

**COST ACCOUNTING RECORDS  
(COSMATICS & TOILATRIES) RULES 1993.  
MINISTRY OF LAW, JUSTICE & COMPANY AFFAIRS  
(Department of Company Affairs)  
New Delhi  
Notification  
Dated 29<sup>th</sup> October 1993**

GSR 678 (E): - In exercise of the powers conferred by sub-section (1) of section 642, read with clause (d) of sub-section (1) of section 209 of the Companies Act 1956 (1 of 1956), the central Government hereby makes the following rules, namely: -

**1. Short Title and Commencement :-**

These rules may be called the **Cost Accounting Records (COSMETICS AND TOILETRIES) RULES 1993**. They shall come into force on the date of their publication in the official Gazette.

**2. Application :-**

These rules shall apply to every company engaged in the production / processing or manufacture of any article intended to be rubbed, poured, sprinkled or sprayed on, or introduced into or otherwise applied to the human body or any part thereof or otherwise for cleaning, beautifying, promoting attractiveness or altering the appearance and includes the classes of preparations as specified in the Appendix and those added thereto from time to time by notification the official Gazette, excepting those companies falling under the category of small scales industrial undertakings.

[Explanation :- For the purpose of this rule, the expression "Small Scale Industrial Undertaking" means a company:-

- (a) Aggregate value of the machinery and plant installed wherein does not exceed the limit specified for a small scale industrial under taking under the industries (Development and Regulation) Act 1951 (65 of 1951), as on the last date of the Preceding Financial Year<sup>1</sup> and
- (b) The aggregate value of the realization made by the company from the sale of supply of all its products during the preceding financial year does not exceed ten crore rupees.

**3. Maintenance of Records :-**

- (1) Every company to which these rules apply shall, in respect of each of its financial year commencing on or after the commencement of these rules, keep proper books of accounts containing, inter-alia, the particulars specified in Schedules I and II annexed to these rules or in a form as near there to as practicable, relating to the utilization of material, labour and other items of cost in so far as they are applicable to cosmetics and toiletries refer to in rule 2:  
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Provided that if the said company is manufacturing any other product or is engaged in other activities in addition to items referred to in rule 2, the particulars relating to utilization of materials, labour and other items of cost in so far as they are applicable to such other products or activities shall not be included in the cost of the items referred to in rule 2.

- (2) The books of accounts referred to in sub rule (1) shall be kept on a regular bases in such a manner as to make it possible to calculate the cost of production and cost of sales of all types, of grades and packing of cosmetics and toiletries referred to in rule 2 for every quarter of the financial year (hereinafter referred to as the relevant period) as well as for the financial year as a whole, from the particulars entered there in and every such books of accounts and the performe specified in schedule II shall be completed not later than ninety days from the closing 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 subsection (7) of section 209 of the Companies Act 1956 (1 of 1956) to take all reasonable steps to secure compliance by the company with the provisions of sub-rule (1) and (2) in the same manner as he is liable to maintain accounts required under sub-section (1) of section 209 of the said act.
- (4) Statistical and other records shall be maintained in accordance with the provisions of the Schedules 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 economics 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 1968. Such records shall be reconciled with the returns submitted to the Excise Department and other Government authorities from time to time.

**4. Penalty :-**

If a company contravenes the provisions of rule 3, the company and every officer 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 contravention continues.

**Appendix (see rule 2.1)**

List of cosmetics and toiletries for which the rules shall apply :

- (1) Powders
- (2) Creams
- (3) Tooth Paste
- (4) Tooth Powders
- (5) Shaving Creams
- (6) After shave Lotions
- (7) Shaving Soaps
- (8) Shaving Foams
- (9) Perfumes
- (10) Hair Oils

**SCHEDULE I**

(See Rule 3)

**(1) Material :-**

- 1(1) Proper records shall be maintained showing separately all receipts, issues and balances both in quantities and cost of each item of direct material required and actually used in the production, processing or manufacture of items referred to in rule 2, in any form or any type. These records for direct materials shall contain such details as to enable the company to determine the quantity, cost of receipt (including all direct charges up to the works in respect of all major direct materials), issues and balances of each item of direct material separately for imported and indigenous supplies. In case of imported materials including those canalized through Government agencies, details of cost, insurance, freight charges (CIF value), custom duty, port charges, inland freight and handling and clearance charges paid shall be recorded separately. The basis on which the said quantities and costs of issues and consumption have been calculated shall be indicated in the cost records and followed consistently.
- 1(2) Proper records shall be maintained to show the receipts, issues and balances both in quantities and costs of each item of process materials, chemical and catalyst. In case if catalyst, proper records shall be maintained for the value and quantity issued in a financial

- year suitably adjusted for consumption. If the life of the catalyst is more than one financial year, necessary adjustment should be made. If the life of the catalyst is not known, consumption may be assessed on technical basis. The cost of such process materials/chemicals and catalyst shall include all direct charges up to works. The issues and consumption shall be properly identified with the departments, cost centers and products manufactured. For this purpose the products should be classified under relevant grades/qualities.
- 1(2)1 In case where the process materials/chemicals required in the production of items referred to in rule 2 are manufactured by the company, separate records showing the cost of manufacture of each such item indicating the break up of raw materials consumed for the production and conversion cost shall be maintained in Performa "A" to schedule II annexed to these rules or in any other Performa as near thereto as may enable the company to determine the cost of such process materials/chemicals produced.
  - 1(2)2 In case any process chemical covered under any other Cost Accounting (Records) Rules prescribed under the Companies Act, 1956 (1 of 1956) is manufactured by the company, proper cost records shall also be maintained as per the rules so as to arrive at the cost of such items.
  - 1(3) If the quantity and value of materials consumed are determined on any basis other than actual, the method adopted shall be mentioned in the cost records and followed consistently. The overall reconciliation of such quantities and value of materials with the actual shall be made at least quarterly during the financial year explaining the reasons for variations. The treatment of such variations in determining the cost of the items referred to in rule 2 shall be indicated in the cost records.
  - 1.(4) Proper records shall be maintained indicating the quantity and cost of scrap recovered in the different processes having significant value say five per cent above the cost of input of materials. In the case of certain recoveries, which cannot be re-used in the process and are sold or disposed of without further processing, the realization from such sales shall be recorded and adjusted against the process concerned on reasonable basis. In case further processing is necessary to make these recoveries usable or salable, as the case may be, adequate records of cost involved for such further processing shall be maintained and net realization adjusted against the process concerned.
  - 1(5)1 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 cost shall include all direct charges up to works.
  - 1(5)2 In the case of consumable stores and small tools the cost of which are insignificant, the company may, if it so desires, maintain such records for the main group of such items.
  - 1.(5)3 The cost of consumption of consumable stores, small tools, and machinery spares shall be charged to the relevant cost centers on the basis of actual issues.
  - 1.(6) Proper records shall be maintained showing the quantity and value of wastage, spoilage, rejections and losses of raw materials, process materials, consumable stores, small tools and machinery spares, whether in transit, storage, manufacture or at any other stage. The method followed for adjusting the above losses as well as the income derived from the disposal of rejected and waste materials including spoilages if any, in determining the cost of product shall be indicated in the cost records, Any abnormal, wastages of spoilages shall be indicated distinctly and separately along with reasons therefore.
  - 1.(7) Where Modified Value Added Tax or any other benefits under the Central Excise and salt act Act 1944 (1 of 1944) are available on any item of material, breakup details of such items

should be furnished along with the Performa relating to cost of sales of the schedule II annexed to these rules and also shown in cost of production or cost sheet of cost of sales.

**2. Salaries and Wages :-**

- 2(1) Proper records shall be maintained to show the attendance and earnings of all employees of the cost centers or departments and the work on which they are employed. The records shall also indicate separately for each cost centre :
- a) Piece rate wages earned wherever applicable;
  - b) Incentive wages earned individually or collectively as production bonus or under any other schemes based on output;
  - c) Overtime wages earned;
  - d) Earnings of casual labour.
- 2(2) The records shall be maintained in such a manner as to enable the company to furnish necessary particulars under this heads in the various Annexure and Performa of the Schedules I and II annexed to these rules. Where the employee work in such manner that it is not possible to identify them with any cost centre, the labour charges shall be apportioned to the cost centres on equitable basis and applied consistently.
- 2(3) Idle time shall be separately recorded under classified heading indicating the reasons thereof. The method followed for accounting of idle time payments in determine the cost of product shall be disclosed in the cost records.
- 2(4) Any wages and salaries allocable, to capital works such as addition to plant and machinery, building or other fixed assets shall be accounted for under the relevant capital heads.
- 2(5) If the wages and salaries are charged to production on any basis other than actual, the method adopted shall be indicated in the cost records. The reconciliation of such wages and salaries with actual shall be made at least quarterly during the financial year explaining the reasons for variations. The treatment of such variations in determining the cost of items referred to in rule 2 shall be indicated in cost records.

**3. Service Department Expenses :-**

Detailed records shall be maintained to indicate expenses incurred in respect of each service department or cost center like laboratory, welfare, and transport. These expenses shall be apportioned to other services and production departments on equitable basis and applied consistently. Where these services are utilized for other products of the company also, the basis of apportionment to the products referred to in rule 2 and to the other products shall be equitable and clearly indicated in the records and applied consistently.

**4. Utilities :-**

- (4)1 Proper records shall be maintained showing the quantity and cost of various utilities (both purchased and produced) as detailed below and consumed by the different cost centers in such details as to enable the company to furnish the particulars in Annexure I, II, and III of schedule I:
- a) Power
  - b) Water
  - c) Steam
  - d) Hydrogenation
  - e) Refrigeration
  - f) Compressed Air, and
  - g) Effluent Treatment

- 4(2) Proper records shall be maintained in respect of any other utilities in addition to the above produced or purchased by the company to enable the company to furnish the particulars in Annexure I, II or III to this schedule whichever is appropriate.
- 4(3) If an utility is purchased, proper records showing the delivered cost up to the works including all direct charges shall be maintained for the quantity and value of each utility purchased
- 4(4) Where any other utility is produced and supplied by the other unit of the company, adequate records shall be maintained to assess the cost and the quantity of the utility so supplied.
- 4(5) The cost of utility, if any, supplied to any other unit of the company, shall be calculated on a reasonable basis and applied consistently.
- 4(6) The cost of utility allocated/apportioned to the cost centers and further to the individual products shall be on a reasonable basis and applied consistently.

**(5) Workshop/Repairs and Maintenance/ Tool Rooms :-**

- 5(1) Proper records showing the expenditure incurred by the workshop under different heads and on repairs and maintenance by the various cost centers and departments shall be maintained. The records shall also indicate the basis of charging the workshop/tool room expenses to different cost centers/departments and units, Where maintenance work is done by direct workers of any production cost centers, the wages and salaries of such workers shall be treated as direct expenses of the respective cost center. If the services are utilized for other products also, the manner of charging a share to items referred to in rule 2 shall be equitable, clearly indicated in records and applied consistently.
- 5(2) Expenditure on major repair works from which benefit is likely to accrue for more than one financial year, shall be shown separately on the cost records indicating the method of accounting in determining the cost with reference to the period for which the benefit of such expenditure is likely to last.
- 5(3) Expenditure incurred on works of a capital nature shall be capitalized. The cost of such jobs shall include the expenditure on material, labour and due share of the overheads.
- 5(4) The jobs carried out by workshop of other units and for other units of the company shall be charged on a reasonable basis and applied consistently.

**6. Depreciation :-**

- 6(1) Proper records shall be maintained showing the cost and other particulars of fixed assets in respect of which depreciation is to be provided for. 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, rate of depreciation and location of each asset. In respect of those assets, the original cost of acquisition of which cannot be ascertained without any 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 cost. Such evaluation shall exclude revaluation of any asset that had been done prior to the aforesaid date.
- 6(2) The basis on which depreciation is calculated and allocated/ apportioned to the various cost centers and departments and absorbed on the products shall be clearly indicated in the cost records. Depreciation chargeable to be different cost centers and departments shall be not less than the amount of depreciation chargeable in accordance with the provision of sub-section (2) of section 205 of the companies Act, 1956 (1 of 1956) and shall relate to plant, machinery and other fixed assets utilized in such cost centers and departments. However, the cost of low value items of plant and machinery shall be allowed to be completely written off in the year of acquisition up to the limit specified in the Income Tax Act, 1961 (43 of 1961). Similarly, hundred percent depreciation shall be charged on assets specified in schedule XIV to the companies Act, 1956 (1 of 1956). In case the amount of depreciation charged in the

cost accounts in any financial year is higher than the amount of depreciation chargeable under the aforesaid provision of the Companies Act, (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 products referred to in rule 2. The cumulative depreciation 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 supplier. The basis of charging such amounts including one time payments to the products shall be indicated in the cost records.

**8. Other Overheads :-**

8(1) Proper records shall be maintained showing the various items of expenses comprising the other overheads. These expenses shall be analyzed, classified and grouped according to function, viz, works, administration and selling and distribution.

8(2) Where the company is manufacturing any product other than referred to in rule 2, the records shall clearly indicate the basis followed for apportionment of the common overheads including head office expenses of the company to the product referred to in rule 2 and other activities including capital works. Where certain expenses forming part of overheads can be identified with a particular activity of products such expenses shall be segregated and charged to the relevant activity or product in the first instance and thereafter the common 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 centers and products shall be indicated in the cost records.

8(3) The details of works, administration and selling and distribution over heads shall be maintained in such manner as to enable the company to fill up the necessary particulars in Annexure I to III of this schedule and Proforme A to I of schedule II to these rules.

**9. Conversion Cost :-**

9(1) Proper records shall be maintained for splitting up of conversion cost (the cost of manufacture less direct material cost) into fixed and variable costs for filling the relevant Annexure and performe in schedules I and II annexed to these rules.

9(2) When more than one manufacturing process is carried out in a particular vessel or series of vessels/machines adequate records of the usage of such vessel/machinery for different products shall be kept. The cost of using such vessels / machines shall be charged to the different products on an equitable basis e.g. equipment occupancy hours. Where composite machine hour rates are applied for absorption of wages, overheads and equipment usage, proper records relating to the utilization of lablur and multi-purpose vessels for different processes connected with the manufacture of different products shall be kept to enable determination of total machine hours and the amount chargeable to the respective products referred to in rule 2. The variance between the actual and the amounts charged at pre-determined rates shall be adjusted for arriving at the actual cost of production at the end of the financial year.

**10. Research and Development Expenses :-**

10(1) 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; process of manufacture, design and development of new plant, facilities and market research for the existing and new products shall be maintained separately.

- 10(2) The method of charging these expenses to the cost of the products shall be indicated in the cost records. Whereas over more than one financial year, such expenses shall be treated as deferred expenses and charged to cost of production of products referred to in rule 2 and to other products, if any, on a reasonable basis and applied consistently.
- 10(3) Expenses incurred by the Research and Development department for furnishing technical know-how to outsider's products referred to in rule 2. The amounts recovered for providing technical know-how to outsiders shall also be indicated separately.

**11. Interest :-**

Proper records shall be maintained showing interest charges separately on term loan and cash credit/over draft (working capital). 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 statement. 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.

**12. Expenses/Incentives on Exports :-**

Proper records showing the expenses incurred on the export sales of the products covered by rule 2, if any, shall be separately maintained, so that the cost of export sales can be determined correctly. The expenses incurred on exports as well as, any export incentives earned shall be reflected in the cost statement relating to export sales. Export incentives shall be treated as other income and reflected in the cost records. Separate cost statement as per proforma "C" in schedule II annexed to these rules (suitably modified) shall be prepared for products exported giving details of export expenses incurred/ incentive earned. In case, duty free imports are made, the cost statement should reflect this fact.

**13. By Products :-**

Proper records shall be maintained for each item of by – product, if any, produced showing the receipt, issues and balances, both in quantity and value. The basis adopted for valuation of by-product for giving credit to the respective process shall be equitable and consistent and should be indicated in cost records. Records showing the expenses incurred on further processing, if any, as well as actual sales realization of by-product shall be maintained.

**14. Joint Products :-**

Where more than one product which is of equal economic importance arises from processes, the cost up to the point of separation of products shall be apportioned to joint product on reasonable and equitable basis and shall be applied consistently. The basis on which such joint costs are apportioned to different products arising from the processes shall be indicated in the cost records. The cost of products shall be shown in Proforma B of schedule II annexed to these rules.

**15. Captive Consumption :-**

Proper records shall be maintained in Proforma C of Schedule II annexed to these rules showing the quantity and cost of items referred to under rule 2 transferred to other departments/units of the company for captive consumption. Such transfers shall ordinarily be affected at cost and shall be disclosed in the cost records. If, however, the transfer of items/products under rule 2 is made for captive consumption at a valuation other than cost, notional profit or loss arising out of such transfer shall also be disclosed in the records.

**16. Packing (Primary and Secondary) :-**

- 16(1) Proper records shall be maintained showing the quantity and cost of various packing materials and other expenses incurred for packing the finished products for the marketing of items referred to under rule 2. Where such expenses are incurred in common for other products including those stated under rule 2, the basis of apportioning the expenses between

the relevant products shall be clearly indicated in the cost records and applied consistently. If the company manufactures such materials, proper records showing the cost of production of such items shall be maintained.

16(2) Detailed records of the expenses incurred on export packing if any, shall also be kept separately and exhibited in the relevant cost statements for exports.

**17. Expenses of Capital Nature :-**

Material consumed, wages and other expenditure including appropriate share of overheads incurred in respect of works of capital nature, carried out departmentally, such as additions to plants and machinery and other assets, shall be capitalized under relevant heads.

**18. Work in Progress and finished goods stock :-**

The method followed for determining the cost of work in progress and finished goods referred to in rule 2, 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 particular in Proforma D of schedule II annexed to these rule.

**(19) Cost Statements :-**

19(1) The products emerging from a process and which forms the raw material for a subsequent process shall be value at the cost of production up to the previous stage and shown in Proforma B of schedule II annexed to these rules. Separate cost statement shall be maintained for each product and for each type and size of pack, which is produced by further processing the output of previous process in the said Performa B by or in any form as near thereto as practicable.

19(2) Separate cost of sales statement in respect of different type/grades/packing of intermediate/products under rule 2 produced and sold, if any, shall be maintained in Performa C of schedule II annexed to these rules. Summary cost statement as per Performa C of schedule II annexed to these rules. Summary cost statement as per Performa E and I shall be maintained for each product produced and sold.

19(3) If the company is operating more than one plant factory separate cost statement as specified above shall be maintained in respect of each plant/factory.

19(4) Export of products under rule 2 shall be exhibited separately in respective cost statement and the same shall be excluded form the cost statements meant for sale in the internal market.

**(20) Production Records :-**

Quantitative records of all finished and packed production; issues for sales and balances of different type of products referred to in rule 2 produced by the company shall be maintained. The cost of all finished and packed production shall be kept in detail for each type of product 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 year with the value of the quantities shown in the quantitative account maintained for each grade of products referred to in rule 2.

**(21) Reconciliation of cost and financial accounts :-**

21(1) Cost records shall be reconciled with the financial books of account for the financial year 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 under reference can be correctly adjusted and reconciled with the over all profit of the company.



21(2) A statement showing the total expenses incurred and income received by the company under different heads of accounts and the share applicable to the products under rule 2 shall be maintained in Performa F and G of schedule II annexed to these rules and reconciled with the financial accounts for the period.

**(22) 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 production 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 relevant heads in the respective Performa in schedule II annexed to these rules analyzed into material, labour, overheads and broken up into quantity, price, capacity utilization and shall be made at least quarterly during the financial year. The reason for the variances shall be duly explained in the cost records.

**(23) Records of Physical Verifications :-**

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

**[ 24 INTER-COMPANY TRANSFER:**

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

- (a) Purchase and sale of raw materials, finished products, process materials, chemicals and rejected goods including scraps, etc;
- (b) Utilization of plant facilities and technical know-how;
- (c) Supply of utilities and any other services;
- (d) Administrative, technical, managerial or any other consultancy services; (e) purchase and sale of capital goods including plant and machinery;
- (f) Any other payment related to production, processing or manufacturing of product under reference. These records shall also indicate the basis followed for arriving at the rates charged or paid for such products or services so as to enable determination of the reasonableness of such rates in so far as they are in any way related to product under reference.

(2) The transactions by the following "related party relationships" shall be covered under sub-rule (1):

- (a) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries);
- (b) Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;
- (c) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;
- (d) Key management personnel and relatives of such personnel; and
- (e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise.

However, the following shall not be deemed as "related party relationships":

(a) Two companies simply because they have a Director in common, notwithstanding paragraph (d) or (e) above (Unless the Director is able to affect the policies of both companies in their mutual dealings);

(b) A single customer, supplier, franchiser, distributor, or general agent with whom an enterprise transacts a Significant volume of business merely by virtue of the resulting economic dependence; and

(c) The parties listed below, in the course of their normal dealings with an enterprise by virtue only of those dealings (although they may circumscribe the freedom of action of the enterprise or participate in its decision Making process);

(i) Providers of finance;

(ii) Trade unions;

(iii) Public utilities;

(iv) Government departments and government agencies including government sponsored bodies.

Explanation: -For the purpose of these Rules,

**(a) "Related party relationship"** mean parties who are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions;

**(b) "Related party transaction"** means a transfer of resources or obligations between related parties, whether or not a price is charged;

**(c) "Control" means**

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

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

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

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

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

**(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"** mean those persons who have the authority and responsibility for planning, directing and controlling the activities of the reporting enterprise;

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

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

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

**(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. "]\*

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\*Inserted vide GSR NO . 740(E) dated 28<sup>th</sup> September,2001

**(25) Statistical Records :-**

25(1) Data regarding available machine hours/direct labour hours in different production departments and actually utilized shall also be maintained and shortfall suitably analyzed. Suitable records for computation of idle time of machines shall be maintained. A statement showing reasons for loss of production due to various reasons shall be prepared in Performa H of Schedule II annexed to these rules or in any form as near thereto as practicable.

25(2) Adequate records shall be maintained to enable the company to identify the capital employed, net fixed assets and working capital separately for each type of product or group of products as listed under rule 2, 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 records. The records shall, in addition show assets added as replacement and that added for increasing the existing capacity.

**(26) Pollution Control :-**

Expenditure incurred by the company by the company on various measures to protect the environment like effluent treatment, control on pollution of air and waste should be properly recorded under the relevant annexure to schedule I.

**SCHEDULE -I**

Annexure -I

(See Rule 3)

Name of the Company\_\_\_\_\_

Name and Address Of The Company\_\_\_\_\_

Statement Showing The Cost Of Treated/Cooling Water/Effluent During The Year/Period Ended\_\_\_\_\_

<b>S. No</b>	<b>Particulars</b>	<b>Unit</b>	<b>Current Year</b>	<b>Previous Year</b>
1	Installed Capacity			
2	Production			
3	Purchases			
4	Total produced & Purchased			
5	Consumption			
6	Transit loss			
7	Production at 2 as a percentage of installed capacity mentioned at 1 above			
8	Transit Losses at 6 as a percentage of production at 2 above.			

S.No	Particulars	Qty.	Rate	Amount	Cost Per Unit	
			Per Unit (Rs.)		Current Year (Rs.)	Previous Year (Rs.)
1	2	3	4	5	6	7

**A 1 Raw Material**

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- ⊖ (to be Specified)
- ⊖

**2 Utilities**

- ⊖ Water
- ⊖ Steam
- ⊖ Power
  - ⊖ Purchased (kwh)
  - ⊖ Own (kwh)
- ⊖ Others

S.No	Particulars	Qty.	Rate	Amount	Cost Per Unit	
			Per Unit (Rs.)		Current Year (Rs.)	Previous Year (Rs.)
1	2	3	4	5	6	7
<b>B. Conversion Cost</b>						
	a		Salary and Wages			
	b)		Chemicals/ Catalysts			
	ç		Repairs and Maintenance			
	d		Consumable Stores			
	è		Insurance			
	ë		Factory Overheads			
	ç		Administration Overheads			
	h)		Selling Overheads			
	ï		Depreciation			
B1.	Conversion Cost					
B2.	Fixed Conversion Cost					
B3.	Variable Conversion Cost					
<b>C. Credit, if any</b>						
<b>D. Net Total</b>						
(Total of items A Plus B, Less total of item C)						
<b>E. Net transferred or sold</b>						
	a		Deminaralised Water Plant			
	b)		Steam Generator Plant			
	ç		Captive Power Plant			
	d		Intermediate Plants			
	è		End product plants			
	ë		For non-plant use			
	ç		Others			
Total (As per item D above)						

**Notes :-**

- 1) Separate Cost 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 borrowing including debentures shall be shown in Proforma C, E, F, G, & I.

**SCHEDULE -I**

Annexure -II

(See Rule 3)

Name of the Company\_\_\_\_\_

Name and Address of the Company\_\_\_\_\_

Statement Showing The Cost of steam raised/comsumed during the Year/Pd  
Ended\_\_\_\_\_

S. No	Particulars	Unit	Current Year		Previous Year	
			Pressure	Qty.	Pressure	Qty.
1	<b>Installed Capacity</b>					
2	<b>Production:-</b>					
	a) High Steam Pressure*					
	b) Medium Steam Pressure*					
	c) Low Steam Pressure*					
	d) Transit loss					
	e) Total					
	*Indicate the steam pressure					

S.No	Particulars	Qty. Units	Rate Per Unit (Rs.)	Amount (Rs.)	Cost Per tonne of steam raised	
					Current Year (Rs.)	Previous Year (Rs.)
1	2	3	4	5	6	7
<b>A</b>	(1) Water					
	(2) Fuels					
	(a) Coal					
	(b) Fuel Oil					
	(c) Electricity					
	(d) Others, if any.					
	(3) Quantity of waste heat from the plant, if any.					
<b>B</b>	<b>Conversion cost</b>					
	(1) Consumable stores/ Chemicals					
	(2) Salaries and Wages					
	(3) Repairs and Maintenance					
	(4) Factory Overheads					
	(5) Administration Overheads					
	(6) Depreciation					
	(7) Total Conversion Cost (1 to 6)					

- 
- (1) Fixed Conversion  
Cost
  - (2) Variable Conversion  
Cost

**C. Credit, if any.**

**D. Net Quantity and cost of**

**live steam**

(Total of item A plus B

Less total of item C)

---

	Pressure	Unit	Qty.	Rate (Rs.)	Amount (Rs.)
--	----------	------	------	---------------	-----------------

---

**E. Consumed in**

- (1) Processing departments
  - a
  - b
  - c
- (2) Services
  - a
  - b
- (3) Others, if any.

**Notes :-**

- 1) If steam is supplied to any other outside party, necessary credit for recoveries shall be given against item 7.
  - 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 borrowing Including Debentures shall be shown in proforma C,E,F,G, & I only.
  - 3) The rate at which waste heat is evaluated vide item A 3 should be indicated giving details of the cost center from which transferred.
  - 4) Basis adopted for valuation of steam at different pressures be also indicated in the record.
-

**SCHEDULE -I**

Annexure -III

(See Rule 3)

Name of the Company\_\_\_\_\_

Name and address of the factory\_\_\_\_\_

Statement showing the cost of power generated, purchased and consumed during the year ending on\_\_\_\_\_

<b>S. No</b>	<b>Particulars</b>	<b>Unit</b>	<b>Current Year</b>	<b>Previous Year</b>
1	Installed Capacity (KWH)			
2	No. of units generated (KWH)			
3	Capacity utilization (Percentage)			
4.1	Consumption in power house (KWH)			
4.2	Other losses (KWH)			
5	No. of units purchased (KWH)			
6	Net units available for consumption (KWH)			
7	Percentage of loss to total power Generated and purchased			
8	Percentage of power generated to Installed capacity.			

S. No	Particulars	Qty.	Rate	Amount	Cost per unit of power generated / Purchased	
					Current Year	Previous Year
			Per unit Unit (Rs.)	(Rs.)	(Rs.)	(Rs.)
1	2	3	4	5	6	7

**A.** 1    a) Fuel Oil  
          b) Other materials  
          c) Other direct charges  
              (Such as electricity duty)

**B. Conversion cost**  
1    Consumable stores/  
      Chemicals and Catalyst.  
2    Salaries and Wages



- 3 Repairs and Maintenance
- 4 Factory Overheads
- 5 Administration Overheads
- 6 Depreciation
- 7 Total Conversion Cost (1 to 6)
  - 1) Fixed Conversion Cost
  - 2) Variable Conversion Cost

**C. Credit, if any.**

**D. Net cost of power generated**

(Total of item A plus B  
less total of item C)

**E. Power purchased**

**F. Total (D + E)**

**G. Average cost per unit**

**H. Consumed in**

S. No.	Particulars	Unit	Quantity	Amount (Rs.)
1				
2				
3				
4				

**Total as per F.**

Notes :-

- 1 Cost per unit shall be worked out with reference to net units of power use after deducting consumption in the powerhouse and other losses.
- 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 borrowing including debentures shall be shown in Proforma C, E, F, G, and I only.
- 3 Realization, if any, by sale of power to outside parties shall be shown separately.
- 4 In case meters are not installed, consumption of power by the different cost centres/Departments shall be assessed on a reasonable basis and applied consistently.
- 5 If rate of duty or cost of inputs is different according to end use, these should be loaded to the respective user Departments and suitably indicated in this statement.
- 6 If purchased power is used in a specific plant, its allocation should be shown accordingly.



1	2	3	4	5	6	7	8	9	10	11	12	13
	7	Research and Development										
	8	Depreciation										
	9	Administrative Overheads										
	10	Total Conversion Cost (1 to 9)										
		10)1 Fixed Conversion Cost										
		10)2 Variable Conversion Cost										

Total (A Plus B)

**Less :**

- 11(1) Realisable value of by products
- (2) Other credits, if any.
- 12 Adjustments for the difference In the value of opening and closing work- in -progress.
- 13 Adjustments for Cost Variances, if any.
- 14 Cost of Production
- 15 Stock Adjustments
- Add: Opening Stock
- Less: Closing Stock
- (16) Cost of Self manufactured ingredient/process material

**C. Transferred to**

- 1
- 2
- 3
- 4
- 5

Total (to be tallied with item 16)

**Notes :-**

- 1. Separate cost sheet shall be maintained in respect of each ingredient/process material manufactured and used in the manufacture of products as specified under rule 2.
- 2. The basis on which realizable value is determined for the by products shall be clearly indicated in the cost records .
- 3. Abnormal losses if any, shall be indicated both in quantity and cost in a separate statement .
- 4. Reasons for variations between standards and actual shall be clearly recorded, Circumstances leading to revision of standards, if any, shall also be indicated in the

form of a foot-note .

- 5 The apportionment of common overhead expenses to the products in the case of multipurpose units shall be equitable vide para 8 of Schedule .
  - 6 Where composite machine hour rates are applied, proper supporting records indicating the equipment usage in the case of multipurpose plants shall be maintained. The variances arising out of the predetermined rates shall be adjusted to arrive at the actual cost at the end of the year.
  - 7 Details of raw materials used are to be incorporated under item A.I. Rebate received from Government for use of raw materials to be indicated and adjusted. Basis of such rebate should be given in a separate statement. If part of the product is sold, details of the quantity, price and value thereof shall be shown in the records.
  - 8 Bonus to employees other than incentive bonus shall be excluded and exhibited only in Proforma "C" under the heading "Other expenses not included in cost "
  - 9 In case the amount allocated under utilities (item B.2) is sub-grouped/grouped, the name of items of sub-grouped are to be indicated in a foot-note .
-

**SCHEDULE-II**

Profoma 'B'

(See Rule 3)

Name of the Company\_\_\_\_\_

Statement showing the cost of Production (specify the product)\_\_\_\_\_

manufactured during the year/period ended\_\_\_\_\_

S. No	Particulars	Unit	Current Year	Previous Year
(1)	Capacity of the plant.			
	Licensed :			
	Installed :			
(2)	Batch size			
(3)	Number of batches charged			
(4)	Number of batches lost			
(5)	Number of batches produced			
(6)	Major inputs :			
	a			
	b) Specify			
	c			
(7)	Outputs			
(8)	Yield percentage*			
(9)	Standard Yield percentage*			

\* Yield percentage may be indicated with reference to principal raw material/intermediate.

S. No.	Particulars	Unit	Qty.	Rate per unit	Amount in Rupees	Cost Per Unit				Percentage Variations From Standard					
						Current Year		Previous Year		Curr. Year	Pre. Year	15	16		
						Standard./Norm Qty. Cost	Actual Qty. Cost	Stand./Norm. Qty. Cost	Actual Qty. Cost						
						(Rs)	(Rs)	(Rs)	(Rs)						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

**A. 1 Raw Materials :**

- a) Purchased  
(Each item to be specified)
- b) Intermediates/  
Process Material

(Each item to  
be specified)

- (i) Raw materials covered  
by Proforma A.
- (ii) Other Chemicals/materials

**B. Conversion Cost**

- 2 Direct and Wages
- 3 Utilities
- 4 Other Works Overheads
- 5 Repairs and Maintenance
- 6 Royalty
- 7 Quality Control
- 8 Research and Development
- 9 Depreciation
- 10 Administrative Overheads
- 11 Total Conversion Cost (1 to 9)
  - (11) 1. Fixed Conversion Cost
  - (11) 2. Variable Conversion Cost

---

Total (A + B)

---

- 12 Adjustment for difference in  
the value of opening and  
closing work-in-progress
- 13 Adjustment for Cost variances  
(if any)
- 14 Total
- 15 Less :
  - (a) Realizable value of by-products
  - (b) Other credits, if any.
- 16 Total Cost of Production

**C. Transferred to**

---

	<b>Current Year</b>	<b>Previous Year</b>
	<b>Quantity</b>	<b>Quantity</b>
	<b>value in Rs.</b>	<b>value in Rs.</b>
(i) Captive consumption for further processing		
(a)		
(b) Specify the product		

---

- Ø
- Ø Transfer for sales (see Proforma 'C')
- Ø
- Ø
- Ø Specify the product

---

Total (Total to tally with item B 16)

---

**Notes :-**

1. Separate cost statements shall be maintained for each process/product.
  2. The basis on which the realizable value is determined for the by-products shall be clearly indicated in the cost records.
  3. Abnormal losses, if any, both in quantity and cost shall be shown in a separate statement indicating the reasons therefore.
  4. The apportionment of common overheads to the product in the case of multi product units shall be equitable vide Para 8 of Schedule I. Intermediates transferred from one process to the next process shall be at actual cost.
  5. Reasons for variances between standards and actual shall be clearly recorded. Circumstances relating to revision of standards, if any, shall be also be furnished in the form of a footnote.
  6. 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 be shown in Proforma C, E, F, G and I.
  7. Modvat and other benefits if any (also benefits for exports) availed by the company should be indicated separately showing their impact on per unit cost of product.
  8. Intermediates/process materials transferred from one process to the next process shall be at actual cost.
  9. If any intermediates/process materials are sold, details of the quantity, price and value thereof shall be shown in the records.
  10. In case the amount allocated under utilities (item B. 3) is sub-grouped/grouped, the names of the items sub-grouped/grouped are to be indicated as a footnote.
-

**SCHEDULE -II**

Proforma 'C'

(See Rule 3)

Name of the Company \_\_\_\_\_

Name and Address of The Factory \_\_\_\_\_

Statement Showing cost of Sales of\*\* \_\_\_\_\_

Sold During The Year/Period Ended \_\_\_\_\_

\*\* (Specify the Name of Product with Type/size/Grade)

		Unit	Current year	Previous year
(1)	Quantity produced			
(2)	Quantity packed			
(3)	Quantity sold in the country			
(4)	Quantity exported			
(5)	Sizes of packing			

  

S.No.	Particulars	Unit	Qty.	Rate	Total	Total Cost per unit	
						Per unit Cost (Rs.)	(Rs.)
1	2	3	4	5	6	7	8
1	Cost of product as per Proforma 'B'						
2	Packing Cost (for packed quantity only)						
	(a) Packing material						
	(i) Primary-To be specified						
	(ii) Secondary-To be specified						
	(b) Salaries and Wages						
	(c) Repairs and Maintenance						
	(d) Depreciation						
	(e) Other overheads						
3	Total Packing cost						
4	Add : opening stock						
5	Less : closing stock						
	Net ex-works cost of packed product sold/consumed during the year.						
6	Cost of packed quantity transferred to sales						
7	Cost of naked/bulk quantity transferred to sales						



- 
- 8 Marketing Cost
- (a) Advertisement Cost
    - (i) Television
    - (ii) Radio
    - (iii) Periodicals
    - (iv) Others
  - (b) Selling/Market survey and Research cost
    - (i) Salaries and Wages
    - (ii) commission to selling agents/distributors
    - (iii) Market survey
    - (iv) Samples Cost
  - (c) Distribution Cost
    - (i) Godown Rent
    - (ii) Salaries and Wages
    - (iii) Vehicle/Transportation Cost
    - (iv) Freight and Transport charges
  - (d) Other expenses.
- 9 Total Marketing cost
- 10 Total Cost
- (1) Fixed Cost
  - (2) Variable Cost
- 11 Total Cost including marketing cost
- 12 Interest charges
- 13 Annual bonus to employees
- (a) Statutory minimum bonus
  - (b) Bonus over and above statutory minimum
  - (c) Statutory gratuity including provision
- 14 Other expenses not included in cost (details to be listed)
- 15 Less other income not included in Cost  
(to be specified)
- 16 Total expenses including interest and other charges  
And excluding excise duty
- 17 Total expenses in respect of quantities sold in the  
Country excluding excise duty and export expenses
- (a) For packed
  - (b) For naked
-

- 18 Sales realization (excluding excise duty) for  
Quantities sold in the country.
- a) For packed
  - b) For naked
- 19 Margin on the sales within the country  
(items 18 - items 17)
- a) For Packed
  - b) For naked
- 

**Notes :**

1. Separate cost statements shall be maintained in respect of each type grade and size of product referred to in rule 2.
  2. The apportionment of common marketing expenses to the product in the case of multi-product Units shall be equitable Para 8 of Schedule I.
  3. Average sales realization shall be indicated separately for quantities sold.
  4. Separate cost statements shall be prepared for products exported.
  5. Reasons for any major variations between actual for the current and the previous year shall be clearly recorded.
  6. Proforma 'C' shall be maintained in respect of intermediates also, if sold.
  7. Quantity of packed production should be reconciled with bulk production in appropriate statement.
-

**SCHEDULE-II**

Proforma 'D'

(See Rule 3)

Name of the Company\_\_\_\_\_

Name and Address of the Factory\_\_\_\_\_

Statement showing the value of Work-In-Progress  
at the end of year/period ended\_\_\_\_\_

<b>S. No.</b>	<b>Particulars</b>	<b>Products</b>	<b>Specify Quantity, Amount etc. (in rupees)</b>
1	2	3	4
(1)	Opening work-in-progress as on.....		
(2)	Add : Expenses relating to products covered by the rules incurred during the year		
	Total		
(3)	Less : Cost of production		
(4)	Closing work-in-progress as on		

II. Statement showing the finished stock of Products

Type of Product	Opening stock as on		Prod. during the yr.		Sold during the yr.	
	Quantity	Cost	Quantity	Cost	Quantity	Cost
	(in Rupees)		(in Rupees)		(in Rupees)	
1	2	3	4	5	6	7
(1) Self-manufactured ingredients/ substances vide proforma 'A' of Schedule II						
(2) Intermediates						
(i)						
(ii)						
(iii)						
(3) Products						

0					
(i)					
(iii)					
Total					
Captive consumption		Physical stock adjustment if any		Closing stock as on	
Quantity	Cost	Quantity	Cost	Quantity	Cost
(in Rupees)		(in Rupees)		(in Rupees)	
8	9	10	11	12	13

**SCHEDULE-II**

Proforma 'E'

(See Rule 3)

Name of the Company\_\_\_\_\_

Name and Address of the Factory\_\_\_\_\_

Statement Showing the cost of sales, realisation and margin for the year ending\_\_\_\_\_

Qty. for sale	Qty.	issued Value	Packing Cost	Selling & distri- bution Expences	Interest	Bonus	
						Mnm. \$.	Oth. than Mm. St.

S. Name (type, grade and pack-size)  
of the products

Unit to be specif.	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
-----------------------	-------	-------	-------	-------	-------	-------

1	2	3	4	5	6	7	8	9
1								
2								
3								
4								

Total

Gratuity	Other Exp. net of other Income	Total cost of sales	Sales Realisa- tion	Margin Total	Margin Per Unit	Previous yr. Cost of Sales per unit	Sales realisation per unit	Margin
----------	---	---------------------------	---------------------------	-----------------	--------------------	--	-------------------------------------	--------

Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10	11	12	13	14	15	16	17	18

1								
2								
3								
4								

Total

**SCHEDULE-II**Proforma 'F'  
(See Rule 3)

Statement showing the allocation of total expenses incurred and income received by the company as per financial accounts between the product (s) covered under these rules and other activities during the year/period ended \_\_\_\_\_

S.No.	Particulars	Total as per financial accounts	Direct expenses allocated in		Utilities		
			Product covered under the Rules	Other Activities	Water	Steam	Power
1	2	3	4	5	6	7	8

**A. Expenditure**

1. Direct materials consumed
2. a. Process materials  
b. Packing materials consumed
3. Salaries, Wages & Bonus
4. Co.'s contribution to provident and other funds.
5. Welfare
6. Stores & Spares Parts
7. Power & Fuels
8. Other utilities
9. Repairs :-  
Buildings  
Plant & Machinery  
Others
10. Other Expenses  
(specify)
11. Rent
12. Rates and Taxes
13. Insurance
14. Travelling
15. Advertising expenses
16. Handling, packing carriage & freight
17. Commission and discount Royalties & Service charges

18. Others (to be specified)
19. Depreciation
20. Interest
21. Opening stock
  - (a) Work-in-progress
  - (b) Finished stock
22. Less : Closing stock
  - (a) Work-in-progress
  - (b) Finished stock

---

Total

---

**B. Income**

- (1) Sales
- (2) Other income

---

Total

---

**C. Margin**

**Notes :-**

1. Items detailed in column (2) are illustrative and not exhaustive. While by and large expenses heads may conform to items as mentioned in column (2) wherever expenses are classified under other heads, these may be adopted.
2. Details of utilities mentioned in column Nos. 6 to 11 are illustrative only.
3. In case financial accounts have not been audited, figures in column (3) may be given on the basis of provisional financial accounts.

---

Compared Air	Treated water	Effluent treatment	Other to be specified	Factory overheads	Administration overheads	Packing	Selling distribution overheads
9	10	11	12	13	14	15	16

---



---

Bonus other than incentive Bonus	Gratuity provisions paid	Interest Charges	Other expenses	Work in progress	Finished stock
17	18	19	20	21	22

---

**SCHEDULE-II**

Proforma 'G'  
(See Rule 3)

Name of the Company\_\_\_\_\_

Statement showing the allocation/apportionment of total expenses/income of the company between products covered under rule 2 and other activities. during the year/pd ended\_\_\_\_\_

---

S. No.	Particulars	Total Expenses	Share Applicable To prod. Covered Under Rule 2.	Share Applicable To Other Activity
1	Direct Material consumed			
2	Process material consumed			
3	Consumable stores & spares			
4	Direct Salaries & Wages			
5	Utilities			
	Ⓐ Power			
	Ⓑ Fuel			
	Ⓒ Steam			
	Ⓓ Effluent treatment			
	Ⓔ Others (specify)			
6	Repairs and Maintenance			
7	Depreciation			
8	Works Overheads			
9	Administration Overheads			
10.	Adjustment for difference Between opening and closing Work-in-progress.			
11.	Less credit for recoveries			
12.	Less self-consumption, if any			
13.	Stock adjustment for difference between opening and closing stock of finished goods.			
14.	Total			
15.	Packing charges			
16.	Interest charges			

---



17. Selling and distribution expenses
  18. Annual bonus to employees other than incentive bonus
    - a) Minimum statutory
    - b) Other than minimum statutory
  19. Statutory gratuity (including provision)
  20. Any other expenses not included in cost
  21. Less : Any other income not considered  
In cost (items to be specified)
  22. Total excluding excise duty
  23. Less : Export benefit, if any.
  24. Net Sales Realization (excluding Excise Duty)
  25. Margin
- 

**Notes :-**

1. Figures in column (3) shall be the same as those shown in column 3 item A, item B and item C of Proforma F.
  2. All items of income and expenditure in this proforma shall be reconciled with the financial accounts for the relevant period.
-

**SCHEDULE-II**

Proforma 'H'

(See Rule 3)

Name of the Company\_\_\_\_\_

Name and Address of the Factory\_\_\_\_\_

Statement showing the reason for loss of production during the year/period ended

\_\_\_\_\_

Name Of Section

Reasons for loss of production	Production Losses Hours/Qty.	Under Utilization Installed Capacity	Remark
(1) Routine plant maintenance (please indicate the nature of maintenance)			
(2) Unforeseen breakdown of plant and Machinery			
(3) Shortage of raw materials			
(4) Power Failure			
(5) Strike, Lock- Out etc.			
(6) Any other reasons			

\* Data in accordance with above proforma shall be maintained separately for each production section and for utilities such as Powerhouse, boiler units etc.

\_\_\_\_\_

**SCHEDULE-II**

Proforma 'I'

(See Rule 3)

Name of the Company\_\_\_\_\_

Name and Address of the Factory\_\_\_\_\_

Statement showing the summary of cost of production, cost of sales, sales realization and margin during the year/period ended \_\_\_\_\_

---

(Rs. Per Unit)

Sl. No.	Particulars	<u>Products</u>				
		1	2	3	4	.....etc.
1	Materials					
	₹					
	₹					
	₹					
	₹ Total					
2	Less					
	₹ Credit for by-product					
	₹ Scrap/rejection					
3	Conversion cost					
	₹ Variable					
	₹ Fixed					
	₹ Total					
4	Adjustment for opening and closing Work-in-progress					
5	Total cost of production					
6	Adjustment for opening and Closing Stock of finished goods					
7	Selling and distribution expenses					
8	Packing cost					
9	Cost of sales					
10.	Other expenses (Net of Misc. Income)					
11.	Total cost :				Current Year	
					Previous Year	
12.	Average Sales Realisation				Current Year	
					Previous Year	
13.	Margin				Current year	
					Previous Year	

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[F.No. 52/89/CAB-91

R.D. Joshi, Jt. Sect.

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