

**COST ACCOUNTING RECORDS (CEMENT) RULES, 1997**  
**(As amended upto June, 2004)**

**Ministry of Finance**  
**(Department of Company Affairs)**  
**NOTIFICATION**

New Delhi, the 11th September, 1997

G.S.R. 536(E) – In exercise of powers conferred by sub-section (I) of section 642, read with clause (d) of sub-section (I) of section 209 of the Companies Act 1956 (1 of 1956), and in supersession of the Notification of the Govt. of India, Ministry of Law, (Department of Company Affairs) bearing G.S.R. 1402 dated 12th September, 1966, 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 (Cement) Rules, 1997.
- (2) They shall come into force on the date of their publication in the Official Gazette.

**2. *Application***

- (1) These rules shall apply to every company engaged in the production or manufacture of Clinker or cement or both.
- (2) The provision of sub rule (1) shall not apply to a company
  - (a) [the aggregate value of the machinery and plant does not exceed the limit as specified for a small scale industrial undertaking under the Industries (Development and Regulation) Act, 1951 (65 of 1951), as on the last date of the preceding financial year]\* and
  - (b) the aggregate value of the turnover made by the Company from the sale or supply of all its products during the preceding financial year does not exceed rupees ten crore.

**3. *Maintenance of Records***

- (a) Every company to which these rules apply shall, at regular intervals as well as 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 including proformae A,B,C,D and E annexed to these rules

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\* Substituted by G.S.R. 466(E) dated the 3rd August, 1998

relating to the utilisation of materials, labour and other items of cost in so far as they are applicable to product(s) referred to in rule 2:-

Provided that if the said company is manufacturing any other product(s) or is engaged in other activities in addition to products referred to in rule 2, the particulars relating to utilisation of materials, labour and other items of cost in so far as they are applicable to such other products or activities shall not be included in the cost of the product(s) referred to in rule 2.

- (b) The books of accounts referred to in sub-rule (a) shall be kept on a regular basis in such a manner as to make it possible to calculate the cost of production and cost of sales of product(s) referred to in rule 2 at regular intervals as well as for the financial year as a whole, from the particulars entered therein and every such books of accounts and the Proformae specified in Schedules annexed to these rules shall be completed not later than ninety days from the closing of the financial year, of the company to which they relate,
- (c) It shall be the duty of every person referred to in sub-section (6) and a person having been charged by the person mentioned in sub-section (6) of section 209 of the Companies Act, 1956 (1 of 1956) to take all reasonable steps to secure compliance by the company with the provisions of sub-rules (a) and (b) of this rule in the same manner as the person is liable to maintain accounts required under sub-section (1) of section 209 of the said Act.
- (d) Statistical and other records shall be maintained in accordance with the provisions of the 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, 1996.

#### **4. *Penalty***

If a company contravenes the provisions of rule 3, the company and every person in default referred to in sub-rule (c) of rule 3 shall subject to the provisions of section 209 of the Companies Act, 1956 (1 of 1956) be punishable with fine which may extend to Rupees five hundred and where the contravention is a continuing one with a further fine which may extend to Rupees fifty for every day after the first day during which period such contravention continues.

## **SCHEDULE I**

(See rule 3)

### **1. MATERIALS**

- (i)(a) Proper records shall be maintained showing separately all receipts, issues and balances both in quantities and cost of each item of direct materials required and actually used in the production, processing or manufacture of products 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 and cost of receipt (including all direct charges upto the works in respect of all major direct materials), separately for imported and indigenous supplies.
- (i)(b) Where some of the raw material are raised from mines owned or leased by the companies or are produced or manufactured by them, separate records showing the cost of raising, procuring or manufacturing such raw materials shall be maintained.
- (ii) Proper records shall be maintained indicating the quantity and cost of by-product recovered in the different processes having significant value say five per cent or above of the cost of input of materials. In the case of by-products recovered, which cannot be reused in the process and are sold or disposed of without further processing, the realisation from such sales shall be recorded and adjusted against the process concerned on a reasonable basis. In case further processing is necessary to make these by-products usable or saleable, as the case may be, adequate records of cost involved for such further processing shall be maintained and the net realisation adjusted against the process concerned. The basis adopted for valuation of the by-products shall be equitable and consistent. Records indicating the actual sales realisation of by-products shall also be maintained.
- (iii) Proper records shall be maintained to show the receipts, issues and balances, both in quantities and cost of each item of any process material or chemicals, consumable stores, small tools and machinery spares. The cost shall include all direct charges upto works.
- (iv) 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 group of such items.
- (v) The cost of consumption of consumable stores, small tools, and machinery spares shall be charged to the relevant cost centres on the basis of actual issues.
- (vi) Proper records shall be maintained showing the quantity and value of wastages, spoilages, rejections and losses of raw materials, process materials, consumables stores small tools and machinery spares, whether in transit, storage, manufacture of 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 or spoilage etc. shall be indicated distinctly and separately along with reasons thereof.
- (vii) Where MODVAT is availed on any item of material, cost thereof shall be shown at net of MODVAT.

## **2. SALARIES AND WAGES**

- (i) Proper records shall be maintained to show the attendance and earnings of all employees of the cost centres/ departments and the work on which they are employed. The records shall also indicate the following separately for each cost centre/ department:
  - (a) Piece rate wages earned (wherever applicable);
  - (b) Incentive wages earned, either individually or collectively as production bonus or under any other scheme based on output;
  - (c) Overtime wages earned;
  - (d) Earnings of casual labour;
- (ii) The records shall be maintained in such a manner so as to enable the company to furnish necessary particulars under this head in the Proforma of the Schedules II appended to these rules. Where the employees work in such a manner that it is not possible to identify them with any cost centre/ department, the labour charges shall be apportioned to the cost centre/ department on equitable basis and applied consistently.
- (iii) Idle time shall be separately recorded under classified headings indicating the reasons therefor. The method followed for accounting of idle time payments in determining the cost of product shall be disclosed in the cost records.
- (iv) Any wages and salaries allocable , to capital works such as additions to plant and machinery, buildings or other fixed assets shall be accounted for under the relevant capital heads.

## **3. SERVICE DEPARTMENT EXPENSES**

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

## **4. UTILITIES**

- (i) **Water:-** Proper records showing the quantity and cost of treated/ cooling water purchased and consumed, if any, for the manufacture of the product(s) in different cost centres/ departments shall be maintained.
- (ii) **Steam:-** Proper records showing the quantity and cost of steam produced and consumed for the manufacture of the product shall be maintained. The cost of steam consumed by the Cement plant and other units of the company shall be calculated on a reasonable basis and applied consistently. Where steam is produced and supplied by any other unit of the company to the cement plant, the cost of steam so supplied shall be charged to

Cement plant on a reasonable basis and applied consistently.

(iii) **Power:--**

(a) Proper records shall be maintained for the quantity and cost of power purchased. Where power is generated by the company itself, adequate records shall be maintained to show the cost of power generated and consumed for the production of the product referred to in rule 2 in different cost centres/ departments etc.

(b) Where power is generated and supplied by any other unit of the company to the plant, adequate records shall be maintained to indicate the quantity and cost of power so supplied. The cost of power allocated to production referred to in rule 2 shall be on a reasonable basis and applied consistently.

(iv) **Utilities other than water, steam and power:-** Proper records shall be maintained in respect of any other utilities other than water, steam and power produced or purchased by the company.

## **5. WORKSHOP/ REPAIRS AND MAINTENANCE/ TOOL ROOMS**

(i) Proper records showing the expenditure incurred by the workshop under different heads and on repairs and maintenance by the various cost centres/ departments shall be maintained. The records shall also indicate the basis of charging the workshop/ tool room expenses to different cost centres/ departments and units. Where maintenance work is done by direct workers of any production cost centre, the wages and salaries of such workers shall be treated as direct expenses of the respective cost centre. If the services are utilised for other products also, the manner of charging a share to product(s) referred to in rule 2 shall be equitable and clearly indicated in records and applied consistently.

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

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

## **6. DEPRECIATION**

The basis on which depreciation is calculated and allocated/ apportioned to the various cost centres/ departments and absorbed on the products shall be clearly indicated in the cost records. Depreciation chargeable to the different cost centres/ departments shall not be less than the amount of depreciation chargeable in accordance with provisions of sub section (2) of Section 205 of the Companies Act, 1956 (1 of 1956) and shall related to Plant and machinery and other fixed assets utilised in such cost centres/ departments. In case of amount of depreciation charged in the cost accounts in a financial year is higher than the amount of depreciation chargeable under the aforesaid provisions of the Companies Act, 1956 (1 of 1956) the amount so charged in excess shall be indicated clearly in the cost records. The cost records shall also show the effect of the said excess

on the per unit cost of the product(s) referred to in rule 2. The cumulative depreciation charged in the cost records, against any individual item of asset shall not, however, exceed the original cost of the respective asset.

## **7. ROYALTY/TECHNICAL KNOW-HOW FEE**

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

## **8. OTHER OVERHEADS**

- (i) Proper records shall be maintained showing the various items of expenses comprising the other overheads. These expenses shall be analysed, classified and grouped according to functions, viz. works, administration, selling and distribution.
- (ii) Where the company is manufacturing any product(s) other than those product 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 or product, 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 centres and products shall be indicated in the cost records.
- (iii) The details of works, administration, selling and distribution overheads shall be maintained in such a manner so as to enable the company to fill up the necessary particulars in proforma as Scheduled II annexed to these rules.

## **9. RESEARCH AND DEVELOPMENT EXPENSES**

- (i) Proper records showing the details of expenses, if any, incurred by the company for the research and development work on the products covered under these rules according to the nature viz., development of products, existing and new, processes of manufacture, existing and new, design and development of new plant facilities and market, research for the existing and new products etc. shall be maintained separately.
- (ii) The method of charging these expenses to the cost of products shall be indicated in the cost records. Where the utility of such research and development work extends over more than one financial year, such expenses shall be treated as deferred expenses and charged to the cost of production of product(s) referred to in rule 2 and to other products,

if any, on a reasonable basis and applied consistently.

- (iii) Expenses incurred by the Research and Development department for furnishing technical knowhow to outsiders shall be recorded separately and excluded from the cost of product(s) referred to in rule-2. The amount charged for providing technical know-how to outsiders shall also be indicated separately.

#### **10. INTEREST**

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

#### **11. EXPENSES /INCENTIVES ON EXPORTS**

Proper records showing the expenses incurred on the export sales, if effected, of the products covered by rule 2, if any, shall be separately maintained, so that the costs of export sales can be determined correctly. Separate Cost statement shall be prepared for products exported giving details of export expenses incurred/ incentive earned. In case, duty free imports are made the cost statements should reflect this fact. If the duty free imports have been made after actual production, the statement should reflect this fact.

#### **12. CAPTIVE CONSUMPTION**

Proper records shall be maintained showing the quantity and cost of product(s) referred to under rule 2 transferred to other department(s)/ unit(s) of the company for captive consumption. Such transfers shall be effected at cost and shall be disclosed in the cost records.

#### **13. PACKING**

- (i) 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 the product referred to in rule 2. Where such expenses are incurred in common for other products also, the basis of apportioning the expenses between the relevant products shall be clearly indicated in the cost records and applied consistently.
- (ii) 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.

#### **14. 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 upto the stage of completion shall be taken into account while computing the cost of work in progress. The method adopted for determining the cost of work in progress and finished goods shall be followed consistently. Records showing the cost of work in progress and the quantities and the cost of finished goods shall be maintained in such details as to enable the company to fill up the particulars in relevant Proforma of the Schedule II annexed to these rules.

#### **15. COST STATEMENTS**

- (i) The product emerging from a process which forms raw material for a subsequent process shall be valued at the cost of production upto the previous stage.
- (ii) If the company is operating more than one factory, separate cost statements as specified above shall be maintained in respect of each factory.

#### **16. PRODUCTION RECORDS**

Quantitative records of all finished and packed production, issued for sales and balances of different types 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 a year with the value of the Quantities shown in the quantitative account maintained for each type of products referred to in rule 2.

#### **17. RECONCILIATION OF COST AND FINANCIAL ACCOUNTS**

- (i) Cost records shall be reconciled with the financial books of account for the financial year so as to ensure accuracy. Variations, if any, shall be clearly indicated and explained. The reconciliation shall be done in such a manner that profit of the product under reference can be correctly arrived at and reconciled with the overall profit of the company.
- (ii) A statement showing the total expenses incurred and income received by the company under different heads of accounts and the share applicable to the products under rule 2 shall be maintained and reconciled with the financial accounts for the period.

#### **18. ADJUSTMENT OF COST VARIANCES**

Where the company maintains cost records on any basis other than actual such as standard costing, the records shall indicate the procedure followed by the company in working out the cost of product under such system. The method followed for adjusting the cost variances in determining the actual cost of the product shall be indicated clearly in the cost records. The cost variances shall be shown against the separate heads in the respective Proformae of Schedule II annexed to these rules and analysed into material, labour, overheads and broken up into quantity, price, efficiency, capacity utilisation and shall be made at least quarterly during the financial year. The reason for the variance shall be duly explained in



the cost records.

## **19. STATISTICAL RECORDS**

- (i) Data regarding available machine hours/direct labour hours in different production departments and actually utilised shall also be maintained and shortfall suitably analysed. Suitable records for computation of idle time of machines shall be maintained.
- (ii) Adequate records shall be maintained to enable the company to identify the capital employed, net fixed assets and working capital separately for the product referred to in 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 record. The records shall, in addition show assets, be added as replacement and that added for increasing existing capacity.

## **20. POLLUTION CONTROL**

Expenditure incurred by the company on various measures to protect the environment like effluent treatment, control of pollution of air, water should be properly recorded.

## **[ 21. INTER-COMPANY TRANSFER**

- (1) In respect of related party transactions or supplies made or services rendered by a company to its holding company or subsidiary or a company termed "related party relationship" as defined below and vice-a-versa, records shall be maintained showing contracts entered into, agreements or understanding reached in respect of:-
  - (a) purchase and sale of raw materials, finished products, process materials, chemicals and rejected goods including scraps, etc;
  - (b) utilisation of plant facilities and technical know-how;
  - (c) supply of utilities and any other services;
  - (d) administrative, technical, managerial or any other consultancy services;
  - (e) purchase and sale of capital goods including plant and machinery;
  - (f) any other payment related to production, processing or manufacturing of product under reference.

These records shall also indicate the basis followed for arriving at the rates charged or paid for such products or services so as to enable determination of the reasonableness of such rates in so far as they are in any way related to product under reference.

- (2) The transactions by the following "related party relationships" shall be covered under sub-rule (1):-
  - (a) enterprises that directly or indirectly through one or more intermediate, control, or are controlled by, or are under common control with, the reporting enterprises (this includes holding companies, subsidiaries and fellow subsidiaries);

- (b) associates and joint ventures of the reporting enterprises and the investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture;
- (c) individuals owing, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;
- (d) key management personnel and relatives of such personnel; and
- (e) enterprises over which any person described in (c) or (d) is able to exercise, significant influence. This includes enterprises owned by directors of major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise.

However, the following shall not be deemed as “related party relationship”:-

- (a) two companies simply because they have a Director in common, notwithstanding paragraph (d) or (e) above (unless the Director is able to affect the policies of both companies in their mutual dealings);
- (b) a single customer, supplier, franchiser, distributor, or general agent with whom an enterprise transacts a significant volume of business merely by virtue of the resulting economic dependence; and
- (c) the parties listed below, in the course of their normal dealings with an enterprise by virtue only of those dealings (although they may circumscribe the freedom of action of the enterprise or participate in its decision making process);
  - (i) providers of finance;
  - (ii) trade unions;
  - (iii) public utilities;
  - (iv) Government Departments and Government agencies including Government sponsored bodies.

**Explanation:- For the purpose of these Rules-**

- (a) “Related party relationship” means parties who are considered to be related at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/ or operating decisions;
- (b) “Related party transaction” means transfer of resources or obligations between related parties, whether or not a price is charged;
- (c) “Control” means
  - (i) ownership, directly or indirectly, of more than one half of the voting power of an enterprise; or
  - (ii) control of the composition of the Board of Directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise; or

- (iii) a substantial interest in voting power and the power to direct, by statute or agreement, the financial and/ or operating policies of the enterprise.
- (d) “Significant influence” means participation in the financial or operating policy decisions of an enterprise, but not control of those policies;
- (e) “Associate” means an enterprise in which an investing reporting party has significant influence and which is neither a subsidiary nor a joint venture of that party;
- (f) “Joint venture” means a contractual arrangement whereby two or more parties undertake an economic activity, which is subject to joint control;
- (g) “joint control” means the contractually agreed sharing of power to govern the financial and operating policies of an economic activity so as to obtain benefits from it;
- (h) “Key management personnel” means those persons who have the authority and responsibility for planning, directing and controlling the activities of the reporting enterprise;
- (i) “Relative”- in relation to an individual, means the spouse, son, daughter, brother, sister, father and mother who may be connected by blood relationship;
- (j) “Holding company” means a holding company within the meaning of Section 4 of the Companies Act, 1956 (1 of 1956);
- (k) “Subsidiary” means a subsidiary company within the meaning of Section 4 of the Companies Act, 1956 (1 of 1956);
- (l) “Fellow subsidiary” means a company is said to be a fellow subsidiary of another company if both are subsidiaries of the same holding company;
- (m) “State-controlled enterprise” means an enterprise which is under the control of the Central Government or a State Government”]\*

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\* *Inserted by G.S.R. No. 708(E) dated 28th September, 2001*

**SCHEDULE-II**

(See Rule 3)

**PROFORMA 'A'**

Name of the Company .....

Location of the Cement Factory .....

Statement showing the cost of limestone raised during the

Year/ period ended .....

Particulars	Quantity (Tonnes)
1	2

1. Lime Stone raised
2. Less rejected
3. Net Qty. raised
4. Transported to crusher
5. Overburden removed

Particulars	Quantity	Rate (Rs)	Amount (Rs)
1	2	3	4

1. Explosives
2. Salaries & Wages
3. Consumable Store  
Specify  
.....  
.....  
.....
4. Repairs & Maintenance
5. Power & fuel
6. Depreciation
7. Other exp.
8. Total (1 to 7)
9. Stock adjustment, if any  
Add: Opening Stock  
Less: Closing Stock
10. Cost of limestone raised transferred to Proforma B.

Note: Bonus to employees other than incentive bonus, provision for statutory gratuity and interest changes shall not be shown in this Proforma.

## SCHEDULE-II

(See Rule 3)

### PROFORMA 'B'

Name of the Company .....

Location of the Cement Factory .....

Statement showing the cost of limestone crushing during the

Year/ period ended .....

Particulars col. 4	Received	Crushed	Loss (in any)	% of loss (Figures in as a % of figures in col. 2)
1	2	3	4	5

Lime Stone

(a) Own Mine ( if any, specify)

(b) Purchased

(c) Total (a+b)

Particulars	Quantity	Rate (Rs)	Amount (Rs)
1	2	3	4

1. Lime Stone
  - (a) Own (as per Proforma (A))
  - (b) Purchased
2. Transport Cost
3. Salaries & Wages
4. Stores & spares
5. Power
6. Repair & maintenance
7. Depreciation
8. Total (1 to 7)  
Add: Opening Stock  
Less: Closing Stock
9. Cost of Crushed Lime Stone Transferred to Proforma C

Note: Bonus to employees other than incentive bonus, provision for statutory gratuity and interest changes shall not be shown in this Proforma.

**SCHEDULE-II**  
(See Rule 3)  
**PROFORMA 'C'**

Name of the Company .....

Location of the Cement Factory .....

Statement showing the cost of clinker during the  
Year/ period ended .....

Particulars	Quantity (Tonnes)
1. Crushed Lime Stone Received	
2. Consumed	
3. Wastage etc.	
4. Clinker Produced	

Particulars	Qty	Rate per Unit	Amount (Rs.)	Cost per Tonne	
				Current Year (Rs.)	Previous Year (Rs.)
1	2	3	4	5	6
1. Raw Material					
(a) Lime Stone (from Proforma B)					
(b) Clay					
(c) Coal					
(d) Others					
(e) Total					
2. Power					
3. Salaries & Wages					
4. Stores & Spares					
5. Repair & Maintenance					
6. Depreciation					
7. Total (1 to 6)					
8. Stores Adjustment					
Add: Opening Stock					
Less: Closing Stock					
9. Cost of Clinker transferred					
(a) Captive Consumption (Proforma D)					
(b) For local Sales					
(c) for export sales					
(d) Total (a+b+c)					

Note: Bonus to employees other than incentive bonus, provision for statutory gratuity and interest changes shall not be shown in this Proforma.

**SCHEDULE-II**  
(See Rule 3)  
**PROFORMA 'D'**

Name of the Company .....

Location of the Cement Factory .....

Statement showing the cost of Cement produced during the

Year/ period ended .....

	Current Year (Rs.)	Previous Year (Rs.)
<b>1. Qty. of naked Cement Produced</b>		
Particulars	Qty	Rate per Unit
		Amount (Rs.)
		Cost per Tonne
		Current Year (Rs.)
		Previous Year (Rs.)
1	2	3
4	5	6
<b>1. Materials :</b>		
(a) Clinker (As per Proforma C)		
(b) Gypsum		
(c) Others (to be specified)		
(d) Total (a+b+c)		
<b>2. Consumable Stores</b>		
<b>3. Direct Salaries and Wages</b>		
<b>4. Power</b>		
<b>5. Effluent Treatment Expenses</b>		
<b>6. Repairs and Maintenance</b>		
<b>7. Other works overheads</b>		
<b>8. Depreciation</b>		
<b>9. Administration overheads</b>		
<b>10. Total (1 to 9)</b>		
<b>11. Less : realisable value for by product, if any</b>		
<b>12. Total (10 - 11)</b>		
<b>13. Adjustment for opening and closing balance of work in progress</b>		
<b>14. Stock adjustment</b>		
Add: Opening Stock		
Less: Closing Stock		
<b>15. Total cost of naked cement transferred to Proforma E</b>		

**Notes :**

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

**SCHEDULE-II**

(See Rule 3)

**PROFORMA 'E'**

Name of the Company .....

Location of the Cement Factory .....

Statement showing the cost of Cement sold during the

Year/ period ended .....

Current Year (Tonne)      Previous Year

(Tonne)

- 
- (1) Quantity packed
  - (2) Quantity sold
  - (3) Quantity used for self consumption  
by other units of the company
- 

Particulars	Qty	Rate (Rs.)	Amount (Rs.)	Cost per Tonne	
				Current Year (Rs.)	Previous Year (Rs.)
1	2	3	4	5	6

1. (a) Cost of naked Cement  
(as per Proforma D)
- (b) Packing Cost
  - (i) Gunny bags
  - (ii) Other packing materials
  - (iii) Salaries and Wages
  - (iv) Works Overheads
  - (v) Depreciation



- TOTAL
- (c) Less : Self Consumption
  - (d) Stock adjustment
    - Add : Opening Stock
    - Less : Closing Stock
  - (e) Net cost of Cement sold
2. Selling and Distribution Expenses
- (i) Salaries and Wages
  - (ii) Commission to selling agents
  - (iii) Freight and Transport
  - (iv) Loading and unloading charges
  - (v) Godown rent
  - (vi) Other expenses
3. Total cost including selling and distribution expenses
4. Interest Charges
5. Annual bonus to employees
- (a) Statutory Minimum Bonus
  - (b) Other
  - (c) Total (a+b+c)
6. Provision for statutory gratuity
7. Other expenses not included in cost (to be specified)
- TOTAL
8. Less : any other income not considered  
in cost (items to be specified)
9. Net expenses excluding excise duty
10. Total sales realisation excluding excise duty  
for quantity sold within the country
11. Margin
- 

**Notes :**

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

[F.NO. 52/8/CAB-96]  
R.D. Joshi, Jt. Secy.