

COST ACCOUNTING RECORDS (DYES) RULES, 1976

MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS

(Department of Company Affairs)

NOTIFICATION

New Delhi, the 22nd April, 1976

G.S.R. 605:- In exercise of the power conferred by the 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 makes hereby the following rules, namely:-

1. **Short title and commencement:** - (1) These rules may be called the Cost Accounting Records (Dyes) Rules, 1976.

(2) They shall come into force on 1st day May 1976.

2. **Application :** [They shall apply to every company engaged in the producing, processing or manufacturing of dyes excepting those companies falling under the category of “small scale industrial units”

Explanation - For the purpose of this rule, the expression “small scale industrial undertaking” means a company]¹ –

{(a) the aggregate value of the machinery and plant installed wherein does not exceed limit as specified for a small scale industrial undertaking under the Industrial (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 realisation made by the company from the sale or supply of all its products during the preceding financial year does not exceed ten crore rupees.}²

3. **Definition:** - In these rules unless the context otherwise requires:

(a) “*dye (dyestuff)*” means an organic compound which may be used to impart colour to a substance and may be classified as Acid Dyes, Basic Dyes, Direct Dyes, Sulphur Dyes, Vat Dyes, Azoic Dyes, Ingrained Dyes, Metal Complex Dyes, Disperse Dyes, Reactive Dyes, Oil Dyes, and Water Soluble Dyes.

(b) ‘*Intermediate*’ means any compound which is manufactured from primary or basic raw material and which is used in the production, processing or manufacturing of any dye.

¹ Substituted by Cost Accounting (Dyes) Amendment Rules 1979 vide GSR No.1276 dated 10th October, 1979

² Inserted and substituted by Cost Accounting (Dyes) Amendment Rules of 1983, 1989, 1993 and 1998 vide GSR No. 35 dated 5th January, 1983, GSR 558 dated 22nd July, 1989, GSR 318(E) dated 24th March, 1993 and GSR 442(E) dated 3rd August, 1998 respectively.

4. **Maintenance of Records:** -(1) Every company to which these rules apply shall in respect of each its financial year commencing on or after the commencement of these rules keep proper books of account containing inter alia the particulars specified in Schedules I and II annexed to these rules relating to the utilisation of materials, labour and other items of cost in so far as they are applicable to the Dyes referred to in rule 2 :

Provided that if the said company is manufacturing any other product(s) or engaged in other activities in addition to producing, processing or manufacture of Dyes, the particulars relating to the 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 items referred to in rule 2.

- (2) The books of accounts referred to in sub-rule (1) shall be kept in such a way as to make it possible to calculate the cost of production and cost of sale of items referred to in rule (2) during a financial year (hereinafter referred to as the relevant period) from the particulars entered therein and every such books of account and the proformae specified in Schedule II shall be completed within ninety days from the end of the financial year of the company to which they relate.
- (3) It shall be the duty of every person referred to in sub-section (6) and sub-section (7) of section 209 of Companies Act, 1956 (1 of 1956) to take all reasonable steps to secure compliance by the company with the provision of sub-rules (1) and (2) in the same manner as they are liable to maintain financial accounts required under sub-section (1) of Section 209 of the said Act.
- 4 **Penalty:** - If a company contravenes the provisions of Rule 4, the company and every officer thereof who is in the fault including the persons referred to in sub-rule (3) of rule 4 [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 during which such contravention continues.

SCHEDULE I

(See rule 4)

I. Materials

- (a) **Raw Materials:** - Proper records shall be maintained showing all receipts, issues and balances both in quantities and cost of each item of raw material required and actually used in production, processing or manufacturing of Dyes. These records for raw materials shall contain such details as to enable the company to determine the quantity, cost of receipt (including all direct charges incurred up to the works), issues and balances of each item of raw material. The basis on which the said quantities and costs have been calculated shall be indicated in the cost records.

* *Inserted by Cost Accounting Records (Dyes) Amendment Rules, 1977 vide GSR No. 791 dated 3rd June 1977*

- (b) **Process Material :** - Proper records shall be maintained to show the receipts, issues and balances, both in quantities and costs of each item of process material. The costs shall include all direct charges up to the works, wherever specifically incurred. The issues shall be properly identified with the departments, cost centres and products manufactured.

In case intermediates/processed material/chemicals required in the production of other intermediates/Dyes are manufactured by the company separate records showing the cost of manufacture of such items indicating the break-up of raw materials consumed for the production as well as convention costs shall be maintained in proforma as near thereto as may enable the company to determine the cost of such intermediate/processed materials/chemicals produced.

In case such of these process materials (like caustic soda), which are already covered under the relevant Cost Accounting Records Rules, prescribed are manufactured proper records shall be maintained as per those rules so as to arrive at the cost of those items.

- (c) **Recoveries of Process Chemicals:** - Proper records shall be maintained indicating the quantity of chemicals recovered in the different process. In the case of certain chemicals thus recovered which cannot be used back in process or disposed of without processing, adequate records of cost involved for such further processing shall be maintained. Sales realisation, if any, on account of disposal of such items may be indicated in the records and necessary adjustment carried out in the cost of relevant chemicals/process.
- (d) **Consumable Stores, Small Tools, Machinery Spares, etc.:** - (i) Proper records shall be maintained to show the receipts, issues and balances both in quantities and cost of each item of consumable stores, small tools and machinery spares. The costs shown shall include all direct charges up to works, wherever specifically incurred.
- (ii) In 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 groups of such items.
- (iii) The cost of issues of consumable stores, small tools and machinery spares, issued shall be charged to the relevant heads of account such as production, repairs to plant and machinery, repairs to buildings, materials consumed on capital works such as addition to buildings, plant and machinery and other assets shall be shown under the relevant capital heads.
- (e) **Wastages, Spoilages, Rejections, Losses, etc. of Materials:** - Proper records shall be maintained to show the quantity and cost of wastages, spoilages, rejections and losses of raw materials, process materials, consumable stores, small tools and machinery spares, whether in transit, storage, manufacture or for any other reasons. The method followed for adjusting the above losses as well as the income derived from the disposal of rejected and wastage materials, if any, in determining the cost of the product shall be indicated in the cost records.

II. Salaries and wages

- (a) Proper records shall be maintained to show the attendance and earnings of all employees and the departments or cost centres and the work on which they are employed. The records shall also indicate separately: -
 - (i) Overtime wages earned;
 - (ii) Piece-rate wages earned;
 - (iii) Incentive wages earned, either individually or collectively as production bonus or under any other scheme based on output;
 - (iv) earnings of casual labour.
- (b) Idle time shall be separately recorded under classified headings indicating the reasons therefor. The method followed for accounting of idle time payments in determining the cost of the products shall be disclosed in the cost records.
- (c) 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 relevant capital heads.

III. Service Department Expenses

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

IV. Utilities:

- (a) **Water:** - Proper records showing the quantity and, cost of water treated and consumed for the manufacture of Dye in different departments/cost centres etc., shall be maintained in such detail as may enable the company to furnish the necessary particulars in Annexure I to this Schedule. The cost of treated water allocated shall be on a reasonable basis and applied consistently.
- (b) **Steam:** - Where steam is raised by the company proper records showing the quantity and cost of steam raised and consumed for the production of Dyes in different departments/cost centres shall be maintained in such detail as may enable the company to furnish the necessary particulars in Annexure II to this Schedule. The cost of steam consumed by the Dye factory and other units of the company shall be calculated on a reasonable basis and applied consistently. Where steam is raised and supplied by any other unit of the company to the Dye factory, the cost of steam so supplied shall be charged on a reasonable basis and applied consistently.
- (c) **Power:** - Proper records shall be maintained to the quantity and cost of power purchased. Where power is generated by the company, adequate records shall be maintained to show the cost of power generated and consumed for production of Dyes in different departments/cost centres, etc. shall be maintained in such detail as may enable the company to furnish

the necessary particulars in Annexure III to this Schedule. Where power is generated and supplied by any other unit of the Company to Dye factory, adequate records shall be maintained to assess the quantity and cost of power so supplied. The rate charged by that unit shall be on a reasonable basis and applied consistently. The cost of power allocated to production of Dyes shall be on a reasonable basis and applied consistently.

V. Workshop/ Repairs and Maintenance

Proper records showing the expenditure incurred by the workshop under different heads and on repairs and maintenance by the various departments and cost centres shall be maintained. The records shall also indicate the basis of charging the workshop expenses to different departments and cost centres. Expenditure on major repairs 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 of Dyes manufactured during the relevant period.

Expenditure incurred on works of capital nature shall be capitalised. The cost of such jobs shall include the expenditure on material, labour and share of the overheads. The jobs carried out by the workshop of Dye unit for other units of the company and vice versa shall be charged on a reasonable basis and applied consistently.

VI. Depreciation

- (a) Proper records shall be maintained showing the cost and other particulars of fixed assets in respect of which depreciation is to be provided. These records shall inter alia indicate the cost of each item of asset including installation charges, if any, the date of installation and the rate of depreciation. In respect of those assets, the original cost of acquisition of which cannot be ascertained without an unreasonable expenditure or delay, the valuation shown in the books on the first day of the financial year beginning on or after the commencement of these rules shall be taken as the opening balance.
- (b) The basis on which depreciation is calculated and allocated to the various departments and cost centres and to the products shall be clearly indicated in the records. Depreciation chargeable to the different departments and cost centres shall not be less than the amount of depreciation chargeable in accordance with the provisions of sub-section (2) of Section 205 of the Companies Act, 1956 (I of 1956) and shall relate to, plant and machinery and other fixed assets utilised in such departments and cost centres. In case the amount of depreciation charged in the cost records in any financial year is higher than the amount of depreciation chargeable under the aforesaid provisions of the Companies Act, the amount so charged in excess, the incidence of such excess depreciation on the unit cost of production shall be indicated clearly in the cost records. The cumulative depreciation charged in the cost records against any individual item of the asset shall not, however, exceed the original cost of the respective asset.

VII. Overheads

Proper records shall be maintained showing the various items of expenses comprising overheads. These expenses shall be analysed, classified and grouped into the work, administration and selling and distribution overheads. Where the company is engaged in the manufacture of any other products in addition to Dyes, the records shall clearly indicate the basis followed for apportionment of the common overheads including head office expenses of the company to the Dye activity and other activities. In case any expense included in the above categories of overheads can be identified with a particular activity/product, such expense shall be segregated and charged to the relevant activity/product at the first instance and thereafter the common expenses under the above categories of overheads shall be allocated on an equitable basis and applied consistently. Overheads allocable to capital works shall be indicated separately in the cost records. The , methods followed for the levy and absorption of the above categories of overheads to the products shall be indicated in the cost records and the basis followed shall be equitable and applied consistently.

VIII. Multi-purpose Vessels and Plants

When processing of more than one product (dye/intermediate) is carried out in a particular vessel(s)/ plant(s), proper records about the utilisation of such vessel(s)/ plant(s) for different products (dyes/intermediates) shall be kept. The cost of utilisation of such vessel(s)/ plant(s) shall be charged to the different products (dyes/intermediates) on an equitable basis such as equipment occupancy hours and applied consistently.

IX. Research and Development Expenses

Proper records showing the details of expenses, if any, incurred by the company for the research and development according to the nature, namely development of products existing or new, processes existing and new, design and development of plant facilities, market research for the existing and new products shall be maintained separately. Wherever the utility of such research extends over more than one financial year such expenses shall be treated as deferred expenses and charged to cost of products on equitable basis which is to be followed consistently. The method followed for charging these expenses to the cost of production of dyes/intermediates during any year shall be indicated in the relevant cost records and the basis followed shall be equitable and applied consistently on a reasonable basis.

X. Expenses on Export

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

XI. By-products

Proper records shall be maintained for each item of by-product, if any, produced showing the receipts, issues and balances both in quantity and value. The basis adopted for valuation of the by-products for giving credit to the respective dyes/intermediates shall be equitable and consistent. Records indicating the expenses incurred on further processing, if any, as well as the actual sales realisation of the by-product shall be maintained.

XII. Dyes transferred for captive consumption

Proper records shall be maintained showing the quantity and cost of Dyes/intermediates transferred to another department/ unit of the company for captive consumption. Such transfers shall be effected on actual cost and disclosed in the cost records.

XIII. Packing

Proper records shall be maintained showing the quantity and cost of various packing materials such as tins, gunny bags and for wages and other expenses incurred in respect of different sizes of packs adopted for marketing of Dyes. Where the 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. Detailed records of the expenses incurred on export packing shall also be kept separately and exhibited in the relevant cost statements for exports

XIV. Work-in-progress and finished goods Stock

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

XV. Cost statements

Cost statements shall be maintained in respect of each Intermediate/Dye showing the cost of production and cost of sales in Proformae 'A', 'B' and 'C' respectively.

Export of Dyes shall be exhibited in separate cost statements as in Proforma 'C'. In case special processing is involved for export quality, Cost Statements in Proformae 'A' and 'B' shall also be maintained separately and same excluded from the cost statements meant for sale in the internal market.

XVI. Production Record

Quantitative records of all finished and packed production, issues for sales and balances of different Dyes and intermediates produced by the company shall be maintained. The cost of all finished and packed production, issues and balances may be kept in detail or in the

form of control accounts for each product group provided the cost of the balances according to such control accounts are reconciled periodically, at least once in a year with the cost of the quantities shown in the quantitative account of each Dye.

XVII. Reconciliation of Cost and Financial Accounts

The cost records shall be reconciled preferably periodically with the financial books of account so as to ensure accuracy. Variations, if any, shall be clearly indicated and explained. The period for which such reconciliation is effected shall not exceed the period of the financial year of the company. The reconciliation shall be done in such a manner that the profitability of the product under reference can be correctly adjudged and reconciled with the over all profits of the company.

A statement showing the total expenses incurred and the income received by the company and the share applicable to Dyes activity shall be maintained in Proforma 'D' duly reconciled with the financial accounts.

XVIII. Adjustment of Cost Variances

Where the company maintains cost records on any basis other than actuals, such as standard costing, the records shall indicate the procedures followed by the company in working out the cost of the products under such procedure. 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 Proformae of Schedule-II. The reasons for the variances shall be indicated in the cost records.

XIX. Records of Physical Verification

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

[XX. 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”]*

* *Substituted by Cost Accounting Records (Dyes) Amendment Rules, 2001 vide GSR No. 724(E) dated 28th September 2001.*

XXI. Statistical Records

Data such as plant utilisation, the equipment occupancy hours for different kinds of intermediates/dyes in respect of plants, raw material consumption plant wise, product wise, batch wise and yield records batch wise of different kinds of intermediates/dyes, stock statistics such as raw materials, finished products, work-in-progress, plant stoppages indicating reason under classified headings, various operating efficiency and recovery efficiencies shall be kept.

Records as will enable the company to identify as far as possible the capital employed separately for the Dye manufacturing activity shall be maintained. Fresh investments on fixed assets that have not contributed to the production during the relevant period shall also be indicated in the records. The records shall in addition show assets added as a replacement and that added for increasing the existing capacity.

Statistical and other records maintained in accordance with the provisions of this Schedule and Schedule II shall be such as to enable the company to exercise, as far as possible, control over the various operations with a view to achieve optimum economies in costs and to provide the necessary data required by the cost auditor to suitably report on all the points referred to in the Cost Audit (Report) Rules, 1968 as amended from time to time.

The data maintained in the cost records shall be reconciled with the periodical records submitted by the company to Excise and other authorities.

ANNEXURE I

Name of the Company

Name and address of Chemical Factory (Dye Unit)

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

Quantity of Water treated

Particulars	Quantity (Units)	Rate (Rs.)	Amount (Rs)	Cost per kilolitre of water treated
(1)	(2)	(3)	(4)	(5)
1. Water Royalty				
2. Chemicals:				
(a)				
(b)				
(c)				
3. Stores				
4. Power				
5. Salaries & Wages				
6. Repairs and Maintenance				
7. Overheads				
8. Depreciation				
Total				
9. Less credits, if any				
10 Net Total				

<i>Consumption for :</i>	<u>No. of Units</u>	<u>Amount (Rs)</u>
(i) Steam		
(ii) Power		
(iii) Other Service Departments		
(iv)		

Notes :

1. If treated water is supplied to any other outside party, necessary credits for recoveries made shall be given against item 9.
2. Where metres are not installed consumption of treated water shall be assessed on a reasonable basis and applied consistently.
3. Bonus to employees other than incentive bonus, provision for statutory gratuity and interest

ANNEXURE II

Name of the Company

Name and address of Chemical Factory (Dye Unit)

Statement showing the Cost of Steam raised / consumed during the year ending

Quantity of steam raised

Particulars	Quantity (Units)	Rate (Rs.)	Amount (Rs)	Cost per tonne of steam raised
(1)	(2)	(3)	(4)	(5)
1	Water (as per (Annexure I)			
2.	Fuels:			
	(a)	Coal		
	(b)	Fuel Oil		
	(c)	Electricity		
	(d)	Other fuels, if any (to be specified)		
3	Other Direct expenses (Such as Boiler Inspection fee etc.)			
4.	Consumable Stores			
5.	Salaries and Wages			
6.	Repairs and Maintenance			
7.	Overheads			
8.	Depreciation			
9.	Total (1 to 8)			
10.	Less:			
	(a)	Cost of live steam used by Power House for generating electricity		
	(b)	Other units of the company		
	(c)	Outside party		
11.	Quantity and cost of live steam			

<i>Consumed in :</i>	<u>Units</u>	<u>Amount (Rs)</u>
(i) Electricity Generation		
(ii) Other units of the company		
(iii)		
(iv)		

Notes:

- (1) If steam is supplied to any other outside party, necessary credit for recoveries shall be given against item 10(c)
- (2) Where meters are not installed, consumption of steam shall be assessed on a reasonable basis and applied consistently.
- (3) Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proformae 'C' and 'D' of Schedule II only.

ANNEXURE III

Name of the Company

Name and address of Chemical Factory (Dye Unit)

Statement showing the cost of power generated /purchased and consumed during the year ending

No. of Units generated	KWH
No. of Units purchased	KWH
Consumption in power house including other losses	KWH
Net Units consumed	KWH

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

- A.1. (a) Steam (As per Annexure II or purchased)
- (b) Other materials
(to be specified, if any)
- 2. Consumable Stores
- 3. Other Direct charges
(such as electricity duty etc)
- 4. Salaries & Wages
- 5. Repairs and Maintenance
- 6. Overheads
- 7. Depreciation

- 8. Total (1 to 7)
- 9. Less Credits for:
 - (a) Other Units of the company
 - (b) Other parties

10. Net cost of power generated

B. Power Purchased

TOTAL (A+B)

Cost per unit

<i>Consumed in :</i>	<u>Quantity</u>	<u>Amount (Rs)</u>
(i) Water treatment		
(ii) Steam generation		
(iii)		
(iv)		

Notes:

1. Cost per unit shall be worked out with reference to the Net units of power available for use after deducting consumption in the power house and other losses.
2. Where meters are not installed, consumption of power shall be assessed on a reasonable basis and applied consistently.
3. Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proformae 'C' and 'D' only and not in any other Proforma.
4. Realisation, if any, by sale of power to outside parties etc. shall be shown separately against item 9(b).

SCHEDULE II

(See Rule 4)

Proforma 'A'

Name of the Company

Name and address of Chemical Factory (Dye Unit)

**Statement showing the cost of intermediate (name)
manufactured and used either in production of other intermediate products
or Dyes during the year ending**

Particulars	Quantity (Units)	Rate (Rs.)	Total Cost (Rs)
(1)	(2)	(3)	(4)
1. Opening Balance of Stock			
2. Quantity produced and the related expenses as under :			
(i) (a) Raw material purchased (to be specified)			
(b) Intermediate if any manufactured within the works (to be specified)			
(ii) Consumable Store (Other than those allocated to repairs and maintenance)			
(iii) Salaries and wages			
(iv) Utilities:			
(a) Water			
(b) Steam			
(c) Power			
(d) Refrigeration			
(v) Milling Charges			
(vi) Repairs and Maintenance			
(vii) Other Works Overheads			
(viii) Royalty			
(ix) Depreciation			
(x) Administration Overheads			
3. Total of 2(i) to 2(x)			
4. *Adjustment for the cost variances (Where standard costing system is adopted):			
(a) Material			
(b) Labour			
(c) Overheads			

Particulars	Quantity (Units)	Rate (Rs.)	Total Cost (Rs)
(1)	(2)	(3)	(4)

5. Total of (3) and (4)
6. Less: Value of by-product/
wastages, if any

7. Total
8. Adjustment for opening and closing
stock of work in progress
9. Total
10. Total (1 and 9)
11. Less: Closing Stock
12. Total cost of Intermediate available for transfer

<i>Transferred to :</i>	<u>Quantity</u>	<u>Amount (Rs)</u>
(i) Other intermediate if any		
(ii) Dyes (Proforma 'B')		
(iii) Other Departments		

(*) Applicable to companies maintaining records on standard costing system only.

Notes:

- (1) This proforma may be used for each Process Chemical such as purified brine, milk of lime, Ammonia, Ammonium Chloride, Sulphurated Hydrogen, etc. manufactured by the company and used in the production of Soda Ash/Other process chemicals.
- (2) The basis on which the realisable value for rejection, waste is determined shall be clearly indicated. Expenditure if any, incurred for the disposal of such item shall be deducted from disposal value to arrive at the figure at item 6.
- (3) Bonus employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proformae 'C' and 'D' only.

Proforma 'B'

Name of the Company

Name and address of Chemical Factory (Dye Unit)

Statement showing the cost of Dye Stuff manufactured during the year ending

Classification :

Specification :

Colour Index :

Trade Name :

Current Year Previous year
(Metric Tones) (Metric Tones)

Quantity produced

Particulars	Quantity (Units)	Rate (Rs.)	Amount (Rs)	<u>Cost Per tonne</u>	
				Current Year (Rs.)	Previous Year (Rs)
(1)	(2)	(3)	(4)	(5)	(6)

1. Opening Balance of Stock
2. Quantity produced and the related expenses:
 - (i) Raw material
(Purchased)
(Items to be specified)
 - (ii) Intermediate manufactured within
the works as per proforma 'A'
(Items to be specified)
 - (iii) Consumable Store (Other than those
allocated to repairs and maintenance)
 - (iv) Salaries and wages
 - (v) Utilities:
 - (a) Water
 - (b) Steam
 - (c) Power
 - (d) Refrigeration
 - (vi) Milling Charges
 - (vii) Repairs and Maintenance
 - (viii) Other Works Overheads
 - (ix) Royalty
 - (x) Depreciation

Particulars	Quantity (Units)	Rate (Rs.)	Amount (Rs)	Cost Per tonne	
				Current Year (Rs.)	Previous Year (Rs)
(1)	(2)	(3)	(4)	(5)	(6)
(xi) Administration Overheads					
(xii) (*) Adjustment for the cost variances, if any					
(a) Material					
(b) Labour					
(c) Overheads					
3. Total of 2(i) to 2 (xii)					
4. Less Credits for recoveries of by products, wastages, if any, (to be specified)					
5. Total					
6. Adjustment for opening and closing work-in-progress					
7. Adjustment for self-consumption					
8. Total					
9. Total (1) and (8)					
10. Less: Closing Balance					
11. Total cost of naked Dyestuff for packing (transferred to Proforma 'C')					

(*) Applicable to companies maintaining records on standard costing system only.

Notes:

- (1) Separate cost statements shall be maintained in respect of different types of Dyes manufactured suitably filling in the appropriate items in this proforma.**
- (2) The apportionment of head office expenses and other common overheads to the product under reference in the case of multi-product units shall be equitable.
- (3) The basis on which the value for rejections, waste is determined shall be clearly indicated. Expenditure, if any, incurred for the disposal of such item shall be deducted from disposal value to arrive at figures at item 4..
- (4) Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proformae 'C' and 'D' only.

Proforma 'C'

Name of the Company

Name and address of Chemical Factory (Dye Unit)

Statement showing the cost of Sales of packed Dye Stuff / Intermediate during the year ending

Classification :
 Specification :
 Colour Index No. :
 Trade Name :

	Current Year (Kg.)	Previous year (Kg.)
(a) Quantity Packed		
(b) Quantity sold		
(c) Quantity used for self consumption by other units of the company		

Particulars	Quantity (Kg.)	Rate per unit (Rs.)	Total Cost (Rs)	Cost Per Pack	
				Current Year (Rs.)	Previous Year (Rs)
(1)	(2)	(3)	(4)	(5)	(6)

1. (a) Cost of naked Dye stuff/
Intermediate as per Proforma 'B'/'A'
- (b) Packing Cost
 - (i) Tins
 - (ii) Polythene bags
 - (iii) Card Boards
 - (iv) Other packing Materials
 - (v) Salaries & wages
 - (vi) Repairs & Maintenance
 - (vii) Depreciation

TOTAL	
(c) Stock adjustments	
Add: Opening stock	
Less: Closing stock	
(d) Net cost of quantity packed for sales	

2.	Selling and Distribution Expenses (for quantity sold only)	
	(a) Salaries and Wages	
	(b) Commission to selling agents	
	(c) Freight and transport	
	(d) Loading and unloading charges	
	(e) Godown rent	
	(f) Advertisement	
	(g) Other charges	
	(h) Share of Administration expenses	<hr/>
3.	Total cost including selling and distribution expenses	
4.	Annual bonus to employees (other than incentive bonus)	
5.	Provision for statutory gratuity	
6.	Interest charges	
7.	Other expenses not included in cost (Items to be specified)	
	TOTAL	<hr/>
8.	Less: Other income not considered in cost (items to be specified)	
9.	Total expenses excluding excise duty for quantity sold within the country	
10.	Total sales realisation, excluding excise duty for quantity sold within the country	<hr/>
11.	Margin	<hr/>

Notes:

1. Separate cost statements shall be maintained in respect of each Dyestuff/Intermediate and for each size of packing.
2. The apportionment of common selling and distribution expenses to the various products in the case of multi-product units shall be equitable and consistent.
3. Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown separately in Proforma 'C' and 'D' and not in any other Proforma.
4. If the entire or part of the packing plant is used for packing of other products in addition to dyes, the apportionment of the operating expenses of the packing plant including labour costs to the different products shall be equitable and applied consistently. The basis of apportionment of such expenses shall be clearly indicated in the cost records.
5. Separate cost statements under Proforma 'C' (with suitable modification) shall be maintained in respect of Dyestuff/Intermediate exported. Expenses incurred on exports and incentives earned thereon shall be shown in the relevant cost statements.

Proforma 'D'

Name of the Company

Name and address of Chemical Factory (Dye Unit)

Statement showing the allocation of total expenses incurred and income received by the Company between Dye activity and other activities during the year ending

Particulars	Total actual Expenses/ incomes (Rs.)	Share applicable to	
		Dye Activity (Rs)	Other Activities (Rs)
(1)	(2)	(3)	(4)
1 Raw Materials consumed			
2 Process Chemical materials consumed			
3 Consumable stores			
4 Bulk packing materials			
5 Salaries and wages			
6 Milling expenses			
7 Utilities			
8 Repairs and Maintenance			
9 Other works overheads			
10 Depreciation			
11 Administration overheads			
TOTAL			
12 Adjustment for difference between opening and closing work-in-progress			
13 Less Credits for recoveries:			
(i) By products			
(ii) Others			
14 Stock adjustment for difference between opening and closing stock			
16 Selling and Distribution expenses			
TOTAL			
17 Annual bonus to employees other than incentive bonus			

Particulars	Total actual Expenses/ incomes (Rs.)	Share applicable to	
		Dye Activity (Rs)	Other Activities (Rs)
(1)	(2)	(3)	(4)

18. Provision for statutory gratuity
19. Interest charges
20. Other expenses not included in cost
(items to be specified)
- 21 Less Other income not considered
in cost (Items to be specified)
- 22 Total excluding excise duty
- 23 Deduct export benefit, if any
- 24 Net sales realisation excluding
excise duty
25. Margin

Note:

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

[No.51/132/74-CAB]

Sd/ -

VED PRAKASH UPPAL
Under Secretary