma ‘G’ of Schedule II or in a proforma as near thereto as practicable

XIV. Production Records:

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

XV. Reconciliation of Cost and Financial Accounts:

The cost records shall be reconciled periodically with the financial books of accounts so as to ensure accuracy. Variations if any, shall be clearly indicated and explained. The period for which such reconciliation is effected shall not exceed the period of the financial year of the company. The reconciliation shall be done in such a manner that the profitability of the production of paper can be correctly adjusted and reconciled with the overall profits of the company. A statement showing the total expenses incurred and the incomes received by the company and the share applicable to production of paper shall be maintained in Proforma ‘H’ duly reconciled with the financial accounts.

XVI. Adjustments of Cost Variances:

Where the company maintains cost records on any basis other than actuals, such as
standard costing, the records shall indicate the procedures followed by the company in working out the cost of the product under such procedures. The method followed for adjusting the cost variances between the actuals and the figures adopted by the company for determining the actual cost of the product shall be indicated clearly in the cost records. The cost variance shall be shown against item 9 of the Proforma ‘E’ of Schedule II. The reasons for the variance shall be indicated in detail in the cost records.

**XVII. Records of Physical Verification :**

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

**[ XVIII. 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) utilisation of plant facilities and technical know-how;

   (c) supply of utilities and any other services;

   (d) administrative, technical, managerial or any other consultancy services;

   (e) purchase and sale of capital goods including plant and machinery;

   (f) any other 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 intermediate, control, or are controlled by, or are under common control with, the reporting enterprises (this includes holding companies, subsidiaries and fellow subsidiaries);

   (b) associates and joint ventures of the reporting enterprises and the investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture;

   (c) individuals owing, 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 of 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 relationship”:-

(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” means parties who are considered to be related 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 transfer of resources or obligations between related parties, whether or not a price is charged;

(c) “Control” means

(i) ownership, directly or indirectly, of more than one half of the voting power of an enterprise; or

(ii) control of the composition of the Board of Directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise; or

(iii) a substantial interest in voting power and the power to direct, by statute or agreement, the financial and/ or operating policies of the enterprise.

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

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

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

(g) “Joint control” means the contractually agreed sharing of power to govern the financial and operating policies of an economic activity so as to obtain benefits from it;

(h) “Key management personnel” means those persons who have the authority and responsibility for planning, directing and controlling the activities of the reporting enterprise;

(i) “Relative” - in relation to an individual, means the spouse, son, daughter, brother, sister, father and mother who may be connected by blood relationship;

(j) “Holding company” means a holding company within the meaning of Section 4 of the Companies Act, 1956 (1 of 1956);

(k) “Subsidiary” means a subsidiary company within the meaning of Section 4 of the Companies Act, 1956 (1 of 1956);

(l) “Fellow subsidiary” means a company is said to be a fellow subsidiary of another company if both are subsidiaries of the same holding company;

(m) “State-controlled enterprise” means an enterprise which is under the control of the Central Government or a State Government”*\

XIX. Statistical Records:

Statistical data such as available machine hours, actual machine hours worked with reasons for stoppages under classified headings, yield percentage of pulp for the various raw materials input, yield percentage of paper to the input of various pulps, production per machine hours, efficiency of caustic soda recovery plant, consumption of chemicals per ton of output of paper, losses in cutting and finishing of paper, consumption of bleaching liquid per tonne of paper, consumption of loading and sizing materials per tonne of paper shall be maintained at least on a monthly basis. Such records will enable the company to identify, as far as possible, the capital employed for the production of paper shall also be maintained. The records shall also show fresh investments on fixed assets that have

* Inserted by Notification No. GSR 722 (E) dated 28th September, 2001
ANNEXURE I

Name of the Company ............................................................................................................

Name & address of Paper Mill .................................................................................................

**Statement showing the Cost of Water treated / consumed during the year ending** ... 

Quantity of Water treated .................................................................

Cost per kilo litre of water treated ..............................................

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Unit</th>
<th>Rate (Rs.)</th>
<th>Quantity</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td></td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
</tbody>
</table>

1. Water Royalty
2. Chemicals :
   (a) Chlorine
   (b) Calcium Hypochloride
   (c) Alum
   (d) Bleaching Powder
   (e) Sodium Aluminate
   (f) Lime
3. Stores
4. Power
5. Salaries & Wages
6. Repairs & Maintenance
7. Overheads
8. Depreciation

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Total

9. Less credits, if any

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10. Net Total
<table>
<thead>
<tr>
<th>Consumption for :</th>
<th>No. of units</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Steam</td>
<td></td>
<td></td>
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<tr>
<td>(ii) Power</td>
<td></td>
<td></td>
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<tr>
<td>(iii) Digester Plant</td>
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<td></td>
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<tr>
<td>(iv) Recovery Plant</td>
<td></td>
<td></td>
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<tr>
<td>(v) Unbleached Chemical pulp</td>
<td></td>
<td></td>
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<tr>
<td>(vi) Mechanical Pulp</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(vii) Bleaching Plant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(viii) Paper Plant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ix) Caustic soda and Chlorine Plant</td>
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<td></td>
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<tr>
<td>(x) .................</td>
<td></td>
<td></td>
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<tr>
<td>(xi) .................</td>
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</tbody>
</table>

Notes:

1. If the treated water is supplied to any other outside party, necessary credits for recoveries made shall be given against item (9).
2. Where meters are not installed, consumption of treated water shall be assessed on reasonable basis and applied consistently.
3. Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proforma F, G & H only.
ANNEXURE II

Name of the Company .................................................................
Name & address of Paper Mill .....................................................

Statement showing the Cost of Steam raised and consumed during the
year ending .................................................................

Quantity of Steam raised ....................................................... Tonnes
Cost per ton of Steam raised ..................................................

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate (Rs.)</th>
<th>Amount (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>1. Water (As per Annexure I)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2. Fuel:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Coal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Fuel Oil</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>(c) Electricity</td>
<td></td>
<td></td>
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<tr>
<td>(d) Other fuels, if any (to be specified)</td>
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<tr>
<td>3. Other Direct expenses (Such as Boiler Inspection fees)</td>
<td></td>
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<tr>
<td>4. Consumable Stores</td>
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<tr>
<td>5. Salaries &amp; Wages</td>
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<td>6. Repairs &amp; Maintenance</td>
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<tr>
<td>7. Other Overheads</td>
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<tr>
<td>8. Depreciation</td>
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<tr>
<td>Total</td>
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<tr>
<td>9. Less:</td>
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<td></td>
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<tr>
<td>(a) Cost of live steam used by Power House for generating electricity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Others units of the company</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>10. Quantity and cost of live Steam</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Consumed in:

<table>
<thead>
<tr>
<th>Units</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) E.B. plant</td>
<td></td>
</tr>
<tr>
<td>(ii) Pulp Mill</td>
<td></td>
</tr>
<tr>
<td>(iii) Size Preparation</td>
<td></td>
</tr>
<tr>
<td>(iv) Stock Preparation</td>
<td></td>
</tr>
<tr>
<td>(v) Paper Mills</td>
<td></td>
</tr>
<tr>
<td>(vi) .........................</td>
<td></td>
</tr>
<tr>
<td>(vi) .........................</td>
<td></td>
</tr>
</tbody>
</table>

### Notes:

1. If the steam is supplied to any other outside party, necessary credit for recoveries made shall be given against item 9.

2. Where meters are not installed, consumption of steam shall be assessed on reasonable basis and applied consistently.

3. Bonus to employees, other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proformae ‘F’, ‘G’ and ‘H’.
ANNEXURE III

Name of the Company ........................................................................................................
Name & address of Paper Mill ...........................................................................................

Statement showing the Cost of Power generated/purchased and consumed during the year ending ............................

Number of Units generated : ........................................................................................ KWH
Number of units purchased : ...................................................................................... KWH
Consumption in power house incl. other losses : .................................. KWH
Net units consumed : .................................................................................. KWH

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate (Rs.)</th>
<th>Amount (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
</tbody>
</table>

A.1 (a) Steam (as per Ann. II / Purchased)

(b) Other materials (if any, to be specified)

2. Consumable Stores

3. Other direct charges (such as Electricity duty, etc.)

4. Salaries & Wages

5. Repairs & Maintenance

6. Overheads

7. Depreciation

8. Less: Total credits for other units

9. Net Cost of generation

B. Power purchased

Total (A+B)

Cost per Unit
<table>
<thead>
<tr>
<th>Consumed in</th>
<th>Quantity</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Water treatment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Steam generation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iii) Lime Bleach plant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iv) Recovery plant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(v) Brown pulp plant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(vi) Bleach pulp plant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(vii) Paper Mills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(viii) Finishing department</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ix) .....................</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

1. Cost per unit shall be worked out with reference to the net units of power available for use after deducting consumption in the power house and other losses.
2. Where meters are not installed, consumption of power shall be assessed on a reasonable basis and applied consistently.
3. Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proforma ‘F’, ‘G’ and ‘H’ only and not in any other proforma.
4. Realization, if any, by sale of power to outside parties etc. shall be shown separately against item 8.
ANNEXURE IV

Name of the Company .................................................................
Name & address of Paper Mill .........................................................

Statement showing the Cost of Chemical Recovery
during the year ending ........................................

Chemical Recovered .......................................................... MT.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate (Rs.)</th>
<th>Amount (Rs.)</th>
<th>Cost per tonne (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td></td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>1. Chemicals:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Sodium Sulphate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Salt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Salt Cake</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(d) Liquid Caustic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(e) Cream Caustic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(f) Lime/Carbide sludge</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(g) Caustic Soda</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(h) Hydrochloric acid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Sulphur</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(j) Soda ash</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Salaries &amp; Wages</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Power and other services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Power</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Steam</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Water</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(d) Furnace Oil</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(e)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Consumable Stores</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>5. Repairs &amp; Maintenance</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>6. Works Overheads</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>7. Depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Less: Steam Generated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Net Cost</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Caustic Recovered
Stock Account:

Opening Balance
Production
Consumption in process
Closing balance

Notes:

(1) Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall not be shown in proformae F, G and H only and not in any other Proforma.

(2) In the absence of any other suitable method for assessing the cost of steam produced in the recovery process for which credit is to be given, the rate per unit of the steam may be adopted as that of the steam generated in the Boiler House as per Annexure II.
SCHEDULE II
(See Rule 3)

Proforma ‘A’

Name of the Company ........................................................................................................

Name & address of Paper Mill ...........................................................................................

Statement showing the Cost of Bamboo/ Wood/ Bagasse/ Grass/ Straw
used for the production of Paper during the year ending .......................

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate (Rs.)</th>
<th>Amount (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
</tbody>
</table>

A. Purchases:
1. (a) Total bamboo/wood/grass/straw/bagasse purchased
2. Other incidental Charges:
   (a) Commission paid
   (b) Loading & Unloading
   (c) Taxes & Levies
      (i) Octroi
      (ii) Other levies
   (d) Transportation charges:
      (i) By road
      (ii) By Rail
3. Other expenses, if any, not covered under items above

Total ‘A’ for the net quantity at factory gate in respect of purchased wood/bamboo etc.

B. In respect of bamboo/wood/grass/straw procured from own forest and leased forest:
1. Opening balance in the forest
2. Procurement during the year and the related expenses as under:
   (i) Royalty
   (ii) Cutting
   (iii) Storage
   (iv) Expenses at Collection Centres
       (a) Salaries & Wages
       (b) Stores
       (c) Repairs & Maintenance
       (d) Other expenses
       (v) Share of Forest Development expenses, if any

   Total

3. Less : deduction for diriage, burning, pilferage etc. in the forest (qty. only)

4. Less : closing Balance

5. Net qty. transferable to factory gate
   (Relative expenses for transport etc. upto factory gate as under)
   (i) Loading & unloading charges at collection centre, Rail Heads and at the factory gate (wherever applicable)
   (ii) Transportation charges
       (a) By Road
       (b) By Rail
   (iii) Other expenses not covered under above items

   Total

   Less : deduction for diriage & loss in transit (quantity only)

   Net weight of receipt at the factory gate
C. Cost of issues from storage:

1. Opening balance at storage
2. Transfer from gate
   (Total 'A' & 'B' above)
3. Total
4. Less: deduction for driage & other losses at storage (quantity only)
5. Less: Closing Balance
6. Cost of net quantity of wood/bamboo/grass/straw/bagasse transferred to Proforma ‘B’ / ‘D’

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate (Rs.)</th>
<th>Amount (Rs)</th>
</tr>
</thead>
</table>

Notes:

1. Separate Cost Statement shall be prepared for the different kinds of raw materials such as wood/bamboo/straw/grass.
2. Share of Forest Development Expenses, if any, shall be levied on an equitable basis and applied consistently.
3. Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proformae ‘F’, ‘G’ & ‘H’ only and not in any other Proforma.
4. Cost Statement shall be maintained separately for procurement from own forest and leased forests wherever applicable so as to tally with proforma ‘B’ of this proforma.
Proforma ‘B’

Name of the Company ..........................................................................................................
Name & address of Paper Mill ............................................................................................

Statement showing the cost of Bamboo/ Wood Chips issued to Pulp Department during the year ending ......................

Quantity of Chips produced .................................................. MT.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate (Rs.)</th>
<th>Amount (Rs)</th>
<th>Current Year (Rs.)</th>
<th>Previous Year (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
</tr>
</tbody>
</table>

1. Opening balance of Chips
2. Production of Chips (Qty.)
   expenses as under:
   (i) Material:
       Bamboo/ Wood (Air Dry/ Bone Dry) transferred from Proforma ‘A’
   (ii) Cost of Chipping:
       (a) Wages and Salaries
       (b) Consumable stores
       (c) Services:
           Power
       (d) Repairs and Maintenance
       (e) Other Works Overheads
       (f) Depreciation

TOTAL (1) and (2)

Less : Closing stock of chips

Chips transferred to pulp Department

Notes:

(1) Cost Statements for chips produced from wood and bamboo shall be maintained separately.
(2) Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proforma ‘F’, ‘G’ and ‘H’ only.
Proforma ‘C’

Name of the Company ..........................................................................................
Name & address of Paper Mill .............................................................................

Statement showing the cost of unbleached chemical pulp manufactured during the year ending ......................

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate (Rs.)</th>
<th>Amount (Rs)</th>
<th>Current Year (Rs.)</th>
<th>Previous Year (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
</tr>
</tbody>
</table>

1. Raw Materials:
   (a) Chips (Bamboo/Wood)
   (b) Grass
   (c) Rags
   (d) Straw
   (e) Bagasse
   (f) Paper cutting and paper brokes

2. Cooking Chemicals:
   (a) (Major items of process chemicals such as Sulphur, Caustic Soda, Lime, Hydrochloric acid to be specified)
   (b) Recovered chemicals from Recovery Plant

3. Consumable Stores

4. Salaries and Wages

5. Services:
   (a) Power
   (b) Steam
   (c) Water

6. Repairs & Maintenance

7. Other Works Overheads

8. Depreciation

9. Adjustment for work-in-progress

TOTAL:
Opening Balance

M.T.

Unbleached Pulp produced

Unbleached Pulp transferred to :
(i) Bleached pulp process
(ii) Paper Mills M/c House

Closing Balance

Yield % of Pulp to Raw Materials

Notes:

(1) Separate Cost Statements shall be maintained in respect of pulp manufactured from different raw materials suitably filling the appropriate items in this proforma. In the case of mills having mixed cooking from bamboo and wood chips and other raw material, only one cost sheet for chemical pulp made may be maintained.

(2) Cost of chips shall be as per Proforma ‘B’.

(3) Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proforma ‘F’, ‘G’ and ‘H’ only.

(4) When pulp is sold as such the proportionate share of administrative and selling and distribution and head office overheads should be levied on an equitable basis and applied consistently. Direct and allocable expenses relating to packing shall also be added to arrive at the cost of sale of pulp sold.

(5) If paper cuttings and brokes arising from the paper finishing of the mill are used for making pulp, the cost of the same should be as per assessment made in Proforma ‘E’ while giving credit to the finished paper.
Proforma ‘C-1’

Name of the Company ..................................................................................................
Name & address of Paper Mill ..............................................................................

Statement showing the cost of Bleached Chemical Pulp manufactured
during the year ending ......................

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity</th>
<th>Rate</th>
<th>Amount</th>
<th>Current Year</th>
<th>Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
</tr>
<tr>
<td>1. Cost of unbleached Pulp</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(as per Proforma ‘C’)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2. Bleaching Chemicals :</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Important items to be shown)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>(a) Lime Bleach</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(b) Soda Ash</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>(c) Chlorine</td>
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</tr>
<tr>
<td>(d) .......................</td>
<td></td>
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<tr>
<td>3. Consumable Stores</td>
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<td></td>
</tr>
<tr>
<td>4. Salaries and Wages</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>5. Services :</td>
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<td></td>
</tr>
<tr>
<td>(a) Power</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(b) Steam</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(c) Water</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>6. Repairs &amp; Maintenance</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>7. Other Works Overheads</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>8. Depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Adjustment for work-in-progress</td>
<td></td>
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</tr>
</tbody>
</table>

TOTAL


Opening Balance

Add: Bleached pulp produced
Less: Bleached pulp transferred
to Paper Mill M/c House

Closing balance

Notes:

(1) Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proforma ‘F’, ‘G’ and ‘H’ only.

(2) When pulp is sold as such, the proportionate charges of administration and selling and distribution and head office overheads should be levied on an equitable basis and applied consistently. Direct and allocable expenses relating to packing shall also be added to arrive at the cost of sales of pulp sold.
Proforma ‘D’

Name of the Company ...........................................................................................................

Name and address of Paper Mill ...........................................................................................

Statement showing the cost of Mechanical Pulp manufactured during the year ending ...........

<table>
<thead>
<tr>
<th>Input (M.T.)</th>
<th>Output (M.T.)</th>
<th>Yield %</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate (Rs.)</th>
<th>Amount (Rs)</th>
<th>Cost per tonne</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5)</td>
<td>(6)</td>
<td></td>
</tr>
</tbody>
</table>

1. Raw Materials:
   (a) Wood

2. Consumable Stores

3. Salaries and Wages

4. Services:
   (a) Power
   (b) Water

5. Repairs & Maintenance

6. Other Works Overheads

7. Depreciation

8. Adjustment for work-in-progress

TOTAL

Stock Account:

Opening Balance
Production
TOTAL
Less: Consumption
Closing balance

Notes:

(1) Cost of wood shall be as per Proforma ‘A’.

(2) Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proformae ‘F’, ‘G’ and ‘H’ only.
Proforma ‘E’

Name of the Company .................................................................

Name & address of Paper Mill ...........................................................

Statement showing the cost of Paper Printing/ Writing/ Wrapping/ Newsprint/ Paper Board manufactured during the year ending ...............

(i) Type .................................................................
(ii) Description ........................................................
(iii) Quality ..............................................................
(iv) Range of G.S.M. .....................................................
(v) Machine Production in tonnes .................................
(vi) Finished Production in tonnes .............................
(vii) Wastage percentage .........................................

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate (Rs.)</th>
<th>Total Cost (Rs.)</th>
<th>Cost per tonne</th>
<th>Current Year (Rs.)</th>
<th>Previous Year (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Materials :</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Bamboo Pulp</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Wood Pulp</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Rag Pulp</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>(d) Mechanical Pulp</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(e) Pulp – Purchased</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(f) Other Pulp</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Sizing &amp; Loading Materials :</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Alum</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(b) Clay</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(c) Rosin</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>3. Coating &amp; surface sizing materials :</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a)</td>
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<tr>
<td>(b)</td>
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<tr>
<td>(c)</td>
<td></td>
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</tr>
</tbody>
</table>
4. Dyes & other chemicals:
   (a)
   (b)
   (c)

5. Conversion Charges:
   (a) Salaries and Wages
   (b) Services:
       (i) Power
       (ii) Steam
       (iii) Water
   (c) Consumable stores
   (d) Repairs & Maintenance
   (e) Other Works Overheads
   (f) Depreciation

6. Super-calendaring Charges
7. Cutting, Reeling & finishing Charges
8. Share of Administrative Overheads
9. Adjustment for Cost Variances, if any:
   (a) Materials
   (b) Labour
   (c) Overheads

   TOTAL

10. Less: Credits for recoveries
    (net) (to be specified)

11. Adjustment of opening and closing balances of work-in-progress

12. Adjustment for self-consumption

13. Stock adjustments:
    Add: Opening Stock
    Less: Closing Stock

13. Total Cost of finished Paper transferred for packing

* Applicable in companies maintaining records in standard costing system only. In such companies standards shall be indicated along-side actuals in the cost records with reasons for major variations.
Notes:

1. Separate cost statements shall be maintained in respect of each different type of paper manufactured by the company and falling under the major and sub-product code for paper and paper board prescribed by the Directorate General of Technical Development by suitably filling the appropriate items in this proforma. The ‘type’ indicated therein refer to the category of paper manufactured, namely, printing paper, writing paper, packing and wrapping paper, other varieties of paper and paper board. “Description” indicated therein shall refer to the sub-product code of paper such as white printing paper, colored printing paper, imitation art paper, cream wove/laid paper, cheque paper, etc. The range of G.S.M., but if it is not practicable, with in a group of 20 G.S.M.s as indicated in para XIII (c) of Schedule I. In case the company manufactures paper not falling within the Directorate General of Technical Development major and sub-product codes cost sheets may be furnished separately for that type of paper. 1

2. The apportionment of head office expenses and other common overheads to the product under reference in the case of multi-products units shall be equitable.

3. The basis on which the realizable value for rejections, wastage such as paper cutting and paper broken is determined shall be clearly indicated. Expenditure, if any, incurred for the disposal of such items shall be taken into account in arriving at the figures at item 10.

4. The stock adjustment against item 13 of this proforma shall relate to paper before packing only.

5. Bonus to employees other than incentive bonus, provision to statutory gratuity and interest charges shall be shown in Proformae ‘E’, ‘F’, ‘G’ and ‘H’ only.

6. Details of super calendaring, cutting, reeling and finishing charges shall be maintained.

---

1 Substituted by Govt. Notification No. GSR 1528 dated 18th December, 1979
**Proforma ‘F’**

Name of the Company .................................................................

Name & address of Paper Mill .........................................................

Statement showing the cost of sales of ............ (Type & description of paper to be specified) packed & sold during the year ending .........................

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate (Rs.)</th>
<th>Total Cost (Rs.)</th>
<th>Cost per tonne</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Year</td>
<td>Previous Year</td>
<td>Current Year</td>
<td>Previous Year</td>
<td></td>
</tr>
</tbody>
</table>

1. Cost of Paper transferred from proforma ‘E’

2. Packing Cost:
   (a) Packing Materials:
       (i) Mill Wrapper
       (ii) Liner
       (iii) Jute Strings
       (iv) Gum Tape
       (v) Label – Ordinary
           Label – coloured
       (vi) Wooden Plugs
       (vii) Paper Rewinder Core
       (viii) Other Packing materials
   (b) Salaries and Wages
   (c) Repairs and Maintenance
   (d) Other Overheads
   (e) Depreciation

   TOTAL

3. Stock Adjustments
   (Packed goods only)
   Add: Opening stock
   Less: Closing stock
### Cost of Packed Quantity

Transferred to:

(a) Sales
(b) Other Paper Products

### 4. Selling & Distribution Expenses

(for quantities sold only)

(i) Salaries and wages
(ii) Commission to Selling Agents
(iii) Freight and transport charges
(iv) Loading & unloading
(v) Godown rent
(vi) Retail sales office expenses such as rent etc., if any
(vii) Other expenses

### 5. Share of Administration

### 6. Total cost including selling and distribution expenses

### 7. Interest Charges

### 8. Annual Bonus to Employees

### 9. Provision for statutory gratuity

### 10. Other Expenses not included in cost (to be specified)

### 11. Total Expenses excluding excise duty for quantity sold within the country

### 12. Sales realisation excluding excise duty for quantity within the country

### 13. Margin

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate (Rs.)</th>
<th>Total Cost (Rs.)</th>
<th>Current Year (Rs.)</th>
<th>Previous Year (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost per tonne</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
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</tbody>
</table>
Notes:

1. [Separate cost statements shall be maintained in respect of each type, description and G.S.M. of paper as mentioned in Note 1 in proforma ‘E’.]¹

2. The apportionment of common selling and distribution expenses to the product under reference in the case of multi-product units shall be equitable and consistent.

3. Interest charges, actually incurred shall only be shown against item 7.

4. Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown separately in Proforma ‘G’, ‘F’ and ‘H’ only and not in any other proforma.

5. Sales realization shall be shown separately for each type of paper sold against item 12 of this proforma.

6. Separate cost statements under Proforma ‘F’ (suitably modified) shall be maintained in respect of paper exported wherein expenses incurred on exports and incentive earned

¹Substituted by Govt. Notification No. GSR 1528 dated 18th December, 1979
**Proforma ‘G’**

Name of the Company ............................................................... 
Name & address of Paper Mill ...................................................

**Statement showing the cost of Sales of Exercise Note Books & other miscellaneous paper products manufactured during the year ending ..................**

Standard requirements per gross of exercise note books .........................

| Writing Paper |
| Wrappers |
| (i) Type ...................... | (iii) No. of Pages ......................... |
| (ii) Size ...................... | (iv) Qty. manufactured ..................... |

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate (Rs.)</th>
<th>Total Cost (Rs)</th>
<th>Cost per tonne</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
</tbody>
</table>

1. Materials :
   (a) Writing paper
   (b) Wrapper
   (c) Ink

2. Consumable Stores :
   (a) Gum
   (b) Wire
   (c) String
   (d) Calico
   (e) Other binding materials

3. Salaries & Wages
4. Power
5. Repairs & Maintenance
6. Overheads :
   (a) Works
   (b) Share of Administration
7. Depreciation
8. Printing charges for cover
9. Adjustment for opening & the closing balances of work-in-progress
10. Adjustment for self-consumption
11. Packing Charges:
   (i) (a) Wrapper
       (b) Jute String
       (c) Gum
       (d) Labels
       (e) Others
   (ii) Salaries & Wages
   (iii) Overheads (including depreciation and Repairs & Maintenance)
12. Adjustment for stocks:
    Add : Opening Stock
    Less : Closing Stock
13. Cost of packed quantity transferred for sale
14. Selling & Distribution expenses (for quantities sold only)
    (i) Salaries & Wages
    (ii) Commission
    (iii) Freight and transport
    (iv) Loading & unloading
    (v) Godown Rent
    (vi) Retail sales office expenses such as rent and the like
    (vii) Other expenses
15. Share of Administrative overheads
16. Total cost including Selling & Distribution expenses

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity (Units)</th>
<th>Rate (Rs.)</th>
<th>Total Cost (Rs)</th>
<th>Current Year (Rs.)</th>
<th>Previous Year (Rs.)</th>
<th>Cost per tonne</th>
</tr>
</thead>
<tbody>
<tr>
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<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
</tr>
<tr>
<td>Particulars</td>
<td>Quantity (Units)</td>
<td>Rate (Rs.)</td>
<td>Total Cost (Rs)</td>
<td>Cost per tonne</td>
<td></td>
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<tr>
<td>17. Interest Charges</td>
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<td></td>
<td></td>
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<tr>
<td>18. Annual Bonus to employees</td>
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<tr>
<td>19. Provision for Statutory Gratuity</td>
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<tr>
<td>20. Other expenses not included in cost (to be specified)</td>
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<tr>
<td>21. Total expenses excluding excise duty for quantity sold</td>
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<tr>
<td>22. Sales realization excluding excise duty for quantity sold</td>
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</tr>
<tr>
<td>23. Margin</td>
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</tbody>
</table>

**Notes:**

1. Separate cost statements shall be maintained in respect of each type/size of exercise notebooks manufactured.

2. The apportionment of common selling and distribution expenses to the product under reference in the case of the multi-product units shall be equitable.

3. Interest charges actually incurred shall only be shown against item 17.

4. Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown separately in Proforma ‘G’, ‘F’ and ‘H’ only.

5. Separate cost statement under Proforma ‘G’ shall be maintained in respect of paper products exported wherein expenses incurred on exports and incentive earned thereon shall also be shown.
**Proforma ‘H’**

Name of the Company .................................................................
Name & address of Paper Mill ......................................................

**Statement showing the allocation of total expenses / income of the company between Paper and Paper Products, manufacturing activity and other activities for the year ending .........................**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Total Expenses (Rs.)</th>
<th>Share applicable to Paper activity (Rs.)</th>
<th>Other Activities (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2) (3) (4)</td>
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</tr>
</tbody>
</table>

1. Raw Materials consumed
2. Process Materials consumed
3. Consumable Stores
4. Salaries & Wages
5. Power, Fuel & Other Services
6. Repairs & Maintenance
7. Other Works Overheads
8. Depreciation
9. Administrative Overheads

Total

10. Adjustment for difference between Opening & Closing Balance of W.I.P.

11. Less : Credits for recoveries
   (i) By-Products
   (ii) Others

12. Less : Self Consumption

13. Adjustment for difference between Opening & Closing stock of Finished Goods

14. Packing Expenses

15. Selling & Distribution Expenses
### Particulars

<table>
<thead>
<tr>
<th>Total Expenses (Rs.)</th>
<th>Share applicable to Paper activity (Rs.)</th>
<th>Share applicable to Other Activities (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
</tr>
</tbody>
</table>

16. Interest Charges
17. Annual Bonus to employees other than incentive bonus
18. Provision for Statutory Gratuity
19. Any other expenses not included in cost (items to be specified)
20. Less : any other income not considered in cost (items to be specified)
21. Total excluding excise duty
22. Deduct export benefits, if any
23. Net Sales Realization excluding Excise Duty
24. Margin

**Note:**

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

[No. 52/74/74-CAB]

P.B. MENON,

Jt. Secretary