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

MINISTRY OF CORPORATE AFFAIRS

Notification

New Delhi dated the 7th November, 2011

G.S.R. No. 874(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), and in supersession of the Cost Accounting Records (Bulk Drugs) Rules, 1974 vide G.S.R. 130(E), dated the 14th March, 1974 and Cost Accounting Records (Formulations) Rules, 1988 vide G.S.R. 452, dated the 22nd April, 1988, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely: -

1. **Short Title and Commencement, –** (1) These rules may be called the Cost Accounting Records (Pharmaceutical Industry) Rules, 2011.

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

2. **Definitions and Interpretations, –** In these rules, unless otherwise requires,---

(a) "Act" means the Companies Act, 1956 (1 of 1956);

(b) "bulk drugs" means any pharmaceutical, chemical, biological or plant product including its salts, esters, stereo-isomers and derivatives, which are used as such or as an ingredient in any formulation and shall include any bulk drug included in any bona fide Allopathic, Ayurvedic, Homeopathic, Sidha or Unani (Tibb) systems of medicine;

(c) "compliance report" means the compliance report duly authenticated and signed by a cost accountant in the specified form of compliance report;

(d) "Cost Accountant" for the purpose of these rules means a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 (23 of 1959) and who is either a permanent employee of the company or holds a valid certificate of practice under sub-section (1) of section 6 and who is deemed to be in practice under sub-section (2) of section 2 of that Act and includes a firm of cost accountants;

(e) "Cost Accounting Standards" means the standards of cost accounting, issued by the Institute;

(f) "cost records" means books of account relating to utilisation of materials, labour and other items of cost as applicable to the production, processing, manufacturing or mining activities of the company;

(g) "Form-A" means the form specified in these rules for filing compliance report and other documents with the Central Government in the electronic mode;

(h) "Form-B" means the form of the compliance report and includes Annexure to the compliance report;

(i) "formulations" means any medicine processed out of or containing one or more bulk drugs with or without the use of any pharmaceutical aids for internal or external use for or in the diagnosis, treatment, mitigation or prevention of disease in human beings or animals and shall include any medicine included in any bona fide Allopathic, Ayurvedic, Homeopathic, Sidha or Unani (Tibb) systems of medicine;

(j) "Generally Accepted Cost Accounting Principles" means the principles of cost accounting issued by the Institute;

(k) "Institute" means the Institute of Cost and Works Accountants of India constituted under the Cost and Works Accountants Act, 1959 (23 of 1959);

(l) "pharmaceutical activities" means production, processing, or manufacturing of bulk drugs or formulations and includes the meaning assigned to them under the Drugs (Prices Control) Order 1995 as amended from time to time, or included under Chapters 29 and 30 of the Central Excise Tariff Act, 1985 (5 of 1986), and further includes the intermediate products and articles or allied products thereof;

(m) "product" means any tangible or intangible good, material, substance, article, idea, know-how, method, information, object, service, etc. that is the result of human, mechanical, industrial, chemical, or natural act, process, procedure, function, operation, technique, or treatment and is intended for use, consumption, sale, transport, store, delivery or disposal;

(n) "product group" in relation to tangible products means a group of homogenous and alike products, produced from same raw materials and by using similar or same production process, having similar physical or chemical characteristics and common unit of measurement, and having same or similar usage or application; and in relation to intangible products means a group of homogenous and alike products or services, produced by using similar or same process or inputs, having similar characteristics and common unit of measurement, and having same or similar usage or application;

(o) "turnover" means total turnover made by the company from the sale or supply of all products or services during the financial year and it includes any turnover from job work or loan license operations and the subsidies or grants or incentives received but does not include any non-operational income;

(p) all other words and expressions used in these rules but not defined, and defined in the Act and rules made under clause (d) of sub-section (1) of section 209 of the Act shall have the same meanings as assigned to them in the Act or rules, as the case may be.

3. **Application, –** These rules shall apply to every company, including a foreign company as defined under section 591 of the Act, which is engaged in the production, processing, or manufacturing of pharmaceutical activities and wherein, the aggregate value of net worth as on the last date of the immediately preceding financial year exceeds five crores of rupees; or wherein the aggregate value of the turnover made by the company from sale or supply of all products or activities during the immediately preceding financial year exceeds twenty crores of rupees; or wherein the company's equity or debt securities are listed or are in the process of listing on any stock exchange, whether in India or outside India:

Provided that these rules shall not apply to a body corporate governed by any special Act.

4. **Maintenance of records, –** (1) Every company to which these rules apply, including all units and branches thereof shall, in respect of each of its financial year commencing on or after the date of this notification, keep cost records and the books of account so maintained shall contain, inter-alia, the particulars specified in Proformae A to I mentioned in the Schedule annexed to these rules.

(2) The cost records referred to in sub-rule (1) shall be kept on regular basis in such manner so as to make it possible to calculate per unit cost of production or cost of operations, cost of sales and margin for each of its products and activities for every financial year on monthly or quarterly or half-yearly or annual basis.

(3) The cost records shall be maintained in accordance with the generally accepted cost accounting principles and cost accounting standards issued by the Institute; to the extent these are found to be relevant and applicable and the variations, if any, shall be clearly indicated and explained.

(4) The cost records shall be maintained in such manner so as to enable the company to exercise, as far as possible, control over the various operations and costs with a view to achieve optimum economies in utilization of resources and these records shall also provide necessary data which is required to be furnished under these rules.

(5) All such cost records and cost statements, maintained under these rules shall be reconciled with the audited financial statements for the financial year specifically indicating expenses or incomes not considered in the cost records or statements so as to ensure accuracy and to reconcile the profit of all product groups with the overall profit of the company and the variations, if any, shall be clearly indicated and explained.

(6) All such cost records, cost statements and reconciliation statements, maintained under these rules, relating to a period of not less than eight financial years immediately preceding a financial year or where the company had been in existence for a period less than eight years, in respect of all the preceding years shall be kept in good order.

(7) Every person, referred to in sub-section (6) and (7) of section 209 of the Companies Act, 1956 (1 of 1956), shall take all reasonable steps to secure compliance by the company with the provisions of these rules in the same manner as he is liable to maintain accounts required under sub-section (1) of section 209 of the said Act.

5. **Form of the Compliance Report, –** Every company to which these rules apply shall submit a compliance report, in respect of each of its financial year commencing on or after the date of this notification, duly certified by a Cost Accountant, along with the Annexure to the Central Government, in the specified form.

6. **Time limit for submission of Compliance Report, –** Every company shall submit the compliance report referred to in rule 5 to the Central Government within a period of one hundred and eighty days from the close of the company's financial year to which the compliance report relates.

7. **Authentication of Annexure to the Compliance Report, –** The Annexure to the compliance report shall be approved by the Board of Directors and certified by the Cost Accountant before submitting the same to the Central Government by the company.

8. **Penalties, –** (1) If default is made by the Cost Accountant in complying with the provisions of these rules, he shall be punishable with fine, which may extend to five thousand rupees.

(2) For contravention of these rules, -

(a) the company shall be punishable as provided under sub-section (2) of section 642 of the Act; and

(b) every officer thereof who is in default, including the persons referred to in sub-section (6) of section 209 of the Act, shall be punishable as provided under sub-sections (5) and (7) of section 209 of Companies Act, 1956 (1 of 1956).

9. **Savings, –** The supersession of the Cost Accounting Records (Bulk Drugs) Rules, 1974 and Cost Accounting Records (Formulations) Rules, 1988, shall not in any way affect-

(a) any right, obligation or liabilities acquired, accrued or incurred thereunder;

(b) any penalty, forfeiture or punishment incurred in respect of any contravention committed thereunder; and

(c) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, and; any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if those rules had not been superseded.

FORM-A	Form for filing Compliance Report and other documents with the Central Government
[Pursuant to section 209(1)(d), 600(3)(b) of the Companies Act, 1956 and rule 2 of the Cost Accounting Records (Pharmaceutical Industry) Rules, 2011]	

PART I - GENERAL INFORMATION

Note: All fields marked in * are to be mandatorily filled.

1 (a) *Corporate identity number (CIN) or foreign company registration number of the company — **Pre-Fill**

(b) Global location number (GLN) of company

2 (a) *Name of the company

(b) *Address of the registered office or of the principal place of business in India of the company

(c) *E-mail Address of the company

3 (a) *Financial year covered by the compliance report — From (DD/MM/YYYY) To (DD/MM/YYYY)

(b) *Date of Board of directors' meeting in which annexure to the compliance report was approved (DD/MM/YYYY)

4. **Details of the cost accountant**

(a) *Category of the cost accountant — ○ Individual ○ Cost accountant's firm

(b) In case of individual, whether the cost accountant is in permanent employment of the company or in practice — ○ In Employment ○ In Practice

(c) *Name of the cost accountant or the cost accountant's firm who has certified the cost records of the company

(d) *Income tax permanent account number of the cost accountant or the cost accountant's firm

(e) *Membership number of cost accountant or cost accountant's firm's registration number

(f) Address of the cost accountant or cost accountant's firm

(i) Line I
Line II
(ii) City
(iii) State
(iv) Country
(v) Pin Code

(g) *E-mail ID of the cost accountant or cost accountant's firm

5. ***Quantitative Information**

Sno.	Name of the Product or Service Group	Unit	Annual Production (Quantity)	Net Sales	
				(Quantity)	(Value in Rupees)
A	**Produced or Manufactured Product Groups**				
	1.				
	2.				
	3. etc.				
B	**Services Groups**				
	1.				
	2.				
	3. etc.				
C	**Trading Activities (Product Group-wise)**				
	1.				
	2.				
	3. etc.				
D	**Other Income**				
Total Income as per Financial Accounts					
PART-II					

Attachments:

1	Compliance report as per the Cost Accounting Records(Pharmaceutical Industry) Rules, 2011	**Attach**
2	Optional attachments(s) – if any	**Attach**

List of attachments

Remove attachment

Verification:

To the best of my knowledge and belief, the information given in this form and its attachments is correct and complete.

☐ I have been authorised by the Board of directors' resolution number ☐ dated ☐ (DD/MM/YYYY)

to sign and submit this form.

☐ I am authorised to sign and submit this form.

To be digitally signed by:

Managing Director or director or manager or secretary (in case of an Indian company)

or an authorised representative (in case of a foreign company) | Digital Signatures

*Designation

*Director identification number of the director or Managing Director; or Income-tax PAN of the manager or of authorised representative; or Membership number, if applicable or income-tax PAN of the secretary (secretary of a company who is not a member of ICSI may quote his/her income-tax PAN)

Director of the company | Digital Signatures

Director identification number of the director

Modify **Check Form** **Pre-scrutiny** **Submit**

This e-form has been taken on file maintained by the Central Government through electronic mode and on the basis of statement of correctness given by the filing company

FORM-B

FORM OF COMPLIANCE REPORT

[See rule 2, and rule 5]

I or We ..... being in permanent employment of the company or in practice, and having been appointed as cost accountant under Rule 5 of the Cost Accounting Records (Pharmaceutical Industry) Rules, 2011 of ..... *(mention name of the company)* having its registered office at ..... *(mention registered office address of the company)* (hereinafter referred to as the company), have examined the books of account prescribed under clause (d) of sub-section (1) of section 209 of the said Act, and other relevant records for the period/year ..... *(mention the financial year)* and certify as under:

1 I or We have or have not obtained all the information and explanations, which to the best of my or our knowledge and belief were necessary for the purpose of this compliance report.

2 In my or our opinion, proper cost records, as per the Cost Accounting Records (Pharmaceutical Industry) Rules, 2011 prescribed under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, have or have not been maintained by the company so as to give a true and fair view of the cost of production or operation, cost of sales and margin of all the products and activities of the company.

3 Detailed unit-wise and product or activity-wise cost statements and schedules thereto in respect of the product groups or activities are or are not kept in the company.

4 In my or our opinion, the said books and records give or do not give the information required by the Companies Act, 1956 in the manner so required.

5 In my or our opinion, the said books and records are or are not in conformity with the generally accepted cost accounting principles and cost accounting standards issued by The Institute of Cost and Works Accountants of India, to the extent these are found to be relevant and applicable.

Dated: this ____ day of _____ 20__ at _____ (*mention name of place of signing this report*)

SIGNATURE AND SEAL OF THE COST ACCOUNTANT (S)
MEMBERSHIP NUMBER (S)

NOTES:

(i) Delete words not applicable.

(ii) If as a result of the examination of the books of account, the cost accountant desires to point out any material deficiency or give a qualified report, he shall indicate the same against the relevant para.

(iii) Briefly give your observations and suggestions, if any, relevant to the maintenance of cost accounting records by the company.

(iv) Cost accountant may use separate sheet(s) for (ii) and (iii) above, if required.

ANNEXURE TO THE COMPLIANCE REPORT

[See rule 2 and rule 5]

1. GENERAL:

a) Name of the company:

b) Registered office address:

c) Financial year to which the Compliance Report relates.

2. QUANTITATIVE INFORMATION:

Sno.	Name of the Product or Service Group	Unit	Annual Production (Qty.)	Net Sales	
				(Qty.)	(Value in Rupees)
A	**Produced or Manufactured Product Groups**				
	1.				
	2.				
	3. etc.				
B	**Services Groups**				
	1.				
	2.				
	3. etc.				
C	**Trading Activities (Product Group-wise)**				
	1.				
	2.				
	3. etc.				
D	**Other Income**				
Total Income as per Financial Accounts					

3. RECONCILIATION STATEMENT:

Net Margin (Profit or Loss) as per Cost Accounts	(In Rupees)
A. From Produced or Manufactured Product Groups	
B. From Services Groups	
C. From Trading Activities	
Total as per Cost Accounts	
Add: Incomes not considered in Cost Accounts (if any)	
Less: Expenses not considered in Cost Accounts (if any)	
Add/Less: Difference in Stock Valuation	
Profit or (Loss) as per Financial Accounts	

NOTES:

(i) For produced or manufactured product groups, use the nomenclature as used in the Central Excise Act or Rules, as applicable.

(ii) For services groups, use the nomenclature as used in the Finance Act or Central Service Tax Rules, as applicable.

SIGNATURE
NAME
COST ACCOUNTANT (S)
MEMBERSHIP NUMBER (S)
SEAL
DATE

"SCHEDULE"

[See rule 4]

PROFORMA 'A'

Statement showing cost of Utilities like Water or Power etc.

Name of the Company	
Name of the Unit	
Name of the Utility	
For the period	

I Quantitative Information

Sno.	Particulars Unit	Current year	Previous year
1	Installed Capacity		
2	Quantity Produced		
3	Capacity Utilization (%)		
4	Quantity re-circulated		
5	Quantity Purchased, if any		
6	Self consumption including losses (to be specified)		
7	Net Units Available		

II Cost Information:

Sno.	Particulars	Quantity	Rate per unit	Amount	Cost per Unit	
					Current Year	Previous Year
		Unit	Rs.	Rs.	Rs.	Rs.
1	Materials Consumed (specify) (i) Indigenous (ii) Imported Self Manufactured/Produced					
2.	Process Materials/ Chemicals (specify)					
3.	Utilities (specify)					
4.	Direct Employees Cost					
5.	Direct Expenses (specify)					
6.	Consumable Stores and Spares					
7.	Repairs and Maintenance					
8.	Depreciation					
9.	Lease rent, if any					
10.	Other overheads					
11.	Sub-total (1 to11)					
12.	Less: Credit, if any					
13.	**Total cost (12-11)**					
	Apportionment: (cost centre-wise) 1. Cost Centre 1 2. Cost Centre 2 3. Cost Centre 3					
	Total					

PROFORMA 'B'

Statement showing Summary Quantitative Details of all Intermediates or Bulk Drugs Processed or Manufactured

Name of the Company	
Name and address of the Factory	
Drug Licence No. & Date	
For the period	

Sno.	Particulars	Unit	Current Year		Previous Year	
1.	i) Installed Capacity ii) Capacity by leasing arrangements etc					
	Total Capacity					
2.	**Production:** a. Dedicated Plant a. Multipurpose Equipment or Plant b. Under Loan Licence if any					
	Total					
3.	Average Working Hours per day					
4.	Actual Operating Days in a year					
	Particulars		**Quantity per Unit**		**Quantity per Unit**	
5.	**Gross Inputs:**		**Standard**	**Actual**	**Standard**	**Actual**
a)	**Intermediate or Ingredient 1:** Materials Consumed (specify) Process Chemicals (specify) Utilities (specify)					
	Total					
b)	**Intermediate or Ingredient 2:** Materials Consumed (specify) Process Chemicals (specify) Utilities (specify)					
	Total					
c)	**Intermediate or Ingredient 3:** Materials Consumed (specify) Process Chemicals (specify) Utilities (specify)					
	Total					
	Provide details of all Intermediates or Ingredients or Bulk Drugs separately as above under Sno. 5.					

PROFORMA 'B-1'

Statement showing Cost of Production of Intermediates or Bulk Drugs Processed or Manufactured

Name of the Company	
Name and address of the Factory	
Drug Licence No. and Date	
Name of Ingredient or Intermediate or Bulk Drug	
For the period	

I. Quantitative Information:

Sno.	Particulars	Unit	Current Year	Previous Year
1.	Batch Size			
2.	Number of Batches Produced			
3.	Actual Yield %			
4.	Standard Yield %			
5.	Production			

II Cost Information:

Sno.	Particulars	Unit	Quantity	Rate Rs.	Amount Rs.	Cost per Unit	
						Current Year Rs.	Previous Year Rs.
1.	Materials Consumed (specify) a) Indigenous purchased b) Imported c) Self manufactured/ produced						
	Total						
2	Process Chemicals (specify)						
3	Utilities (specify)						
4	Direct Employees Cost						
5	Direct Expenses (specify)						
6	Consumable Stores and Spares						
7	Repairs and Maintenance						
8	Quality Control Expenses						
9	Research and Development						
10	Technical know-how Fee						
11	Depreciation or Amortization						
12	Other Production Overheads						
13	**Total (1 to 12)**						
14	Add, Opening Stock in Process Less, Closing Stock in Process						
	Balance						
15	Less: Credits from Recoveries						
16	**Cost of Production**						
III	**ALLOCATED TO** 1. 2. 3. (specify)						
	Total						

PROFORMA 'C'

Statement showing Cost of Sales, Sales Realization and Margin in respect of Intermediates or Bulk Drug Processed or Manufactured and Sold

Name of the Company	
Name and address of the Factory	
Drug Licence No. and Date	
Name of Ingredient or Intermediate or Bulk Drug	
For the period	

I. Quantitative Information:

Sno.	Particulars	Unit	Current Year	Previous Year
1.	Production Transferred			
2.	Less, Captive Consumption			
	Balance			
	Opening Stock – Unpacked			
	Closing Stock – Unpacked			
	Packed Production			
3.	Opening Stock – Packed			
4.	Closing Stock – Packed			
5.	Balance			
6.	Quantity transferred for: (a) Domestic Sale (b) Export Sale (c) Others (specify)			

II Cost Information:

Sno.	Particulars	Unit	Quantity	Rate	Amount	Cost per Unit	
						Current Year	Previous Year
				Rs.	Rs.	Rs.	Rs.
1.	Cost of Production b/f (Proforma B)						
2.	Less: Captive Consumption for: (a) Product 1 (b) Product 2 (etc.)						
3.	Balance Packed						
4.	Add, Opening Stock – Unpacked Less, Closing Stock – Unpacked						
5.	Packing Cost (a) Materials (b) Others						
6.	Cost of Packed Production						
7.	Add, Opening Stock – Packed Less, Closing Stock – Packed						
8.	Balance						
9.	Administrative Overhead						
10.	Selling and Distribution Overheads						
11.	**Cost of Sales**						
12.	Interest and Financing charges						
13.	**Total Cost**						
14.	Net Sales Realisation						
15.	Margin						
16.	Add: Export Benefits and Incentives, if any						
17.	Total Margin (including export benefits)						

PROFORMA 'D'

Statement showing Cost of Production of Intermediates or Bulk Drug or Formulation processed on Job Charges basis

Name of the Company	
Name and address of the Job Processor	
Drug Licence No. and Date	
Name of Ingredient or Intermediate or Bulk Drug	
For the period	

I. Quantitative Information:

Sno.	Particulars	Unit	Current Year	Previous Year
1.	**Material Sent to Processor (specify details}**			
	a) Raw Materials			
	b) Ingredients			
	c) Bulk Drugs			
	d) Packing Materials			
2.	**Opening Stock of Materials**			
	a) Raw Materials			
	b) Ingredients			
	c) Bulk Drugs			
	d) Packing Materials			
3.	**Closing Stock of Materials**			
	a) Raw Materials			
	b) Ingredients			
	c) Bulk Drugs			
	d) Packing Materials			
4.	**Material Consumed (specify details}**			
	a) Raw Materials			
	b) Ingredient			
	c) Bulk Drugs			
	d) Packing Material			
5.	**Normal wastage of material**			
6.	Abnormal wastage of material			
7.	**Quantity Produced**			
	a) Bulk Drugs			
	b) Formulations			
8.	**Quantity Produced (as per Excise Records)**			
	a) Bulk Drugs			
	b) Formulations			

II Cost Information:

Sno.	Particulars	Unit	Quantity	Rate Rs.	Amount Rs.	Cost per Unit	
						Current Year Rs.	Previous Year Rs.
1.	Materials Consumed by Processor (specify)						
2.	Processing Charges						
3.	Add, Opening Stock in Process Less, Closing Stock in Process						
	Balance						
4.	Less: Credits from Recoveries						
5.	**Cost of Production**						
6.	Add, Opening Stock – Unpacked Less, Closing Stock – Unpacked						
7.	Packing Material Cost						
8.	Cost of Packed Production						
	Add, Opening Stock – Packed Less, Closing Stock – Packed						
9.	Balance Received from Processor						
	ALLOCATED TO:						
	1.						
	2.						
	3. (etc.)						

PROFORMA 'E'

Statement showing Allocation and Apportionment of Total Expenses and Conversion and Packing Cost for various Cost Centres

Name of the company	
Period	

(Amount in Rupees)

Sno.	Particulars	Total Expenses as per Audited Financial Accounts	Utilities (separately for each)	Production Cost Centres (specify separately) [1]	Packing Cost Centres (specify primary or secondary separately) [2]	Factory Overheads	Administra-tion Overheads	Marketing or Selling and Distribution	Other Activities	Non Cost Expenses
	Quantitative Details									
	No. of Batches									
	Quantity Input									
	Quantity Output									
	Machine Hours or Labour Hours									
	a) Available									
	b) Worked									
	Cost Information:									
1.	Direct Materials (specify)									
2.	Process Chemicals(specify)									
3.	Chemicals (specify)									
4.	Power and Fuel									
5.	Employee Benefits:									
a)	Salaries, Wages, Bonus Etc.									
b)	Contribution to Provident and Other Funds									
c)	Staff Welfare Expenses									
6.	Consumable Stores and Spares									
7.	**Repairs and Maintenance**									
a)	Plant and Machinery									
b)	Buildings									

Sno.	Particulars	Total Expenses as per Audited Financial Accounts	Utilities (separately for each)	Production Cost Centres (specify separately) [1]	Packing Cost Centres (specify primary or secondary separately) [2]	Factory Overheads	Administra-tion Overheads	Marketing or Selling and Distribution	Other Activities	Non Cost Expenses
c)	Others									
8.	Other Direct Expenses (specify)									
9.	Rent									
10.	Insurance									
11.	Rates and Taxes									
12.	Payment To Auditors									
13.	Traveling and Conveyance									
14.	Communication Expenses									
15.	Printing and Stationery									
16.	Bank Charges									
17.	Security Force Expenses									
18.	Sales Promotion Expenses									
19.	Handling Expenses									
20.	Miscellaneous Expenses									
21.	Transportation Charges									
22.	Quality Control									
23.	Royalty or Technical Know-how									
24.	Technical Assistant Fees									
25.	Other Statutory Levies									
26.	Lease Rent									
27.	Research and Development									
28.	Packing Expenses									
29.	Borrowing Charges									
30.	Loss on Assets Sold, Lost or Written Off									
31.	Exchange Rate Fluctuations									

Sno.	Particulars	Total Expenses as per Audited Financial Accounts	Utilities (separately for each)	Production Cost Centres (specify separately) [1]	Packing Cost Centres (specify primary or secondary separately) [2]	Factory Overheads	Administra-tion Overheads	Marketing or Selling and Distribution	Other Activities	Non Cost Expenses
32.	Provision For Doubtful Debts, Advances, Claims and Obsolescence									
33.	Provision for Contingencies									
34.	Depreciation or Depletion									
35.	**Total Expenses**									
36.	**Allocation of Utilities (specify)**									
37.	**Apportionment of Overheads (specify**									
38.	**Total**									
39.	**Less, Cost of Materials and Bought Out Components**									
40.	**Conversion Cost (38-39)**									
41.	**Cost per Machine Hour or Direct Labour Hour**									
42.	**Current Year**									
43.	**Previous Year**									

a. Specify cost centres as Weighing and Mixing, Filtration, Tablet Making, Preparation, Inspection, Testing, Quality Control etc under Production cost centres, as applicable.

b. Packing cost centres to be shown separately under Cartooning, Boxing, etc. under Primary or Secondary Packing cost centres.

Reconciliation Control:

Sno.	Particulars	Total Expenses as per Audited Financial Accounts	Utilities (separately for each)	Production Cost Centres (specify separately)	Packing Cost Centres (specify primary or secondary separately	Factory Overheads	Administra-tion Overheads	Marketing or Selling and Distribution	Other Activities	Non Cost Expenses
1.	Total Expenses b/f as per Sno. 35 above									
2.	Add, Opening Stock in Process Less, Closing Stock in Process									
3.	Less, Credit for Recoveries									
4.	Less, Self Consumption, if any,									
5.	Add, Opening Stock – Finished Less, Closing Stock – Finished									
6.	**Total (excluding Excise Duty)**									
7.	Excise Duty Paid									
8.	**Total (including Excise Duty)**									
9.	**Total Sales Realization (excluding Excise Duty**									
10.	Excise Duty Recovered									
11.	**Total Sales (including Excise Duty)**									
12.	Add: Export Benefit, if any									
13.	**Profit as per Profit and Loss Account**									

PROFORMA 'F'

Statement showing Apportionment of Conversion Cost and Packing Cost for various Products

Name of the Company	
Name and address of the Factory	
Drug Licence No. and Date	
For the period	

Sno.	**Product or Formulation (specify)**	**Size**	**Qty**	**Total**		**Cost Centres** (Specify Names of cost centres such as Weighing & Mixing, Filtration, Tablet Making, Preparation, Inspection, Testing, Quality Control etc. in columns below)								**Total**		**Cost Centres** (Specify Names of cost centres such as Weighing & Mixing, Filtration, Tablet Making, Preparation, Inspection, Testing, Quality Control etc. in columns below)									
1	**2**	**3**	**4**	**5**		**6**		**7**		**8**		**9**		**10**		**11**		**12**		**13**		**14**	
				X	**Y**	**X**	**Y**	**X**	**Y**	**X**	**Y**	**X**	**Y**	**X**	**Y**	**X**	**Y**	**X**	**Y**	**X**	**Y**	**X**	**Y**
				Hrs	**Rs.**	**Hrs**	**Rs.**	**Hrs**	**Rs.**	**Hrs**	**Rs.**	**Hrs**	**Rs.**	**Hrs**	**Rs.**	**Hrs**	**Rs.**	**Hrs**	**Rs.**	**Hrs**	**Rs.**	**Hrs**	**Rs.**
	Apportionment of			**A. Conversion Cost to Product or Formulations**										**B. Packing Cost to Product or Formulations**									
1																							
2																							
3																							
4																							
4																							
6																							
	Etc.																						
	Total																						

X = Actual direct labour or machine hours utilized as per actual recording or any other appropriate basis of apportionment.

Y = Conversion Cost in rupees

PROFORMA 'G'

Statement showing Cost of Production, Cost of Sales, Sales Realization and Margin in respect of Formulation

Name of the Company	
Name and address of the Factory	
Drug Licence No. and Date	
Name of the Formulation/Drug	
For the period	

Sno.	Particulars				
1	Name of the formulation (with trade mark) manufactured or marketed and its composition				
2	Type of Formulations: Plain or Coated Tablet, Soft or Hard or Printed Capsules with or without Band, Sterile or Non sterile Liquid Powder or Ointment or Cream etc. (specify)				
3	Type of Packing: Aluminum or Paper or Cellophane or Blister or Stripe or Vials or Ampoule or Bottle or Tin or Jar etc. (specify)				
4	Size of Packing (specify)				
5	Batch Size (Specify)				
6	**Production**	**Standard**		**Actual**	
		Current Year	**Previous Year**	**Current Year**	**Previous Year**
I	No. of Batches Charged				
II	No. of Batches Produced				
III	Total Quantity Produced				
IV	Quantity Packed				
V	Packed Quantity Sold (a) Quantity Sold in each pack size (b) Total number of Packs Sold				
VI	Assessable Value of the product reconciled with Excise Records				

Sno.	Particulars	Unit	Quantity		Rate Rs.	Amount Rs.	Cost Per unit	
			Theore-tical	Actual			Current Year	Previous Year
A	**Materials Consumed**							
(a)	Imported (specify input)							
(b)	Indigenous (specify inputs)							
(c)	Own Produced or Manufactured (Specify major items)							
(d)	Less: Wastes or Rejects							
(e)	**Total Material Cost (A)**							

Sno.	Particulars	Unit	Quantity		Rate Rs.	Amount Rs.	Cost Per unit	
			Theore-tical	Actual			Current Year	Previous Year
B	**Primary Packing Material**							
(a)	Aluminum or PVC or Cellophane, Blister Foil etc. for front use							
(b)	Aluminum or PVC or Cellophane, Blister Foil etc. for back side							
(c)	Bottle or Container or Tube etc							
(d)	Ampoules/Vials etc							
(e)	Capsules etc.							
(f)	Leaflets							
(g)	Cartons							
(h)	Others (specify)							
(i)	Less : Wastes or Rejects							
(j)	**Total Packing Materials (B)**							
C	**Conversion Cost**							
(a)	Weighing and Mixing							
(b)	Filtration							
(c)	Preparation of Solution or Ointment							
(d)	Inspection							
(e)	Quality Control							
(f)	Testing							
(g)	Research and Development							
(h)	Others (specify)							
(i)	**Total Conversion Cost (C)**							
D	**Packing Cost (D)**							
E	**Other Expenses**							
(a)	Royalty							
(b)	Storage							
(c)	Others (specify)							
(d)	**Total (E)**							
F	**Total Cost (A+B+C+D+E)**							
G	**Add: Opening Work-in-Progress Less: Closing Work-in-Progress**							
H	**Adjustment for Cost Variance**							
I	**Total Production Cost (F to H)**							
J	**Secondary Packing Materials**							
(a)	Cartoons							
(b)	Leaflets							
(c)	Dropper							
(d)	Boxes							
(e)	Gum Tapes							
(f)	Others (specify)							
(g)	Less : Wastes or Rejects							
(h)	**Total (a to g)**							

Sno.	Particulars	Unit	Quantity		Rate Rs.	Amount Rs.	Cost Per unit	
			Theore-tical	Actual			Current Year	Previous Year
K	**Secondary Packing Cost or Charges**							
(a)	Cartooning							
(b)	Boxing							
(c)	Others (specify)							
(d)	**Total (a to c)**							
L	**Total Cost of Packed Production (I+J+K)**							
M	Less: Transfer for Clinical or Sample or Trails etc.							
N	**Balance (L+M)**							
O	Add: Opening Stock – Packed Less: Closing Stock – Packed							
P	**Balance Sold**							
Q	**Administration Overheads**							
R	**Cost of Goods Sold (P+Q)**							
(a)	Domestic Sales							
(b)	Export Sales							
(c)	Total (a+b)							
S-1	**Distribution Cost (specify)** a) b) c) etc							
S-2	**Sales Promotion Expenses**							
(a)	Wholesalers							
(b)	C and F Agents							
(c)	Retailers							
(d)	Others (specify)							
S-3	**Trade Commission**							
(a)	Wholesalers							
(b)	C and F Agents							
(c)	Retailers							
(d)	Others (specify)							
T	**Total (R+S1+S2+S3)**							
U	Interest and Financing Charges							
V	Other Expenses or Income not included in Cost (give details)							
W	Total Cost of Sales excluding Excise Duty							
X	Net Sales Realization excluding Excise Duty							
(a)	Domestic Sales							
(b)	Export Sales							
(c)	Add: Export Benefits and Incentives							
(d)	**Total (a to c)**							

Sno.	Particulars	Unit	Quantity		Rate Rs.	Amount Rs.	Cost Per unit	
			Theore-tical	Actual			Current Year	Previous Year
Y	Margin(N-M)							
Z-1	Maximum Retail Price excluding Excise Duty							
Z-2	Maximum Price under DPCO as applicable							
Z-3	Assessable Value of the Product							
Z-4	Excise Duty							

Proforma 'H'

Statement showing Activity-wise Capital Cost of Plant and Machinery/Equipment relating to Bulk Drugs, Formulations and Other Common Services & Activities

Name of the company:	
For the Period:	

(Amount in Rupees)

Sno.	Particulars	Gross Block				Depreciation				Net Block	
		Cost as at beginning of the year	Additions or Transfers during the year	Deductions or Transfer during the year	Total Cost at the end of the year	As at beginning of the year	For the year	On deductions during the year	Total at the end of the year	As at beginning of the year	As at the end of the year
A.	**Ingredients (specify)**										
1.											
2.											
etc											
B.	**Bulk Drug Activity (specify)**										
1.											
2.											
etc											
C.	**Formulations (specify)**										
1.											
2.											
etc											
D.	**Packing**										
1.											
2.											
etc											
E.	**Utilities (specify)**										
1.											
2.											
etc											
F.	**Common (Production/Administrative/Marketing) Overheads (specify)**										
1.											
2.											
etc											
H.	**Grand Total (A to G)**										

PROFORMA 'I'

Statement of Profit Reconciliation (for the company as a whole)

Name of the Company	
Drug Licence No. and Date	
For the period	

Sno.	Particulars	Current Year Rs.	Previous Year Rs.
1.	Profit or Loss as per Cost Accounting Records a) For Product Groups under these Rules b) For the Product Groups outside these Rules		
2.	Add: Incomes not considered in cost accounts: (a) Specify (b)		
	Total		
3.	Less: Expenses not considered in cost accounts: (a) Specify (b)		
	Total		
4.	Add: Overvaluation of Closing Stock in Financial Accounts		
5.	Add: Undervaluation of Opening Stock in Financial Accounts		
6.	Less: Undervaluation of Closing Stock in Financial Accounts		
7.	Less: Overvaluation of Opening Stock in Financial Accounts		
8.	Adjustments for others, if any (specify		
9.	**Profit or Loss as per Financial Accounts**		

NOTES:

1 Separate cost statement shall be prepared for each utility or each activity or sub-activity or inter-unit and inter-company transfers relating to Intermediates or Bulk Drugs or Formulations in the prescribed proforma. In case Intermediates or Bulk Drugs or Formulations are processed through outside agency on job charges basis, separate cost statement shall be prepared in the prescribed proforma indicating job processing charges separately.

2 In case the company follows a pre-determined or standard costing system, the cost statement shall reflect figures at actual after adjustment of variances, if any. Reasons for variations between standards and actual shall be clearly recorded. This information is to be indicated for two years. Circumstances leading to revision of standards, if any shall also be indicated in the form of a foot note.

3 If the drug is manufactured by fermentation process the following information shall be maintained on annual average basis:-

(a) number of fermenters with their operating capacity or volume, average fermentation hours and turnaround time;

(b) average whole broth volume, whole broth potency and filtered broth potency per batch;

(c) stage-wise and overall percentage recovery efficiency of both drug and intermediate from the fermented broth;

(d) average batch output and number of batches processed and drained;

(e) average potency/purity of the finished drug; and

(f) stage-wise annual average quantity consumption of all major raw materials including solvents usage shall be maintained along with quantity produced at each stage. Similarly details of consumption of primary utilities of in respect of the drug shall be maintained.

4 If the drug is manufactured by chemical process, the following details shall also be maintained, namely: -

(a) In the case of dedicated facilities, details such as name of the equipment and designed capacity, number of equipments available, position or code number of the equipment, reaction or operation carried out in the equipment, batch size (input or batch and output or batch), occupancy time hour, yield and WIW with respect to main input at each stage and the cumulative yield, by-product or recoveries of solvents etc. (Kg. or Ltr.).

(b) In case any other product is manufactured in the above set of equipment similar data shall be maintained for such item and allocation of time at each equipment alongwith basis of allocation.

5 Appropriate chemical equation of reaction with molecular weight and recovery levels of solvents and by-product at each stage shall also be kept. Further, in case of any change in the process of technology and the consequential benefit there from during the year or in the recent past shall be maintained.

6 Actual quantity consumed including overages, if any should be included in Proforma 'G'.

7 The items of cost shown in the Proforma are indicative and the same should be reflected Keeping in mind the materiality of the item of cost in the product.

8 Separate proforma shall be prepared for the quantity sold within the country and the quantity exported. Expenses incurred on export and the incentive earned thereon shall be indicated in the proforma applicable for the quantity produced and exported. The value of export incentives and other benefits received on exports shall be included in sales realization. Separate cost details shall be maintained for expenditure incurred for getting accreditation from overseas regulatory authorities and its recurring expenditure thereof, if any. This cost shall be charged to products exported on scientific and equitable basis.

9 Sales realizations shall be separately indicated for the quantities of product under reference sold (i) at the notified prices under Drug (Prices Control) Order, 1995 and (ii) at prices fixed by the company.

10 The quantitative basis of apportionment of common overheads should be enclosed separately.

11 The items of cost shown in the proforma are indicative and the same shall be reflected keeping in mind the materiality of the item of cost in the product and activity group.

12 Details of apportionment of depreciation to respective activity shall be specified separately for common fixed assets.

13 The conversion cost shall be indicated cost center-wise separately in respect of tablets, capsules, syrups, injectables, ointment etc in relevant proforma.

14 Liabilities, if any, of overcharging on account of selling at a price higher than the price fixed by the Government shall be furnished.

15 The packing cost shall be indicated cost center-wise separately in respect of tablets, capsules, syrups, injectables, ointment etc.

16 The abnormal Loss, if any, both in quantity and cost shall be shown in a separate statement indicating the reasons and per unit impact thereof.

17 All items of income and expenditures in Proforma 'I' shall be reconciled with the financial accounts for the relevant period.

[F. No. 52/7/CAB-2011]

B.B.GOYAL
Adviser (Cost)