

**COST ACCOUNTING RECORDS  
(STEEL PLANT) RULES, 1990**  
**MINISTRY OF INDUSTRY**  
**(Department of Company Affairs)**  
**New Delhi, the 31st July 1990**

G.S.R. 574. - In exercise of the powers conferred by sub-sections (1) and (2) of section 642, read with clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 (1 of 1956), herein after referred to as the said Act, the Central Government hereby makes the following rules, namely:

**1. Short title and commencement.**

**1.1** These rules may be called the Cost Accounting Records [(Steel Plant)]<sup>1</sup> Rules, 1990.

**1.2** They shall come into force on the date of their publication in the Official Gazette.

**2. Application.**

**2.1** These Rules shall apply to every company engaged in the production processing or manufacture of steel and steel products [Which includes Ingot steel, Blooms, Billets, Slabs (code as well as semi finished); steel products produced by backward integration like Coal based Sponge Iron, Gas based hot briquette Iron, steel products produced by forward integration like Beams, Angles, Tees, Sees, Channels, Pilings, Rails, Crane Rails, Joint Bars, Bars (Round Squares, Hexagonal, Octagonal, Flat, Triangular, Half Round); Wire, Wire ropes, Nails, Wire fabric, Plates, Pipe & Tubes, HR Coils/ Sheets, CR Coils/ Sheets]<sup>2</sup> excepting those companies falling under the category of Small Scale Industrial Undertakings:

**Explanation:** For the purpose of this rule, the expression “Small Scale Industrial Undertaking” means a company – [(a) the aggregate value of the machinery and plant installed wherein does not exceed The limit as specified for a small scale industries (Development and regulation ) Act.1951 (65 of 1951), as on the last date of the preceding financial year]<sup>3</sup>. 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.<sup>4</sup>

**3. Maintenance of Records.**

**3.1** 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 account containing, inter-alia, the particulars specified in Schedules annexed to these rules or in a form as near thereto as practicable, relating to the utilization to materials, labour and other items of cost in so far as they are applicable to steel and steel products referred to in rule 2.

Provided that if the said company is manufacturing any other products or engaged in other activities in addition to the items referred to in rule 2, the particulars relating to the 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 items referred to in rule 2.

**3.2.** The books of account referred to in sub-rule 3.1 shall be kept on a regular basis in such a way as to enable it to. Calculate the cost of production and cost of sales of all types of salable steel and steel products at regular intervals, at least quarterly, during the financial year (hereinafter referred to as the relevant period) as well as far the financial year as a whole, from the particulars entered therein and every such book of account and the proformae specified in Schedule II shall be completed not later than ninety days from the end of the financial year of the company in which they relate.

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<sup>1</sup> Substituted by GSR 281(E), dated 24<sup>th</sup> April, 2001

<sup>2</sup> Inserted by Circular No 52/378/CAB-86-(CLB) dated 29<sup>th</sup> June 1992

<sup>3</sup> Substituted by GSR 456(E), dated 3<sup>rd</sup> August, 1998

<sup>4</sup> Inserted by GSR 332(E), dated 24<sup>th</sup> March, 1993

**3.3.** It shall be the duty of every person referred to in sub-section (6) and sub-section (7) of section 209 of the said Act to take all reasonable steps to secure compliance by the company with the provisions of sub-rule 3.1 and 3.2 of these rules in the same manner as he is liable to maintain account required under sub-section (1) of section 309 of the said Act.

**3.4.** Statistical and other records shall be maintained in accordance with the provisions of the Schedule 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 cost with a view to achieve optimum economies in costs and provide the necessary data required by the cost auditor to suitably report on all the points referred to. in Cost Audit (Report) Rules, 1968, as amended from time to time. Such records shall be reconciled with the returns submitted to. the Excise Department and the Development Commissioner for Iron and Steel.

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

If a company contravenes the provisions of rule 3, the company and every officer thereof who is in default including of person referred to in rule 3.3 shall be subject to the provisions at section 209 of the said Act, be punishable with fine which may extend to five hundred rupees and, where contravention is a continuing one, with a further fine which may be extended to fifty rupees for every day after the first during which such contravention continues.

### **SCHEDULE** (See rule 3)

#### **1. Materials.**

**1.1** Proper records shall be maintained showing separately all 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 receipt (including all direct charges up to the works in respect of all major direct materials), issues, balances of each item of direct material separately for imported and indigenous supplies. In case of imported materials including those canalized through Government agencies, details of Free-on-Board price, freight and insurance charges (cost, insurance and freight value) custom duty, port charges, inland freight charges, 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 cost of each item of process material. The issues and consumption shall be properly identified with the departments, cost centre and products manufactured. For this purpose the products should be classified under relevant grades / qualities of steel and steel products.

**1.3.** In case where the materials 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 or in any other proforma as near there to as may enable the company to determine the cost of such direct/process material produced.

**1.4.** In case the company manufactures any direct/process material already covered under the Cost Accounting Record Rules prescribed, proper cost records shall be maintained as per these rules so as to arrive at the cost of such items.

**1.5.** 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 values 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.

**1.6** Proper records shall be maintained indicating the quantity and cost of scrap recovered in the different processes having significant value. In the case of the certain scrap recovered, which cannot be reused in the process and are sold or disposed of without further processing, the realization from such sales shall be recorded and adjusted against

the process conceded on a reasonable basis. In case further processing is necessary to make these scrap useable or saleable, as the case may be, adequate records of cost involved for such further processing shall be maintained.

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

**1.8.** 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.

**1.9.** Proper records shall be maintained show in 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 the product shall be indicated in the cost records. Any abnormal wastages or spoilages etc. shall be indicated distinctly and separately along with reasons therefore.

**1.10.** Where any MODVAT benefits under Central Excise are available on any item of material, break-up details of such items should be furnished along with the proforma 'B' of the Schedule II.

## **2. Salaries and wages.**

**2.1** Proper records shall be maintained to show the attendance and earning of all employees of the cost centres or departments and the work on which they are employed.

The records shall also indicate separately for each cost centre.

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

**2.2.** The records shall be maintained in such a manner as to enable the company to furnish 'necessary particulars under this head in the various Annexure and Proforma of the Schedule. Where the employees work in such a manner that it is not possible to identify them with any cost centre the labour charges shall be apportioned to the cost centres on equitable basis and applied consistently.

**2.3.** 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 reason for variations. The treatment of such variations in determining the cost of items referred to in rule 2 shall be indicated in the cost records.

## **3. Services department expenses.**

Detailed records shall be maintained to indicate expenses incurred in respect of each service department or cost centre like laboratory, welfare, transport etc. These expenses shall be apportioned to other services and production departments on equitable basis and applied consistently. Where these services are utilized for other products of the company also, the basis of apportionment to the steel ingots/billets referred to in J,111e 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 centres in such detail as to enable the company to furnish the particulars in Annexure I, II and III of the Schedule.

- (a) Power
- (b) Effluent treatment

(c) Oxygen/Nitrogen

**4.2.** Proper records shall be maintained in respect of any other utility produced or purchased by the company in addition to the above, to enable the company to furnish the particulars in Annexure I, II and III, whichever is appropriate.

**4.3** If a 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 a utility is produced and supplied by the other unit of the company, adequate records shall be maintained to assess cost and the quantity of the utility so supplied.

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

**4.6.** The cost of utility allocated / apportioned to the cost centres 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 shall be maintained. The records shall also indicate the basis of charging the workshop / tool room expenses to different cost centres / departments and units. Where direct workers of any production cost centre, the wages and salaries of such men do maintenance work shall be treated as direct expenses of the respective cost centre.

**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 determining the cost with reference to the period for which the benefit of such expenditure is likely to last.

## **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 assets 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 unreasonable expenditure or delay, the valuation shown in the books on the first day of the financial year beginning on or after 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 centres and departments and absorbed on the products shall be clearly indicated in the cost records. Depreciation chargeable to the different cost centres and departments shall be not less than the amount of depreciation chargeable in accordance with the provisions of the said Act and shall relate to plant, machinery and other fixed assets utilized in such cost centres and departments. In the case of assets or group of assets on which depreciation is written off at the rate of 100 percent in the relevant year such depreciation shall be spread over the number of years during which the benefit is derived from such assets or groups of such assets. In case the amount of depreciation charged in the cost accounts in any financial year is higher than the amount of depreciation chargeable under the aforesaid provision of the Companies Act, 1956, the amount so charged in excess shall be indicated clearly in the cost records. The cumulative depreciation charged in the cost records against any individual item of asset shall not however, exceed the original cost of the respective asset.

## **7. Royalty/Technical know-how fee.**

Adequate records shall be maintained showing the royalty .or other recurring .or non-recurring payments made to collaborators or technology supplies. in terms of agreement entered into with them. Such records shall be kept separately in respect of each party. 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 analysed classified and grouped according to functions, 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 allowed for apportionment *at* the common overheads including head office expenses of the company to the product referred to in rule 2, 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 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. Basis of apportionment of absorption of overheads to the Cost Centres 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 and proforma of the Schedule 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 cost for filling the relevant Proforma of Schedule II.

**9.2.** Where composite factor e.g. furnace hour rate is applied for absorption of various elements of costs, the proper records of furnace time utilized for each grade of steel shall be kept to enable determination of total furnace time, and amounts chargeable to respective grade of steel and steel products manufactured as referred to in Rule 2. The variances between the actuals and the amounts charged at predetermined rates shall be adjusted for arriving at the actual cost of production at the end of the 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; market research for the existing and new products etc. 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. Where the utility of such work 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 other products on a reasonable basis and applied consistently.

## **11. Interest**

Proper records shall be maintained showing interest charges separately on term loan and cash credit/over draft 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" (suitably modified) shall be prepared for products exported giving details of export expenses incurred /incentive earned.

### **13. By-Products.**

Proper records shall be maintained for each item of byproduct, 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 a process, 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 process / processes shall be indicated in the cost records. The cost of products shall be shown in Proforma B.

### **15. Captive Consumption.**

Proper records shall be maintained 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 the notional profit or loss arising out of such transfer shall also be disclosed in the records.

### **16. 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 addition to plants and machinery and other assets, shall be capitalized under relevant heads. Semi-finished goods and finished goods, stocks.

### **17. Semi-finished goods and finished goods, stocks.**

The method followed for determining the cost of semi finished and finished goods referred to in Rule 2, shall be indicated in the cost records so as to reveal the cost elements that have 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 semi-finished goods. The method adopted for determining the cost of semi-finished and finished goods shall be followed consistently. Records showing the cost of semi finished goods and quantities and the cost of finished goods shall be maintained in the relevant, proformae of Schedule II.

### **18. Cost Statements.**

**18.1** The product 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. Separate Cost Statement shall be maintained for each product, which is produced by further processing the output of previous process, in Proforma B or in any form as near thereto as practicable.

**18.2** Separate cost of sales statement in respect of different types / grades of steel and steel products under Rule 2 produced and sold, if any, shall be maintained in Proforma "C" of Schedule II. Summary cost statement as per Proforma E and I shall be maintained for each product produced and sold.

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

### **19. 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 controlled accounts, provided the value of the balances according to such controlled 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.

## **20. Reconciliation of Cost and Financial Accounts.**

**20.1.** Cost records shall be reconciled with the financial books of account for the financial year as to ensure accuracy. Variation, 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 profits of the company.

**20.2.** A statement showing the total expenses incurred and income received by the company under different heads of account and the share applicable to the products under Rule 2 shall be maintained in Proforma F and G of Schedule II and reconciled with the financial accounts for the period.

## **21. 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 determination of the actual cost of 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.

The reasons for variances in respect of materials shall inter-alia be furnished separately for major materials. Variance analysis shall be made at least quarterly during the financial year. The reasons for the variances shall be detailed in the cost records.

## **22. Records of physical verifications.**

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

## **23. Inter-Company Transactions.**

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

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

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

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

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

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

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

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

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

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

(i) Providers of finance;

(ii) Trade unions;

(iii) Public utilities;

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

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

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

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

**(c) "Control" means**

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

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

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

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

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

**(f) "Joint venture"** means a contractual arrangement whereby two or more parties undertake an economic activity, which is subject to joint control;

**(g) "Joint Control"** means the contractually agreed sharing of power to govern the financial and operating policies of an economic activity So as to obtain benefits from it;

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

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

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**(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." ]<sup>5</sup>

## 24. Statistical Record.

**24.1** Data regarding available furnace and caster hours / direct labour hours in different production departments and actually utilized shall also be maintained and shortfalls suitably analysed. Suitable records for computation of idle time of furnace and caster shall be maintained. A statement showing reasons for loss of production due to various reasons shall be prepared in Proforma H or in any form as near thereto as practicable.

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<sup>5</sup> Substituted by GSR 736(E), dated 28<sup>th</sup> September, 2001



**24.2.** 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 covered under Rule 2 and other activities. Fresh investments on fixed assets that have not contributed to the production during the relevant period, shall be indicated in the cost records. The records shall in addition show assets added as replacement and that added for increasing existing capacity.

**SCHEDULE- I**  
**(See rule 3)**  
**ANNEXURE- I**

*Statement showing the cost of Nitrogen/Oxygen/Effluent Treatment during the year ending.....*

|                                | Unit                         | Current Year | Previous Year                    |                       |   |                              |
|--------------------------------|------------------------------|--------------|----------------------------------|-----------------------|---|------------------------------|
| 1.                             | Installed capacity           |              |                                  |                       |   |                              |
| 2.                             | Production                   |              |                                  |                       |   |                              |
| 3.                             | Purchases                    |              |                                  |                       |   |                              |
| 4.                             | Total produced and purchased |              |                                  |                       |   |                              |
| 5.                             | Consumption                  |              |                                  |                       |   |                              |
| 6.                             | Bleeding Losses              |              |                                  |                       |   |                              |
| 7.                             | Transit Losses               |              |                                  |                       |   |                              |
| 8.                             | 2 as a percentage of 1.      |              |                                  |                       |   |                              |
| <b>S.No.</b>                   | <b>Particulars</b>           | <b>Qty</b>   | <b>Rate<br/>Per unit<br/>Rs.</b> | <b>Amount<br/>Rs.</b> | <b>Cost per unit<br/>Current year<br/>Rs.</b> | <b>Previous year<br/>Rs.</b> |
| <b>1</b>                       | <b>2</b>                     | <b>3</b>     | <b>4</b>                         | <b>5</b>              | <b>6</b>                                      | <b>7</b>                     |
| A. 1.                          | Material                     |              |                                  |                       |   |                              |
|                                | (a)                          |              |                                  |                       |   |                              |
|                                | (b) (To be specified)        |              |                                  |                       |   |                              |
|                                | (c)                          |              |                                  |                       |   |                              |
| 2.                             | Utilities                    |              |                                  |                       |   |                              |
|                                | (a) Power                    |              |                                  |                       |   |                              |
|                                | (b) Water                    |              |                                  |                       |   |                              |
|                                | (c) Steam                    |              |                                  |                       |   |                              |
|                                | (d) Compressed Air           |              |                                  |                       |   |                              |
|                                | (e) Others (specify)         |              |                                  |                       |   |                              |
| 3.                             | Consumable Stores            |              |                                  |                       |   |                              |
| 4.                             | Salaries & Wages             |              |                                  |                       |   |                              |
| 5.                             | Repairs & Maintenances       |              |                                  |                       |   |                              |
| 6.                             | Other Overhead               |              |                                  |                       |   |                              |
| 7.                             | Depreciation                 |              |                                  |                       |   |                              |
| <b>8.</b>                      | <b>Total</b>                 |              |                                  |                       |   |                              |
| 9.                             | Less: Credit, if any         |              |                                  |                       |   |                              |
| <b>10.</b>                     | <b>Net Total</b>             |              |                                  |                       |   |                              |
| B. 1.                          | Conversion Cost              |              |                                  |                       |   |                              |
| 2.                             | Fixed                        |              |                                  |                       |   |                              |
| 3.                             | Variable                     |              |                                  |                       |   |                              |
| C.                             | Apportioned to               |              |                                  |                       |   |                              |
| 1.                             |                              |              |                                  |                       |   |                              |
| 2.                             |                              |              |                                  |                       |   |                              |
| 3.                             |                              |              |                                  |                       |   |                              |
| 4 etc.                         |                              |              |                                  |                       |   |                              |
| Total (As per item A to above) |                              |              |                                  |                       |   |                              |

**Notes: -**

1. Separate cost sheet is to be prepared for each utility as effluent treatment.
2. Bonus to employees other than incentive bonus, provision for statutory gratuity or actual amount paid on this period and interest charges on borrowing including debentures shall be shown in Proforma C, E, F, G and I only.

**ANNEXURE – II**

**Statement showing the cost of major materials purchased and consumed during the year ending \_\_\_\_\_**  
**Description of the Material**

| S No                                      | Particulars           | Qty | Total Value<br>Rs. | Cost per tonne      |                      |
|---|-----------------------|-----|--------------------|---------------------|----------------------|
|   |                       |     |                    | Current Year<br>Rs. | Previous Year<br>Rs. |
| <b>I. Imported Material (Purchased)</b>   |                       |     |                    |                     |                      |
| 1.  | C.I.F. Value          |     |                    |                     |                      |
| 2.  | Customs duty          |     |                    |                     |                      |
| 3.  | Port Trust Charges    |     |                    |                     |                      |
| 4.  | Railway/Lorry Freight |     |                    |                     |                      |
| 5.  | Other Charges         |     |                    |                     |                      |
| <b>6.</b>                                 | <b>Total (1 to 5)</b> |     |                    |                     |                      |
| 7.  | Add: Opening Stock    |     |                    |                     |                      |
| 8.  | Less: Closing Stock   |     |                    |                     |                      |
| 9.  | Consumption           |     |                    |                     |                      |
| <b>II. Indigenous Material (Purchase)</b> |                       |     |                    |                     |                      |
| 1.  | Basic Price           |     |                    |                     |                      |
| 2.  | Excise duty           |     |                    |                     |                      |
| 3.  | Other charges         |     |                    |                     |                      |
| 4.  | Freight               |     |                    |                     |                      |
| <b>5.</b>                                 | <b>Total (1 to 4)</b> |     |                    |                     |                      |
| 6.  | Add: opening stock    |     |                    |                     |                      |
| 7.  | Less: closing stock   |     |                    |                     |                      |
| 8.  | Consumption           |     |                    |                     |                      |
| <b>III. Total (I + II)</b>                |                       |     |                    |                     |                      |

**Note:** Separate statement showing be prepared for each type of major material (Heavy melting scrap, sponge iron, ferro manganese, ferro silicon, refractory and electrodes etc.)

**ANNEXURE – III**

**Statement showing the cost of power generated, purchased and consumption during the year ending \_\_\_\_\_**

|  | <b>Current Year</b> | <b>Previous Year</b> |
|--|---------------------|----------------------|
| 1. Installed capacity KWH                                    |                     |                      |
| 2. No. of units generated KWH                                |                     |                      |
| 3. 2 as percentage of 1                                      |                     |                      |
| 4. No. of units purchased KWH                                |                     |                      |
| 5.1 Consumption in powerhouse KWH                            |                     |                      |
| 5.2 Other losses KWH   |                     |                      |
| 6. Net unit Available for consumption KWH                    |                     |                      |
| 7. Percentage of less to total power generated and purchased |                     |                      |

| <b>S. No.</b> | <b>Particulars</b> | <b>Qty</b> | <b>Rate per Unit</b> | <b>Amount</b> | <b>Cost per unit of power generated/purchased.</b> |                      |
|---------------|--------------------|------------|----------------------|---------------|--|----------------------|
|               |                    |            |                      |               | <b>Current year</b>                                | <b>Previous year</b> |
|               |                    | <b>Rs.</b> | <b>Rs.</b>           | <b>Rs.</b>    | <b>Rs.</b>   | <b>Rs.</b>           |
| <b>1</b>      | <b>2</b>           | <b>3</b>   | <b>4</b>             | <b>5</b>      | <b>6</b>   | <b>7</b>             |

- A. 1. (a) Fuel oil  
 (b) Other materials (to be specified)
2. Consumable stores  
 3. Other direct charges (such as electricity duty)  
 4. Salaries & Wages  
 5. Repairs & Maintenances  
 6. Other overhead  
 7. Depreciation  
**8. Total: (1 to 7)**  
 9. Less: Credits, if any  
 10. Net cost of power generated  
 11. Power purchased  
**12. Total (10 + 11)**  
 13. Average cost per unit
- B. 1. Conversion cost per unit  
 2. Fixed  
 3. Variable
- C. Consumed in

| <b>S. No.</b> | <b>Particulars</b> | <b>Qty</b> | <b>Amount</b> |
|---------------|--------------------|------------|---------------|
| 1             |                    |            |               |
| 2             |                    |            |               |
| 3             |                    |            |               |
| 4 etc.        |                    |            |               |

**Total as per A 12**

**Notes:**

- Cost per shall be worked out with references to net units of power for use after deduction consumption in the powerhouse and other losses.
- Bonus to employees other than incentive bonus, provision for statutory gratuity or actual amount paid on this period and interest charges on borrowing including debentures shall be shown in Proforma C, E, F, G and I only.
- Realization, if any, by sale of power to outside parties etc shall be shown separately against item A.9

**PROFORMA A**  
**SCHEDULE II**  
(See Rule 3)

Statement showing the cost of production of internally manufactured materials e.g. sponge iron/ferro alloys etc.as detailed used in the manufacture of steel product (specify the name ) during the year ended

|                       | Unit | Current Year | Previous Year |
|-----------------------|------|--------------|---------------|
| 1. Name of material   |      |              |               |
| 2. Grade              |      |              |               |
| 3. Licensed capacity  |      |              |               |
| 4. Installed Capacity |      |              |               |
| 5. Production         |      |              |               |
| 6. Major input        |      |              |               |
| a.                    |      |              |               |
| b.                    |      |              |               |
| c.                    |      |              |               |
| 7. Major Output       |      |              |               |
| A                     |      |              |               |
| B                     |      |              |               |
| C                     |      |              |               |

**B. Yield Percentage to major input**

| Sl. | Particulars | Unit | Qty | Rate | Amount | Cost per unit |               |
|-----|-------------|------|-----|------|--------|---------------|---------------|
|     |             |      |     |      |        | Current year  | Previous Year |
|     |             |      |     | Rs.  | Rs.    | Rs.           | Rs.           |
| 1   | 2           | 3    | 4   | 5    | 6      | 7             | 8             |

A. Cost per production

1. Direct materials consumed (to be specified)

B. Conversion Cost

2. Salaries & Wages

3. Utility

    a. Power

    b. Water

    c. Nitrogen/Oxygen

    d. Other services (to be specified)

4. Consumable stores

5. Repairs & Maintenances

6. Other works overhead

7. Research & Development

8. Depreciation

9. Administration overhead]

**10. Total (2 to 9)**

    a. Fixed

    b. Variable

**11. Total (1 + 10)**

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

13. Adjustment for cost variance (if any)

    a. Materials

    b. Labour

    c. Others

**14. Total (11+12+13)**

15. Less: a. Realization value of by products, if any  
b. Other credit, if any
16. Cost of production
17. Stock adjustment  
Add: Opening stock  
Less: Closing Stock
18. Cost of production of self manufactured direct/process material

**B. Transferred to**

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

---

**Total (to be tallied with Item A.18)**

---

**Notes:**

1. Separate cost sheets shall be maintained in respect of each direct/ process material manufactured and used in the manufacture of steel as specified under Rule 2.
2. The basis on which realizable value is determined for the bye-products shall be clearly indicated in the cost records.
3. Abnormal losses, if any, shall be indicated both in quantity and cost in separate statement.
4. Details of direct material used are to be disclosed under item A.1. direct materials
5. If part of the product is sold, details of quantity, prices and value thereof shall be shown in the records.
6. Cost variance shall be shown against Item A.13 where standard costing system is followed.
7. Bonus to employees other than incentive bonus, provision for statutory gratuity or actual payment or the same during the period and interest charges on borrowing including debentures shall be shown in Proforma C, E, F, G & I only
8. In case internally manufactured material is sold, profit on such sales shall be indicated taking into account the cost of sales and average sales realization of the product.

**PROFORMA B**  
**Statement showing the cost of production of \_\_\_\_\_**  
**Specify the steel product \_\_\_\_\_ during the year ended \_\_\_\_\_**

|  | Unit (MT) | Current Year | Previous Year |
|--|-----------|--------------|---------------|
| 1. Licensed capacity (Total MT)                            |           |              |               |
| 2. Installed capacity (Total MT)                           |           |              |               |
| 3. Production (Gradewise MT)                               |           |              |               |
| 4. a. No. of furnances                                     |           |              |               |
| b. Heat size (Liquid metal/ heat)                          |           |              |               |
| c. No. Of heats per annum                                  |           |              |               |
| d. Burning loss  |           |              |               |
| e. Total liquid metal production (a*b*c)-d                 |           |              |               |
| f. LM supplied to billet caster/ingot mould                |           |              |               |
| g. Balance (e-f)   |           |              |               |
| 1. LM supplied to Foundry/ other department                |           |              |               |
| 2. LM Loss   |           |              |               |
| Total (g1+g2)=g  |           |              |               |
| h. No. Of shift  |           |              |               |
| i. No. Of hours available                                  |           |              |               |
| j. No. Of hours works                                      |           |              |               |
| 5. Major input   |           |              |               |
| a.   |           |              |               |
| b.   |           |              |               |
| c. etc   |           |              |               |
| d. Total   |           |              |               |
| 6. Major output  |           |              |               |
| a.   |           |              |               |
| 7. Yield percentage to major inputs i.e. 6(a) as % of 5(d) |           |              |               |

**Proforma B**

| Sl. No. | Particulars | Qty | Rate per unit | Amount | Cost per unit |               |
|---------|-------------|-----|---------------|--------|---------------|---------------|
|         |             |     |               |        | Current year  | Previous year |
|         |             | Rs. | Rs.           | Rs.    | Rs.           | Rs.           |
| 1       | 2           | 3   | 4             | 5      | 6             | 7             |

A. Cost of production

1. Direct material consumed  
(item to be specified sponge iron scrap from steel plants and other scrap)
2. Process material consumed (item to be specified)
  - a. Own Manufacturer
  - b. Purchased
3. Salaries & Wages
4. Utility
  - a. Power
  - b. Water
  - c. Oxygen/Nitrogen
  - d. Other (to be specified)
  - e. Total (a to d)**
5. Consumable Stores
6. Repair & Maintenance
7. Research & Development
8. Other works overhead
9. Depreciation
10. Administrative overhead

11. Total conversion cost  
(2 to 10)
  - (a) Fixed
  - (b) Variable
12. Total (1+11)
13. Adjustment for the difference in the value of opening & closing work-in-progress
14. Adjustment for cost variance
  - (a) Material
  - (b) Labour
  - (c) Others
15. Total (12+13+14)
16. Less: Credit for by product
  - (a)
  - (b) to be specified
  - (c) etc)
17. Total (15-16)

---

**B. Cost Apportioned to joint products.**

| Sl. No.                                 | Description | Basic of Apportionment | Qty<br>% age | Value<br>Rs. |
|---|-------------|------------------------|--------------|--------------|
| Joint products (specify)                |             |                        |              |              |
| 1.                                      |             |                        |              |              |
| 2.                                      |             |                        |              |              |
| 3.                                      |             |                        |              |              |
| 4.                                      |             |                        |              |              |
| 5.                                      |             |                        |              |              |
| <b>Total (to tally with item A. 17)</b> |             |                        |              |              |

---

**C. Transferred to**

|   | Qty                                    | Value Rs. |
|---|--|-----------|
| 1. Captive consumption for further processing |  |           |
| a.  |  |           |
| b. specify the product                        |  |           |
| c.  |  |           |
| 2. Transferred for sale (see Proforma C)      |  |           |
| i.  |  |           |
| ii. specify the product                       |  |           |
| iii.  |  |           |
| iv.   |  |           |
| <b>Total</b>                                  | <b>(Total to tally with item A.17)</b> |           |

**Notes:**

1. If a product emerging from one process from the raw material for subsequent process of other products, covered under their rules, separate cost statement of production under this proforma shall be maintained for each process/product
2. Cost variances shall be shown against item A. 14 where standard costing is followed.
3. In cost a joint production is sold without further processing details in regard to quantity sold, cost of sales realization etc. shall be indicated in appropriate statements. If these are further processed, separate cost statement as per this proforma or any other form as near thereto shall be prepared.
4. Separate cost statement shall be maintained in respect of each type/grade of steel manufactured.
5. The basis on which cost is apportioned to joint product shall be indicated in this proforma.
6. Bonus to employees other than incentive bonus, provision for statutory gratuity or actual payment or the same during the period and interest charges on borrowing including debentures shall be shown in Proforma C, E, F, G & I only
7. Basic of valuation of by-product for credit to the process/product cost should be indicated.
8. MODVAT benefits if any availed by the company should be indicated showing their impact on per cost of sales.



## PROFORMA C

Name of the Company \_\_\_\_\_  
Name and Address of the factory \_\_\_\_\_  
Statement showing the cost of sales of \_\_\_\_\_  
Sold during the year ending \_\_\_\_\_

| Qty Sold |             | Current Year |     |      | Previous Year |               |               |
|----------|-------------|--------------|-----|------|---------------|---------------|---------------|
| S. No.   | Particulars | Unit         | Qty | Rate | Total Cost    | Cost per unit |               |
|          |             |              |     | Rs.  | Rs.           | Current year  | Previous year |
|          |             |              |     |      |               | Rs.           | Rs.           |
| 1        | 2           | 3            | 4   | 5    | 6             | 7             | 8             |

- A. 1. Cost of product vide Proforma B.  
2. Selling and distribution exp.  
    a. Salaries and Wages  
    b. Commission to selling agent  
    c. Freight & transport charges  
    d. Godown rent  
    e. Royalty  
    f. Advertisement  
    g. Other exp.  
    h. Share of administration  
    i. Total  
        1. Variable  
        2. Fixed  
3. Total cost including selling & distribution exp.  
4. Interest charges  
5. Annual bonus to employee  
6. Salutory gratuity including provision  
7. Other exp. Not included in cost (to be specified)  
8. Less: other income not considered (to be specified)  
9. Total exp. excluding excise duty for qty sold within the country  
10. Total sales realization (excluding excise duty) for qty sold within the country  
11. Margin

### Notes:

1. Separate cost statement shall be maintained in respect of each type and grade of steel.
2. The basis of apportionment of common selling and distribution expenses to the product in case of multi product unit shall be equitable and applied consistently.
3. Sales realization for quantity sold at prices notified/ fixed by Government and prices fixed by the company shall be indicated separately.
4. Separate cost statements under this proforma shall be maintained in respect of all items referred to under Rule 2 if exported wherein expenses and incentives earned thereon, shall be shown.

**PROFORMA D**

Statement shown the value of semi-finished goods at the end of the year.

| S. No.           | Particulars  | Productions |   |   |   |   |   | Total Rs. |
|------------------|--|-------------|---|---|---|---|---|-----------|
|                  |  | 1           | 2 | 3 | 4 | 5 | 6 | etc.      |
| -----Specify---- |  |             |   |   |   |   |   |           |
| 1.               | Opening, work-in-progress (semi finished) as on                            |             |   |   |   |   |   |           |
| 2.               | Add exp relating to products covered by the rules incurred during the year |             |   |   |   |   |   |           |
| 3.               | Total  |             |   |   |   |   |   |           |
| 4.               | Less: Closing work-in-progress (semi finished goods)                       |             |   |   |   |   |   |           |
| 5.               | Cost of production   |             |   |   |   |   |   |           |

**II Statement showing the finished stock of steel ingot /billet etc.**

| S. No. | Type of production         | Opening stock |   | production |      | Sold   |     | captive |       | Physical |         | Closing |    |
|--------|----------------------------|---------------|---|------------|------|--------|-----|---------|-------|----------|---------|---------|----|
|        |                            | As on         |   | during the | Year | during | the | consu-  | stock | adjust   | ment if | as on   |    |
|        |                            | Q/V           |   | Q/V        |      | Q/V    |     | Q/V     |       | Q/V      |         | Q/V     |    |
| 1      | 2                          | 3             | 4 | 5          | 6    | 7      | 8   | 9       | 10    | 11       | 12      | 13      | 14 |
| 1.     | Self manufactured material |               |   |            |      |        |     |         |       |          |         |         |    |
|        | i)                         |               |   |            |      |        |     |         |       |          |         |         |    |
|        | ii)                        |               |   |            |      |        |     |         |       |          |         |         |    |
| 2.     | Steel (gradewise)          |               |   |            |      |        |     |         |       |          |         |         |    |
|        | i)                         |               |   |            |      |        |     |         |       |          |         |         |    |
|        | ii)                        |               |   |            |      |        |     |         |       |          |         |         |    |
|        | <b>Total</b>               |               |   |            |      |        |     |         |       |          |         |         |    |

**Note: Q-Quantity  
V-Value (Rs)**

**PROFORMA E**

Statement showing cost of sales realization and margin for the year ending \_\_\_\_\_

| S.No.        | Type and grade of steel | Qty issued for sale<br>Value qty. unit to<br>Be specified (RS.) | Value | Selling and<br>distribution<br>Expenses<br>Rs. | Interest<br><br>Rs. |
|--------------|-------------------------|---|-------|--|---------------------|
| 1            | 2                       | 3   | 4     | 5  | 6                   |
| 1            |                         |   |       |  |                     |
| 2            |                         |   |       |  |                     |
| 3            |                         |   |       |  |                     |
| 4            |                         |   |       |  |                     |
| 5 etc.       |                         |   |       |  |                     |
| <b>Total</b> |                         |   |       |  |                     |

| S.No.  | Type and grade of steel | Bonus<br>Min statutory<br>Rs. | Other than<br>Statutory<br>Rs. | Gratuity<br>Rs. | Other<br>exp. net<br>of other<br>income<br>Rs. | Total<br>cost of<br>Sales<br>Rs. | Sales<br>realization<br>Rs. |
|--------|-------------------------|-------------------------------|--------------------------------|-----------------|--|----------------------------------|-----------------------------|
| 1      | 2                       | 7                             | 8                              | 9               | 10   | 11                               | 12                          |
| 1      |                         |                               |                                |                 |  |                                  |                             |
| 2      |                         |                               |                                |                 |  |                                  |                             |
| 3      |                         |                               |                                |                 |  |                                  |                             |
| 4 etc. |                         |                               |                                |                 |  |                                  |                             |

| S. No.       | Type and grade of steel | Margin |          | Previous year (per unit) |                          |              |
|--------------|-------------------------|--------|----------|--------------------------|--------------------------|--------------|
|              |                         | Total  | per unit | Cost of sales<br>Rs.     | Sales realization<br>Rs. | Margin<br>Rs |
| 1            | 2                       | 13     | 14       | 15                       | 16                       | 17           |
| 1            |                         |        |          |                          |                          |              |
| 2            |                         |        |          |                          |                          |              |
| 3            |                         |        |          |                          |                          |              |
| 4 etc.       |                         |        |          |                          |                          |              |
| <b>Total</b> |                         |        |          |                          |                          |              |

**PROFORMA F**

Statement showing the allocation of total exp incurrent and income received by the company as per financial accounts between the production(s) covered under there rules and other activities during the year ended \_\_\_\_\_

| S. No. | Particulars | Total as per<br>Financial<br>Accounts | Direct Exp allocated to<br>products<br>covered<br>Under the<br>Rules | Other<br>activities | Water | Utilities<br>Oxygen/<br>Nitrogen | Power | Other to be<br>specified |
|--------|-------------|---------------------------------------|--|---------------------|-------|----------------------------------|-------|--------------------------|
| 1      | 2           | 3                                     | 4  | 5                   | 6     | 7                                | 8     | 9                        |

A. Expenditure

1. Direct materials consumed
2. a. Process materials  
b. Packing materials consumed
3. I) Salaries & Wages  
II) Bonus  
III) Gratuity
4. Co's contribution to provided and other funds
5. Spare parts, small tools & other consumable stores
6. Power and Fuels
7. Other utility
8. Repairs
  - (a) Building
  - (b) Plant & machinery
  - (c) Others
9. Other Exp (specify)
10. Rent
11. Rates and Taxes
12. Insurances
13. Traveling
14. Advertising exp.
15. Handling, packing carriage & freight
16. Commission and discount royalties and service charges
17. Other

| S. No. | Particulars | Factory Overhead | Administration Overhead | Packing | Selling & Distribution overhead | Bonus | gratuity provision | Interest | Other exp | Work in progress | Finished stock adjustment |
|--------|-------------|------------------|-------------------------|---------|---------------------------------|-------|--------------------|----------|-----------|------------------|---------------------------|
| 1      | 2           | 10               | 11                      | 12      | 13                              | 14    | 15                 | 16       | 17        | 18               | 19                        |

**A. Expenditure**

1. Direct materials consumed
2. a. Process material  
b. Packing material consumed
3. I) Salaries & Wages  
ii) Bonus  
iii) Gratuity
4. Co's contribution to provided and other funds
5. Welfare
6. Spare parts, small tools & other consumable stores
7. Power & Fuel
8. Other Utility
9. Repairs
  - a. Building
  - b. Plant & machinery
  - c. Others
10. Other exp (specify)
11. Rent
12. Rates & Taxes
13. Insurances
14. Traveling
15. Advertising exp
16. Handling, packing carriage & freight
17. Commission and discount royalties and service charges
18. Other (to be specified)
19. Depreciation
20. Interest
21. Opening stock
  - a. Work-in-progress (semi finished goods)
  - b. Finished stock
22. Less: closing stock
  - a. Work-in-progress (semi finished goods)
  - b. Finished stock

---

**Total**

**B. Income**

1. Sales
2. Other income (specify)

---

**Total**

**C. Margin**

---

**Notes:**

1. Item details in column (1) are illustrative and not exhaustive. While by and large expenses head may conform to items mentioned in column 1 wherever expenses are classified under other head these may be adopted.
2. Details of utilities maintained in column nos. 6 to 8 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 account.

## PROFORMA G

Statement showing the allocation/apportionment of total exp income of the company between production covered under rule 2 and other activities during the year ending \_\_\_\_\_

| S. No. | Particulars   | Total Exp | Share application<br>To products covered<br>Under rule 2 | Share application<br>to other activities |
|--------|---|-----------|--|--|
| 1      | 2   | 3         | 4  | 5  |
|        | 1. Direct material consumed   |           |  |  |
|        | 2. Process material consumption   |           |  |  |
|        | 3. Consumable stores & spare  |           |  |  |
|        | 4. Direct salaries & Wages  |           |  |  |
|        | 5. Utility  |           |  |  |
|        | a. Power  |           |  |  |
|        | b. Fuel   |           |  |  |
|        | c. Oxygen/Nitrogen  |           |  |  |
|        | d. Steam  |           |  |  |
|        | e. Other (specify)  |           |  |  |
|        | <b>Total</b>  |           |  |  |
|        | 6. Repairs & maintenances   |           |  |  |
|        | 7. Depreciation   |           |  |  |
|        | 8. Works overheads  |           |  |  |
|        | 9. Administration overheads   |           |  |  |
|        | 10. Adjustment for difference between opening and closing WIP (semi finished goods)   |           |  |  |
|        | 11. Less: Credit for recoveries   |           |  |  |
|        | 12. Less: self consumption, if any  |           |  |  |
|        | 13. Stock adjustment for difference between opening & closing stock of finished goods |           |  |  |
|        | <b>14. Total</b>  |           |  |  |
|        | 15. Packing expenses  |           |  |  |
|        | 16. Interest charges  |           |  |  |
|        | 17. Selling & distribution exp  |           |  |  |
|        | 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 exp not included in cost  |           |  |  |
|        | 21. Less: Any other income not considered in cost                                     |           |  |  |
|        | <b>22. Total excluding excise duty</b>  |           |  |  |
|        | 23. Less: Export benefit if any   |           |  |  |
|        | 24. Net sales realization excluding excise duty                                       |           |  |  |
|        | 25. Margin  |           |  |  |

**Notes:**

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

## PROFORMA H

Statement showing reason for loss of production during the year ending \_\_\_\_\_

Name of the Section \_\_\_\_\_

| Reason for loss of production                                   | Production<br>Losses HRS/QTY | Under utilization<br>of installed capacity % | Remarks |
|---|------------------------------|--|---------|
| 1   | 2                            | 3  | 4       |
| 1. Routing plant maintenance indicate the nature of maintenance |                              |  |         |
| 2. Unforeseen breakdown of plant and machinery                  |                              |  |         |
| 3. Shortage of raw materials                                    |                              |  |         |
| 4. Power failure/power regulation                               |                              |  |         |
| 5. Strike   |                              |  |         |
| 6. Any other reason   |                              |  |         |
| a. Controllable   |                              |  |         |
| b. Uncontrollable   |                              |  |         |

**Note:**

Date in accordance with the above proforma shall be maintained separately for each production section and utilities.

**PROFORMA I**

**Statement showing summary of cost of production, cost of sales, sales realization and margin obtained per unit (Specify the unit) for the year ended \_\_\_\_\_**

**Rupees per unit**

| S. 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 WIP semi finished goods |                    |   |   |      |
| <b>5.</b>  | <b>Total cost of production</b>                            |                    |   |   |      |
| 6.         | Adjustment for opening & Closing stock of finished goods   |                    |   |   |      |
| 7.         | Selling & Distribution                                     |                    |   |   |      |
| 8.         | Cost of sales  |                    |   |   |      |
| 9.         | Interest charges   |                    |   |   |      |
| 10.        | Annual bonus to employees                                  |                    |   |   |      |
| 11.        | Statutory gratuity including provision                     |                    |   |   |      |
| 12.        | Other exp net of misc incomes                              |                    |   |   |      |
| <b>13.</b> | <b>Total cost:</b>   |                    |   |   |      |
|            | Current year   |                    |   |   |      |
|            | Previous year  |                    |   |   |      |
| 14.        | Average sales realization                                  |                    |   |   |      |
|            | Current year   |                    |   |   |      |
|            | Previous year  |                    |   |   |      |
| 15.        | Margin:  |                    |   |   |      |
|            | Current Year   |                    |   |   |      |
|            | Previous Year  |                    |   |   |      |

**Foot Note:** The principal rules were published vide GSR no. 574, dated the 31<sup>st</sup> July, 1990 and subsequently amended vide:

1. Circular No 52/378/CAB-86-(CLB) dated 29<sup>th</sup> June 1992
2. GSR 332(E), dated 24<sup>th</sup> March, 1993
3. GSR 456(E), dated 3<sup>rd</sup> August, 1998
4. GSR 281(E), dated 24<sup>th</sup> April, 2001
5. GSR 736(E), dated 28<sup>th</sup> September, 2001