

Section IV

COST ACCOUNTING RECORDS (SOAPS & DETERGENTS) RULES, 1993.

(Published in the Gazette of India (Extraordinary) Part II, section 3, sub-section (i) dated 29th Oct. 1993.)

MINISTRY OF LAW, JUSTICE & COMPANY AFFAIRS

(Department of Company Affairs)

NOTIFICATION

New Delhi Dated 29th October 1993

G.S.R. 677 (E): - In exercise of the powers conferred by sub-section (1) of section 642, read with clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following rules, namely:

1. Short title and commencement

(1) These rules may be called the **Cost Accounting Records (Soaps & Detergents) Rules, 1993.**

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

2. Application

These rules shall apply to every company engaged in the production, processing or manufacture of cleansing material used for cleaning, laundry/washing, bathing/toilet purposes and includes soaps and detergents (whether in the form of cake, powder or liquid), excepting those companies falling under the category of "Small Scale Industrial Undertakings".

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

[(a.) the aggregate value of the machinery and plant installed wherein does not exceed the limit the specified for a small scale industrial undertaking under the Industries (Development and Regulation) Act, 1951 (65 of 1951), as on the last dated of the preceding Financial Year),] and

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

[¹] Substituted by GSR 460 (E) dated 3rd August 1998

3. Maintenance of Records

(1) Every company to which these rules apply shall, in respect of each of its financial year commencing on or after the commencement of these rules, keep proper books of accounts containing, inter-alia, the particulars specified in Schedules I and II annexed to these rules or in a form as near thereto as practicable, relating to the utilization of materials, labour and other items of cost in so far as they are applicable to soaps and detergents 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 items referred to in rule 2, the particulars relating to utilization of materials, labour and other items of cost in so far as they are applicable to such other products or activities shall not be included in the cost of the items referred to in rule 2.

(2) The books of accounts referred to in sub-rule (1) shall be kept on a regular basis in such a manner as to make it possible to calculate the cost of production and cost of sales of all types, of grades and packing of soaps and detergents referred to in rule 2 for every quarter of the financial year (hereinafter referred to as the relevant period) as well as for the financial year as a whole, from the particulars entered therein and every such books of accounts and the Proformae specified in Schedule II shall be completed not later than ninety days from the closing of the financial year of the company to which they relate.

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

(4) Statistical and other records shall be maintained in accordance with the provisions of the Schedules annexed to these rules which shall be such as to enable the company to exercise as far as possible, control over the various operations and costs with a view to achieve optimum economies in cost and provide the necessary data required by the Cost Auditor to all suitably report on all the points referred to in Cost Audit (Report) Rules, 1968. Such records shall be reconciled with the returns submitted to the Excise Department and other Government authorities from time to time.

4. Penalty

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

SCHEDULE I

(See rule 3)

1. MATERIALS :

1(1) 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 items referred to in rule 2, in any form or any type. These records for direct materials shall contain such details as to enable the company to determine the quantity, cost of receipts (including all direct charges upto the works in respect of all major direct materials), issues and balances of each item of direct materials, separately for imported and indigenous supplies. In case of imported material including those canalized through government agencies, details of cost, insurance, freight charges (CIF value), custom duty, port charges, inland freight and handling and clearance charges paid shall be recorded separately. The basis on which the said quantities and costs of issues and consumption have been calculated shall be indicated in the cost records and followed consistently.

1(2) Proper records shall be maintained to show the receipts, issues and balances both in quantities and costs of each item of process material, chemical and catalyst. In case of catalyst, proper records shall be maintained for the value and quantity issued in a financial year suitably adjusted for consumption. If the life of the catalyst is more than one financial year, necessary adjustment should be made. If the life of the catalyst is not known, consumption may be assessed on technical basis. The cost of such process materials/chemicals and catalyst shall include all direct charges upto works. The issues and consumption shall be properly identified with the departments, cost centers and products manufactured. For this purpose the products should be classified under relevant grades/qualities of soaps and detergents.

1(2) (1) In case where the process materials/chemicals required in the production of items referred to in rule 2 are manufactured by the company, separate records showing the cost of manufacture of each such item indicating the break up of raw materials consumed for the production and conversion cost shall be maintained in Proforma "A" to schedule II annexed to these rules or in any other proforma as near thereto as may enable the company to determine the cost of such process materials/chemicals produced.

1(2)(2) In case any process chemical covered under any Cost Accounting (Records) Rules prescribed under the Companies Act, 1956 (1 of 1956) is manufactured by the company, proper cost records shall also be maintained as per the rules so as to arrive at the cost of such items.

1(3) If the quantity and value of materials consumed are determined on any basis other than actuals, the method adopted shall be mentioned in the cost records and followed consistently. The overall reconciliation of such quantities and value of materials with the actuals shall be made at least quarterly during the financial year explaining the reasons for variations. The treatment of such variations in determining the cost of the items referred to in rule 2 shall be indicated in the cost records.

1(4) Proper records shall be maintained indicating the quantity and cost of scrap recovered in the different processes having significant value say five percent or above of the cost of input of materials. In the case of certain recoveries, which cannot be re-used in the process and are sold or disposed off without further processing, the realization 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 recoveries usable or saleable, as the case may be, adequate records of cost involved for such further processing shall be maintained, and net realization adjusted against the process concerned.

1(5)(1) Proper records shall be maintained to show the receipts, issues and balances, both in quantities and cost of each item of consumable stores, small tools and machinery spares. The cost shall include all direct charges upto works.

1(5)(2) In the case of consumable stores and small tools the cost of which are insignificant, the company may, if it so desires, maintain such records for the main group of such items.

1(5)(3) The cost of consumption of consumable stores, small tools, and machinery spares shall be charged to the relevant cost centres on the basis of actual issues.

1(6) Proper records shall be maintained showing the quantity and value of wastages, spoilages, rejections and losses of raw materials, process materials, consumable stores, small tools, and machinery spares, whether in transit, storage, manufacture or at any other stage. The method followed for adjusting the above losses as well as the income derived from the disposal of rejected and waste materials including spoilages if any, in determining the cost of product shall be indicated in the cost records. Any abnormal wastages or spoilages etc. shall be indicated distinctly and separately along with reasons thereof.

1(7) Where Modified Value Added Tax or any other benefits under the Central Excise Salt Act, 1944 (1 of 1944) are available on any item of material, breakup details of such items should be furnished along with the Proforma relating to cost of sales of the Schedule II annexed to these rules and also shown in cost of production or cost sheet of cost of sales.

(2) SALARIES AND WAGES :

2(1) Proper records shall be maintained to show the attendance and earnings of all employees of the cost centers or departments and the work on which they are employed. The records shall also indicate the separately for each cost centre:

- (a) Piece rate wages earned (wherever applicable);
- (b) Incentive wages earned individually or collectively as production bonus or under any other scheme based on output;
- (c) Overtime Wages earned;
- (d) Earnings of casual labour.

2(2) The records shall be maintained in such manner as to enable the company to furnish necessary particulars under this head in the various Annexure and Proformae of the Schedules I and II annexed to these rules. Where the employees work in such a manner that it is not possible to identify them with any cost center, the labour charges shall be apportioned to the cost centers on equitable basis and applied consistently.

2(3) 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.

2(4) 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.

2(5) If the wages and salaries are charged to production on any basis other than actuals, the method adopted shall be indicated in the cost records. The reconciliation of such wages and salaries with actuals shall be made at least quarterly during the financial year explaining the reasons for variations. The treatment of such variations in determining the cost of items referred to in rule 2 shall be indicated in cost records.

(3) SERVICE DEPARTMENT EXPENSES :

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

(4) UTILITIES :

4(1) Proper records shall be maintained showing the quantity and cost of various utilities (both purchased and produced) as detailed below and consumed by the different cost centers in such details as to enable the company to furnish the particulars in Annexure I, II, and III of Schedule I:

- (1) Power;
- (2) Water;
- (3) Steam;
- (4) Hydrogenation;
- (5) Refrigeration;
- (6) Compressed Air, and
- (7) Effluent Treatment.

4(2) Proper records shall be maintained in respect of any other utilities in addition to the above produced or purchased by the company to enable the company to furnish the particulars in Annexure I, II or III to this Schedule whichever is appropriate.

4(3) If an utility is purchased, proper records showing the delivered cost up to the works including all direct charges shall be maintained for the quantity and value of each utility purchased.

4(4) Where any other utility is produced and supplied by the other unit of the company, adequate records shall be maintained to assess the cost and the quantity of the utility so supplied.

4(5) The cost of utility, if any, supplied to any other unit of the company, shall be calculated on a reasonable basis and applied consistently.

4(6) The cost of any other utility allocated/apportioned to the cost centers and further to the individual products shall be on a reasonable basis and applied consistently.

(5) WORKSHOP / REPAIRS AND MAINTENANCE / TOOL ROOMS :

5(1) Proper records showing the expenditure incurred by the workshop under different heads and on repairs and maintenance by the various cost centers and departments shall be maintained. The records shall also indicate the basis of charging the workshop/tool room expenses to different cost centers/departments and units. Where maintenance work is done by direct workers of any production cost center, the wages and salaries of such workers shall be treated as direct expenses of the respective cost center. If the services are utilized for other products also, the manner of charging a share to items referred to in rule 2 shall be equitable, clearly indicated in records and applied consistently.

5(2) Expenditure on major repair works from which benefit is likely to accrue for more than one financial year, shall be shown separately in the cost records indicating the method of accounting in de 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 period for which the benefit of such expenditure is likely to last.

5(3) Expenditure incurred on works of a capital nature shall be capitalized. The cost of such jobs shall include the expenditure on material, labour and due share of the overheads.

5(4) The jobs carried out by workshops of other units and for other units of the company shall be charged on a reasonable basis and applied consistently.

(6) DEPRECIATION :

6(1) Proper records shall be maintained showing the cost and other particulars of fixed assets in respect of which depreciation is to be provided for. These records shall, inter-alia, indicate the cost of each item of asset including installation charges, if any, the date of its acquisition, the date of installation, rate of depreciation and location of each asset. In respect of those assets, the original cost of acquisition of which cannot be ascertained without any unreasonable expenditure or delay, the valuation shown in the books on the first day of the financial year beginning on or after the commencement of these rules shall be taken as cost. Such evaluation shall exclude revaluation of any asset that had been done prior to the aforesaid date.

6(2) The basis on which depreciation is calculated and allocated/ apportioned to the various cost centers and departments and absorbed on the products shall be clearly indicated in the cost records. Depreciation chargeable to the different cost centers and departments shall be not 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 relate to plant, machinery and other fixed assets utilized in such cost centers and departments. However,

the cost of low value items of plant and machinery shall be allowed to be completely written off in the year of acquisition up to the limit specified in the Income Tax Act, 1961 (43 of 1961). Similarly, hundred percent depreciation shall be charged on assets specified in Schedule XIV to the Companies Act, 1956 (1 of 1956). In case, the amount of depreciation charged in the cost accounts in any financial year is higher than the amount of depreciation chargeable under the aforesaid 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 products referred to in rule 2. The cumulative depreciation charged in 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 supplier. The basis of charging such amounts including one time payments to the products shall be indicated in the cost records.

(8) OTHER OVERHEADS :

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

8(2) Where the company is manufacturing any product other than those 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 centers and products shall be indicated in the cost records.

8(3) The details of works, administration and selling and distribution overheads shall be maintained in such a manner as to enable the company to fill up the necessary particulars in Annexure I to III of this Schedule and Proformae "A" to "I" of Schedule II annexed to these rules.

(9) CONVERSION COST :

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

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

(10) RESEARCH AND DEVELOPMENT EXPENSES :

10(1) Proper records showing the details of expenses, if any, incurred by the company for the research and development work on the products covered under these rules according to the nature viz. development of products, existing and new; process of manufacture existing and new, design and development of new plant facilities and market research for the existing and new products shall be maintained separately.

10(2) The method of charging these expenses to the cost of the products shall be indicated in the cost records. Whereas the utility of such research and developments works extends over more than one financial year, such expenses shall be treated as deferred expenses and charged to cost of production of products referred to in rule 2 and to other products, if any, on a reasonable basis and applied consistently.

10(3) Expenses incurred by the Research and Development department for furnishing technical know-how to outsiders shall be recorded separately and excluded from the cost of products referred to in rule 2. The amounts recovered for providing technical know-how to outsiders shall also be indicated separately.

(11) INTEREST :

Proper records shall be maintained showing interest charges separately on term loan and cash credit/over draft (working capital). The amount of interest shall be allocated/apportioned to the products covered by these rules and other activities on a reasonable and

equitable basis, which shall be followed consistently. The basis of such apportionment shall be spelt out clearly in the cost 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.

(12) EXPENSES / INCENTIVES ON EXPORTS :

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

(13) BY-PRODUCTS :

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

(14) JOINT PRODUCTS

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

(15) CAPTIVE CONSUMPTION :

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

(16) PACKING (PRIMARY AND SECONDARY) :

16(1) Proper records shall be maintained showing the quantity and cost of various packing materials and other expenses incurred for packing the finished products for the marketing of items referred to under rule 2. Where such expenses are incurred in common for other products including those stated under rule 2, the basis of apportioning the expenses between the relevant products shall be clearly indicated in the cost records and applied consistently. If such packing materials are manufactured by the company, proper records showing the cost of production of such items shall be maintained.

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

(17) EXPENSES OF CAPITAL NATURE :

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

(18) WORK IN PROGRESS AND FINISHED GOODS STOCK :

The method followed for determining the cost of work in progress and finished goods referred to in rule 2, shall be indicated in the cost records so as to reveal the cost elements that have been taken into account in such computation. The appropriate share of conversion cost up to the stage of completion shall be taken into account while computing the cost of work in progress. The method adopted for determining the cost of work in progress and finished goods shall be followed consistently. Records showing the cost of work in progress and the quantities and the cost of finished goods shall be maintained in such details as to enable the company to fill up the particulars in Proforma 'D' of Schedule II annexed to these rules.

(19) COST STATEMENTS :

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

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

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

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

(20) PRODUCTION RECORDS :

Quantitative records of all finished and packed production, issues for sales and balances of different 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 grade of products referred to in rule 2.

(21) RECONCILIATION OF COST AND FINANCIAL ACCOUNTS :

21(1) Cost records shall be reconciled with the financial books of account for the financial year as to ensure accuracy. Variations, if any, shall be clearly indicated and explained. The reconciliation shall be done in such a manner that profit of the product under reference can be correctly adjudged and reconciled with the overall profit of the company.

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

(22) ADJUSTMENT OF COST VARIANCES :

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

(23) RECORDS OF PHYSICAL VERIFICATIONS :

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

24. INTER - COMPANY TRANSFER :

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

- (a) Purchase and sale of raw materials, finished products, process materials, chemicals and rejected goods including scraps, etc.;
- (b) Utilization of plant facilities and technical know-how;
- (c) Supply of utilities and any other services;
- (d) Administrative, technical, managerial or any other consultancy services;
- (e) Purchase and sale of capital goods including plant and machinery;
- (f) Any other payment related to production, processing or manufacturing of product under reference.

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

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

- (a) Enterprises that directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting 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
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the enterprise, and relatives of any such individual;

(d) Key management personnel and relatives of such personnel; and

(e) Enterprises over which any person described in (c) or (d) is able to exercise, significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise.

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

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

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

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

(i) Providers of finance;

(ii) Trade unions;

(iii) Public utilities;

(iv) Government Departments and Government agencies including Government sponsored bodies.

Explanation: - For the purpose of these Rules: -

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

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

(c)“Control” means (i) ownership, directly or indirectly, of more than one-half of the voting power of an enterprise; or

(ii) control of the composition of the Board of Directors in the case of a company or of

the composition of the corresponding governing body in case of any other enterprise; or

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

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

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

(f)“ **Joint venture**” means a contractual arrangement where by two or more parties undertaken 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.²

(25) STATISTICAL RECORDS :

25(1) Data regarding available machine hours/ direct labour hours in different production departments and actually utilized shall also be maintained and shortfall suitably

² Substituted by Cost Accounting Records (Soaps & Detergents) amendment Rules, 2001
vide GSR 708 (E) dated 28.9.2001

analyzed. Suitable records for computation of idle time of machines shall be maintained. A statement showing reasons for loss of production due to various reasons shall be prepared in Proforma 'H' of Schedule II annexed to these rules or in any form as near thereto as practicable.

25(2) Adequate records shall be maintained to enable the company to identify the capital employed, net fixed assets and working capital separately for each type of product or group of products as listed under rule 2 and other activities. Fresh investments on fixed assets that have not contributed to the production during the relevant period, shall be indicated in the cost record. The records shall, in addition show assets added as replacement and that added for increasing the existing capacity.

(26) POLLUTION CONTROL :

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

SCHEDULE -I

Annexure -I

(See Rule 3)

Name of the Company_____

Name and Address of the Factory_____

Statement Showing the Cost of Treated/Cooling, Dematerialized Water/Effluent Treatment During the Year/ ending_____

S.No.	Particulars	Unit	Current Year	Previous Year
1.	Installed Capacity			
2.	Production			
3.	Purchases			
4.	Total produced & purchased			
5.	Consumption			
6.	Transit losses			
7.	Production at 2 as a Percentage of Installed Capacity mentioned at 1 above			
8.	Transit Losses at 6 as a percentage of production at 2 above.			

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

A.1. Direct Materials

- (a)
- (b) (to be specified)
- (c)

2. Utilities

- (a) Water
- (b) Steam
- (c) Power
 - (i) Purchased (kwh)
 - (ii) Own (kwh)
- (d) Others

1	2	3	4	5	6	7
B.	Conversion Cost					
	(a) Salary and Wages					
	(b) Chemicals/catalysts					
	(c) Repair and Maintenance					
	(d) Consumables stores					
	(e) Insurance					
	(f) Factory Overheads					
	(g) Administration Overheads					
	(h) Social Overhead					
	(i) Depreciation					
B.1	Conversion Cost					
B.2	Fixed Conversion Cost					
B.3	Variable Conversion Cost					
C.	Credit, if any					
D.	Net Total					
	(Total of items A Plus B					
	Less total of item C)					
E.	Net transferred or sold					
	(a) Demineralised Water Plant					
	(b) Steam Generator Plant					
	(c) Captive Power plant					
	(d) Intermediate plants					
	(e) End product plants					
	(f) For non-plant use					
	(g) Others					
	Total (as per item D above)					
NOTES:						
	1) Separate Cost Sheet is to be prepared for each utility as well as effluent treatment					
	2) Bonus to employees other than incentive bonus, provision for statutory gratuity or actual amount paid on this account during the period and interest charges on borrowings including debentures shall be shown in Proforma C, E, F, G, and I.					

SCHEDULE -I

Annexure -II

(See Rule 3)

Name of the Company_____

Name and Address of the Factory_____

Statement Showing the Cost of Steam Raised/Consumed During the Year/ ending

on _____

	Current Year Pressure Qty.	Previous Year Pressure Qty.
1. Installed Capacity		
2. Production:		
(b) High Steam Pressure*		
(c) Medium Steam Pressure*		
(d) Low Steam Pressure*		
(e) Transit loss		
(f) Total		

* Indicate the steam pressure

S.No.	Particulars	Quantity Unit	Rate Per Unit (Rs.)	Amount (Rs.)	Cost per tone of steam raised	
					Current Year (Rs.)	Previous Year (Rs.)
1	2	3	4	5	6	7

- A.
1. Water
 2. Fuels
 - (a) Coal
 - (b) Fuel Oil
 - (c) Electricity
 - (d) Others, if any.
 3. Quantity of waste heat from the plant, if any.
- B. Conversion Cost
1. Consumable stores/
Chemicals
 2. Salaries and Wages
 3. Repairs and Maintenance

4. Factory Overheads
 5. Administration Overheads
 6. Depreciation
 7. Total Conversion Cost
(1 to 6)
7. (1) Fixed Conversion Cost
(2) Variable Conversion Cost
- C. Credit, if any.
- D. Net Quantity and cost of live steam
(Total of item A plus B
Less total of item C)

	Pressure	Unit	Quantity	Rate (in Rs.)	Amount (in Rs.)
--	----------	------	----------	------------------	--------------------

E. Consumed in:

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

NOTES:

- 1) If steam is supplied to any other outside party, necessary credit for recoveries shall be given against item 7.
 - 2) Bonus to employees other than incentive bonus, provision for statutory gratuity or actual payment of the same during the period and interest charges on borrowing including debentures shall be shown in proforma C, E, F, G, and I only.
 - 3) The rate at which waste heat is evaluated vide item A 3 should be indicated giving details of cost centre from which transferred.
 - 4) Basis adopted for Valuation of Steam at different pressures be also indicated in the record.
-

SCHEDULE -I

Annexure -III

(See Rule 3)

Name of the Company_____

Name and Address of the Factory/_____

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

	Current Year	Previous Year
1. Installed Capacity (KWH)		
2. No. of units generated (KWH)		
3. Capacity utilization (Percentage)		
4.1 Consumption in power house (KWH)		
4.2 Other losses (KWH)		
5. No of units purchased (KWH)		
6. Net unit available for consumption (KWH)		
7. Percentage of Loss to total power generated and purchased		
8. Percentage of power generated to Installed capacity.		

S. NO.	Particulars	Quantity (Units)	Rate Per Unit (Rs.)	Amount (Rs.)	Cost per unit of power generated/purchased	
					Current Year (Rs.)	Previous Year (Rs.)
1	2	3	4	5	6	7

- A. 1. (a) Fuel Oil
- (b) Other materials
- (c) Other direct charges
(Such as electricity duty)
- B. Conversion cost
1. Consumable stores/ Chemicals and Catalyst
 2. Salaries and Wages
 3. Repairs and Maintenance

4. Factory Overheads
5. Administration Overheads
6. Depreciation
7. Total Conversion Cost(1 to 6)
7. (1) Fixed Conversion Cost
- (2) Variable Conversion Cost
- C. Credits, if any
- D. Net cost of power generated
(Total of item A plus B
less total of item C)
- E. Power purchased
- F. Total (D + E)
- G. Average cost per unit
- H. Consumed in

Sl. NO.	Particulars	Unit	Quantity	Amount (Rs.)
1.				
2.				
3.				
4.				
Total as per F				

Notes :

1. Cost per unit shall be worked out with reference to net units of power for use after deducting consumption in the power house and other losses.
2. Bonus to employees other than incentive bonus, provision for statutory gratuity or actual amount paid on this account during the period and interest charges on borrowings including debentures shall be shown in Proformae C, E, F, G and I.
3. Realization, if any, by sale of power to outside parties shall be shown separately.
4. In case meters are not installed, consumption of power by the different cost centers/ departments shall be assessed on a reasonable basis and applied consistently.
5. If rate of duty or cost of inputs is different according to end use, these should be loaded to the respective user Department and suitably indicated in this statement.
6. If purchased power is used in a specific plant, its allocation should be shown accordingly.

SCHEDULE -II

Proforma 'A'

(See Rule 3)

Name of the Company _____

Statement showing the cost of production of self-manufactured, process material, ingredient or substance used in the manufacture of _____ produce during The Year ending on _____

	Unit	Current Year	Previous Year
1. Name of the self-manufactured ingredient, Substance or process material			
2. Licensed capacity of the plant.....			
3. Installed capacity of the plant.....			
4. Production			
5. Capacity utilization (percentage)			
6. Major inputs (specify)			
7. Outputs			
8. Yield percentage*			
9. Standard Yield percentage*			

*Yield percentage may be indicated with reference to principal raw materials/intermediates.

Particulars	Quantity	Rate per unit (Rs.)	Amount (Rs.)	Cost Per Unit							
				Current year				Previous year			
				Standard/ Norms		Actual		Standard/ Norms		Actual	
				Quantity	Cost (Rs.)	Quantity	Cost (Rs.)	Quantity	Cost (Rs.)	Quantity	Cost (Rs.)
1	2	3	4	5	6	7	8	9	11	12	

- A. 1. Raw Material
(Each item to be specified)
Less: Rebates
2. Chemicals

B. Conversion Cost

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

Total (A Plus B)

Less :

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

C. Transferred to

- 1.
 - 2.
 - 3.
 - 4.
 - 5.
-

Total (to be tallied with item 16)

Notes:

1. Separate cost sheet shall be maintained in respect of each ingredient/process material manufactured and used in the manufacture of products as specified under rule 2.
 2. The basis on which realizable value is determined for the by-products shall be clearly indicated in the cost records.
 3. Abnormal losses if any, shall be indicated both in quantity and cost in a separate statement.
 4. Reasons for variations between standards and actuals shall be clearly recorded. Circumstances leading to revision of standards, if any, shall also be indicated in the form of a foot-note.
 5. The apportionment of common overhead expenses to the products in the case of multipurpose units shall be equitable vide Para 8 of Schedule I.
 6. Where composite machine hour rates are applied, proper supporting records indicating the equipment usage in the case of multipurpose plants shall be maintained. The variances arising out of the predetermined rates shall be adjusted to arrive at the actual cost at the end of the year.
 7. Details of raw materials used are to be incorporated under item A. I Rebate received from Government for use of minor oils or rice bran oils to be indicated and adjusted. Basis of such rebate should be given in a separate statement. If part of the product is sold, details of the quantity, price and value thereof shall be shown in the records.
 8. Bonus to employees other than incentive bonus shall be excluded and exhibited only in Proforma " C " under the heading " Other expenses not included in cost".
 9. In case the amount allocated under utilities (item B.2) is sub-grouped/grouped, the name of items so sub-grouped /grouped to be indicated in a foot-note.
-

SCHEDULE -II

Proforma 'B'

(See Rule 3)

Name of the Company_____

Statement Showing The Cost of Production of (Specify the product)

alongwith percentage of Total Fatty Material Content manufactured during

the Year/_____

	Unit	Current year	Previous year
1.	Capacity of the plant.		
	Licensed :		
	Installed :		
2.	Batch size		
3.	Number of batches charged		
4.	Number of batches lost		
5.	Number of batches produced		
6.	Major inputs :		
(a)			
(b)	Specify		
(c)			
7.	Outputs (specify TFM content)		
8.	Output (converted ton 100% TFM)		
9.	Yield percentage*		
10.	Standard Yield percentage*		

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

Particulars	Qty.	Rate (Rs.) Per Unit	Amount (in rupees)	Cost Per Unit								Percentage variation from Standard	
				<u>Current year</u>				<u>Previous year</u>				Current year	Previous year
				Standard/ Norm	Actual	Standard/ Norm	Actual	Standard/ Norm	Actual	Standard/ Norm	Actual		
				Qty. Cost (in Rs.)	Qty. Cost (in Rs.)	Qty. Cost (in Rs.)	Qty. Cost (in Rs.)	Qty. Cost (in Rs.)	Qty. Cost (in Rs.)	Qty. Cost (in Rs.)	Qty. Cost (in Rs.)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

A.

1. Raw Materials:

- (a) Purchased
(Each item to be specified)
- (b) Intermediates/
Process Material
(Each item to be specified)
- (c) Raw materials covered
by Proforma A.
- (c) Other Chemicals/materials

B. Conversion Cost

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

Total (A + B)

- 12. Adjustment for difference in
the value of opening and
closing work-in-progress
-

13. Adjustment for Cost variances
(if any)

14. Total

15. Less :

- (a) Realizable value of by-products
- (b) Other credits, if any.

16. Total Cost of Production

C. Base Product Transferred to:

	Qty	Rate per unit (Rs.)	Value (Rs.)	<u>Total Fatty Materials</u> Percentage	Quantity
1	Captive consumption for further processing (See Proforma B-1)				
	(a)				
	(b)	Specify the product			
	(c)				
2.	Transfer for sales (see Proforma 'C')				
	(a)				
	(b)				
	(c)	Specify the product			
<hr/>					
Total (Total to tally with item B 16)					

Notes:

1. Separate cost statements shall be maintained for each process/product.
 2. The basis on which the realizable value is determined for the by-products shall be clearly indicated in the cost records.
 3. Abnormal losses, if any, both in quantity and cost shall be shown in a separate statement indicating the reasons therefor.
 4. The apportionment of common overheads to the product in the case of multi product units shall be equitable vide Para 8 of Schedule I. Intermediates transferred from one process to the next process shall be at actual cost.
 5. Reasons for variances between standards and actual shall be clearly recorded. Circumstances relating to revision of standards, If any, shall be also be furnished in the form of a footnote.
-

6. Bonus to employees other than incentive bonus, provision for statutory gratuity or actual amount paid on this account during the period and interest charges on borrowings including debentures shall be shown in Proforma C, E, F, G and I.
 7. Modvat and other benefits if any (also benefits for exports) availed by the company should be indicated separately showing their impact on per unit cost of product.
 8. Intermediates/process materials transferred from one process to the next process shall be at actual cost.
 9. If any intermediates/process materials are sold, details of the quantity, price and value thereof shall be shown in the records.
 10. In case the amount allocated under utilities (item B. 3) is sub-grouped/grouped, the names of the items sub-grouped/grouped are to be indicated as a footnote.
-

SCHEDULE -II

Proforma B-1

(See rule 3)

Statement showing the cost of production of
 (Specify the type / grade of soap / detergent)
 during the year ending on

Sl. No.	Particulars	Qty.	Rate Per Unit (in Rs.)	Amount (in Rs.)	Cost per Unit	
					Current year (in Rs.)	Previous year (in Rs.)
1.	2	3	4	5	6	7

A.

1. Cost of product base vide Proforma B
2. Chemicals/ other material
 - (a) Colours
 - (b) Perfumes
 - (c) Medicines
 - (d) Others

B. Conversion cost

3. Salaries and Wages
4. Utilities
5. Other works overheads
6. Repairs and Maintenance
7. Royalty
8. Quality Control
9. Research and Development
10. Depreciation
11. Administrative overheads
 - 11.1 Fixed Conversion Cost
 - 11.2 Variable Conversion Cost
12. Total Conversion Cost

Total

13. Adjustment for the difference in the value of opening and closing work-in progress.

13. Adjustment for cost variance, if any

14. Total

15. Less Credit for

by-products, if any

(a)

(b)

(c)

17. Total Cost

B. Transferred to (specify type/grade/size of soap /detergent)

Qty	Rate per unit	Value (Rs.)	<u>Total Fatty Materials</u> Percentage Quantity
1.	Transfer for Sales (to Proforma "C")		
	(a).....		
	(b).....		
	(c).....		
<hr/>			
Total (Total to tally with item A.17)			

Notes:

(1) Separate cost statement shall be maintained in respect of each type/grade of product manufactured.

(2) In case, a joint/by-product is sold without further processing, details in regard to quantities sold, cost of sales and average sales realization shall be indicated in appropriate statement. If these are further processed separate cost statement as per this proforma or any other form as near there to shall be prepared.

(3) Cost variances shall be shown against item A.14 where standard costing is followed.

(4) Bonus to employees other than incentive bonus, provision for statutory gratuity or actual amount paid on this account during the period and interest charges on borrowings including debentures shall be shown in performae C. E. F. G. & I.

(5) Basis of valuation of by-product for credit to the process/product cost should be indicated.

(6) Modified Value Added Tax benefits, if any, availed by the company should be indicated showing their impact on per unit cost of sales.

SCHEDULE -II
Proforma 'C'
(See rule 3)

Name of the Company_____

Name and address of the Factory_____

Statement Showing The Cost of Sales of**_____

Sold during the year_____

** (Specify the name of product with type/size/grade)

	Unit	Current Year	Previous Year
1.	Quantity produced		
2.	Quantity packed		
3.	Quantity sold in the country		
4.	Quantity exported		
5.	Sizes of packing		

Sl. No.	Particulars	Quantity	Rate Per Units (Rs)	Total Cost (in Rs.)	Cost per unit	
					Current Year (Rs.)	Previous Year (Rs.)
1.	2	3	4	5	6	7

1. Cost of naked/base product as per Performa 'B/B-1'
2. Packing Cost (for packed quantity only)
 - (a) Packing material
 - (i) Primary To be specified
 - (ii) secondary To be specified
 - (b) Salaries and Wages
 - (c) Repairs and Maintenance
 - (d) Depreciation
 - (e) Other overheads
3. Total Packing cost

4. Add : opening stock
 5. Less : closing stock
Net ex-works cost of packed product sold/consumed during the year.
 6. Cost of packed quantity transferred to sales
 7. Cost of naked/bulk quantity transferred to sales
 8. Marketing Cost
 - (a) Advertisement Cost
 - (i) Television
 - (ii) Radio
 - (iii) Periodicals
 - (iv) Others
 - (b) Selling/Market survey and Research cost
 - (i) Salaries and Wages
 - (ii) Commission to selling agents/distributors
 - (iii) Market survey Cost
 - (iv) Samples Cost
 - (c) Distribution Cost
 - (i) Godown Rent
 - (ii) Salaries and Wages
 - (iii) Vehicle/Transportation Cost
 - (iv) Freight and Transport charges
 - (d) Other expenses.
 9. Total Marketing cost
 10. Total Cost
 1. Fixed Cost
 2. Variable Cost
 11. Total Cost including marketing cost
 12. Interest charges
-

13. Annual bonus to employees
 - (a) Statutory minimum bonus
 - (b) Bonus over and above statutory minimum
 - (c) Statutory gratuity including provision
 14. Other expenses not included in cost
(details to be listed)
 15. Less other income not included in Cost
(to be specified)
 16. Total expenses including interest and other charges
And excluding excise duty
 17. Total expenses in respect of quantities sold in the
country excluding excise duty and export expenses
 - (a) for packed
 - (b) for naked
 18. Sales realization (excluding excise duty) for
quantities sold in the country.
 - (a) for packed
 - (b) for naked
 19. Margin on the sales within the country
(items 18 - items 17)
 - (a) for Packed
 - (b) for naked
-

Notes :

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

SCHEDULE -II
Proforma 'D'
(See Rule 3)

Name of the Company _____
Name and Address of the factory _____
Statement Showing the value of work-in-progress _____
the End of the Year at _____

Sl No	Particulars	Products	Qty.	Specify Amount Rs.
1	2	3	4	5
1.	Opening work-in-progress as on.....			
2.	Add: Expenses relating to products covered by the rules incurred during the year			
Total				

3. Less: Cost of production
4. Closing work-in-progress as on

II. Statement showing the finished stock of Products

Type of Products	Opening Stock as on		Production During the year		Sold During the year	
	Qty.	Cost in Rs.	Qty.	Cost in Rs.	Qty.	Cost in Rs.
1.	2.	3.	4.	5.	6.	7.
Captive consumption	Physical Stock Adjustment if any			Closing Stock as on		
Qty.	Cost Rs.	Qty.	Cost Rs.	Qty.	Cost Rs.	
8.	9.	10.	11.	12.	13.	

1. Self-manufactured ingredients/
substances vide proforma 'A'
of Schedule II

2. Intermediates

(i)

(ii)

(iii)

3. Products

(i)

(ii)

(iii)

Total

SCHEDULE -II

Proforma 'E'

(See Rule 3)

Name of the Company _____

Name and Address of the factory _____

Statement Showing The Cost of Sales, Sales Realization and Margin

during for the Year/ ending _____

SL Name (type grade and pack size)	Qty.issued for Sale		Packing Cost Rs.	Selling & Distribution Expenses Rs.	Interest Rs.	Bonus		
	Qty.	Value Rs.				Minimum statutory Rs.	Other than Minimum statutory Rs.	
No. of the product	(Unit to be specified)							
1.	2	3	4	5	6	7	8	9

Name of Product

(Type/size & Pack of Product)

1. a)
2. b)
3. c)
4. d)
5. e)

Total

Gratuity	Other expenses net of other Income	Total cost of sales Rs.	Sales realisation Rs.	Margin		Previous year		
				Total Rs.	per unit Rs.	Cost of sales per unit Rs.	Sales realisation per unit Rs.	Margin Rs.
10	11	12	13	14	15	16	17	18

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Total

SCHEDULE -II

Proforma 'F'

(See rule 3)

Statement showing the allocation of total expenses incurred and income received by the company as per financial accounts between the product(s) covered under these Rules and other activities: During The Year/Ended _____

Sl	Particulars	Total as per Financial Accounts	Direct Expenses allocated in		Utilities			
			Products covered under the Rules	Other activities	Water	Setam	Power	
1	2	3	4	5	6	7	8	
	Compressed Air	Treated water	Effluent treatment	Other to be specified	Factory overheads	Admini stration overheads	Packing	Selling and distribution overheads
9		10	11	12	13	14	15	16
	Bonus other than incentive Bonus	Gratuity provision paid	Interest charges	Other expenses	Work-in-progress adjustments	Finished stock Adjustments		
17		18	19	20	21	22		
A. Expenditure								
	1.	Direct materials consumed						
	2.	(a) Process materials						
		(b) Packing materials consumed						
	3.	Salaries, Wages & Bonus						
	4.	Co.'s contribution to provident and other funds.						
	5.	Welfare						
	6.	Stores & Spares Parts						
		7. Power & Fuels						
		8. Other utilities						
		9. Repairs :-						
			Buildings					
			Plant & Machinery					
			Others					

10. Other Expenses
(specify)
11. Rent
12. Rates and Taxes
13. Insurance
14. Travelling
15. Advertising expenses
16. Handling, packing carriage & freight
17. Commission and discount Royalties &
Service charges
18. Others (to be specified)
19. Depreciation
20. Interest
21. Opening stock
(a) work-in-progress
(b) finished stock
22. Less : Closing stock
(a) work-in-progress
(b) finished stock

Total

B. Income

1. Sales
2. Other income (Specify)

Total

C. Margin

Notes:

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

SCHEDULE -II

Proforma 'G'

(See rule 3)

Name of the Company _____

Statement showing the allocation/apportionment of total expenses/income of the company between products covered under rule 2 and other activities

during the year ending _____

Sl. No	Particulars	Total Expenses	Share Applicable to products covered under rule 2	Share Applicable to other activities
1	2	3	4	5
1.	Direct Material consumed			
2.	Process material consumed			
3.	Consumable stores & spares			
4.	Direct Salaries & Wages			
5.	Utilities			
	(a) Power			
	(b) Fuel			
	(c) Steam			
	(d) Effluent treatment			
	(e) Others (specify)			
6.	Repairs and Maintenance			
7.	Depreciation			
8.	Works Overheads			
9.	Administration Overheads			
10.	Adjustment for difference Between opening and closing Work-in-progress.			
11.	Less credit for recoveries			
12.	Less self-consumption, if any			

13. Stock adjustment for difference between opening and closing stock of finished goods.
 14. Total
 15. Packing charges
 16. Interest charges
 17. Selling and distribution expenses
 18. Annual bonus to employees other than incentive bonus
 - (a) Minimum statutory
 - (b) Other than minimum statutory
 19. Statutory gratuity (including provision)
 20. Any other expenses not included in cost
 21. Less: Any other income not considered in cost (items to be specified)
 22. Total excluding excise duty
 23. Less: Export benefit, if any.
 24. Net Sales Realization (excluding Excise Duty)
 25. Margin
-

Notes:

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

SCHEDULE -II

Proforma 'H'

(See rule 3)

Name of the Company_____

Name and address of the factory_____

Statement showing the reason for loss of production

For the Year/Ending _____

Name of the Section*

Reasons for loss of production	Production Losses	Under utilisation of installed capacity	Remarks
	HRS./ Quantity		
1	2	3	4

- (i) Routine plant maintenance
(Please Indicate the nature of maintenance)
- (ii) Unforeseen breakdown of plant and Machinery
- (iii) Shortage of raw materials
- (iv) Power Failure
- (v) Strike, Lock Out etc.
- (vi) Any other reasons

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

SCHEDULE -II

Proforma 'I'

(See rule 3)

Name of the Company _____

Name and address of the factory _____

Statement showing the summary of cost of production, cost of sales, sales realization and margin obtained per unit (Specify the unit)

For the Year Ended _____

(Rs. Per Unit)

Sl. No.	Particulars	Products (Specify)		
		1	2	3 etc.
1.	Materials			
	(a)			
	(b)			
	(c)			
	(d) Total			
2.	Less			
	a. Credit for by-product			
	b. Scrap/rejection			
3.	Conversion cost			
	a. Variable			
	b. Fixed			
	c. Total			
4.	Adjustment for opening and closing Work-in-progress			
5.	Total cost of production			
6.	Adjustment for opening and closing Stock of finished goods			
