

**COST ACCOUNTING RECORDS
(INDUSTRIAL ALCOHOL) RULE, 1997**

MINISTRY OF FINANCE

(Department of Company Affairs)

Notification

New Delhi, the 17th September 1997

G.S.R. 532(E). In exercise of the powers conferred by sub-section (1) of section 642, read with clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 (1 of 1956) and **in supersession of the notification of Government of India, Ministry of Law, Justice and Company Affairs (Department of Company Affairs) bearing G.S.R. 594 (E) dated 30th December, 1975** except as respects things done or omitted to be done before such supersession, the Central Government hereby make the following rules namely:

1. Short title and commencement

- (1) These rules may be called the Cost Accounting Records (Industrial Alcohol) Rules 1997.
- (2) They shall come into force on the date of their publication in the Official Gazette.

2. Application:

They shall apply to every company engaged in the production or manufacture of Industrial alcohol which includes any grade or grades in the following categories namely:

- (i) Absolute Alcohol;
- (ii) Rectified Spirit;
- (iii) Denatured and special denatured spirit;
- (iv) Power Alcohol.

Provided that these rules shall not apply to company:

- (a) [The aggregate value of the machinery and plant installed wherein does not exceed the limit as specified for a small scale industrial undertaking under the Industries (Development and Regulation) Act, 1951 (65 of 1951), as on the last date of the preceding financial year.]¹
- (b) The aggregate value of turnover made by the company from the sale or supply of all its products during the preceding financial year does not exceed rupees ten crore.

3. Maintenance of records:

- (a) Every company to which these rules apply shall, at regular intervals as well as each of its financial year commencing on or after the commencement of these rules, keep proper books of account containing inter-alia, the particulars specified in Schedule I and II including proformas A1, A2, A3, B, C, Cl and D annexed to these rules, relating to the utilization of materials, labour and other products of cost in so far as they are applicable to Industrial Alcohol referred to in rule 2.

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

¹ Inserted by G.S.R.467 (E) dated 3rd August 1998

- (b) The books of account referred to in sub-rule (a) shall be kept on a regular basis in such a manner as to make it possible to calculate the cost of production and cost of sales of all types of Industrial Alcohol referred to in rule 2 at regular intervals as well as far the financial year as a whole, from the particulars entered therein and every such books of account and the proforma specified in Schedules-annexed to these rules shall be completed not later than ninety days - from the closing of the financial year of the company to which they relate.
- (c) It shall be the duty of every person referred to sub-section (6) and a person having been charged by the persons mentioned in sub-section (6) of section 209 of the Companies Act, 1956 (1 of 1956) to take all reasonable steps to secure compliance by the company with the provisions of sub-rules (a) and (b) of this rule in the same manner as the person is liable to maintain accounts required under sub-section (1) of section 209 of the said Act.
- (d) Statistical and other records shall be maintained in accordance with the provisions of the schedules annexed to these rules, which shall be such as to enable the company to exercise as far as possible control over the various operations and costs with a view to achieving optimum economies in cost and provide the necessary data required by the Cost Auditor to suitable report on all the points referred to in Cost Audit (Report) Rules, 1996, as amended from time to time.

4. **Penalty-**

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

SCHEDULE-1

(See Rule 3)

1. Materials

- (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 different types of products referred to in rule 2, in any form or any type. These records for direct materials shall contain such details as to enable the company to determine the quantity, cost of receipt (including all direct charges up to the works in respect of all major direct materials), issues and balances of each item of direct material separately for imported and indigenous supplies for Industrial Alcohol produced. In case of imported materials including those canalized through government agencies, details of cost freight, insurance 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 issue and consumption have been calculated shall be indicated in the cost records and followed consistently.
- (2) In case, where the Process material/Chemicals etc. 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 to enable the company to determine the cost of such process materials/chemicals produced. The cost of molasses shall be worked out as per proforma 'CI' only.
- (3) In case any raw material/process chemicals covered under any Cost Accounting (Record) Rules prescribed under the Companies Act 1956, (1 of 1956) is manufactured by the company, proper cost accounting records shall also be maintained as per the relevant rules so as to arrive at the cost of such items.
- (4) Proper records shall be maintained to show the receipts, issues and balances, both in quantities and cost of each item of process material/chemicals consumable stores, small tools and machinery spares. The cost shall include all direct charges up to works.
- (5) In the case of consumable stores and small components or tools the cost of which are insignificant, the company may, if so desires, maintain records for such items as a group together. The cost of consumption of consumable stores, tools, and machinery spares shall be charged to the relevant cost centres on the basis of actual issues.
- (6) Proper records shall be maintained showing the quantity and value of wastages, spoilages, rejections and losses of raw materials, process materials, consumable stores, 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 alongwith reasons thereof.
- (7) Where Modified Value Added Tax (Modvat) is available on any item of material, the cost thereof shall be shown at net of MODVAT.

2. Salaries and Wages

- (1) Proper records shall be maintained to show the attendance and earnings of all employees of the cost centres/departments and the work on which they are employed. The records shall also indicate the following separately for each cost centre/department:
 - a) Piece rate wages (wherever applicable);
 - b) Incentive wages individually or collectively as production bonus or under any other scheme based on output.
 - c) Overtime Wages;
 - d) Earnings of casual labour.
- (2) The records shall be maintained in such a manner so as to enable the company to furnish necessary

particulars under this head in the various Annexure and Proforma 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 centre/department, the labour charges shall be apportioned to the cost centres on equitable basis and applied consistently.

- (3) Idle time shall be separately recorded under classified headings indicating the reasons therefore. The method followed for accounting of idle time payments in determining the cost of product shall be disclosed in the cost records.
- (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.

3. Service Department Expenses:

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

4. Utilities:

- (1) **WATER**-Proper records showing the quantity and cost treated/cooling water produced and consumed for the manufacture of Industrial Alcohol in different cost centres or departments shall be maintained in such detail as may enable the company to furnish the particulars as required in the prescribed proformae of Schedule-II. The cost of treated water apportioned to the departments concerned shall be on a reasonable basis and applied consistently.
- (2) **STEAM**. Where steam is raised by the company, proper records showing the quantity and cost of steam raised and consumed in the production of Industrial Alcohol as referred to in rule 2 in different cost centres or departments shall be maintained in such details as may enable the company to furnish the particulars as required in the prescribed proformae of schedule-II. The cost of steam consumed by the Industrial Alcohol, plant and other units of the company shall be calculated on a reasonable basis and applied consistently. Where steam is raised and supplied by any other unit of the company to the Industrial Alcohol plant, the cost of steam so supplied shall be charged to Industrial Alcohol plant on a reasonable basis and applied consistently.
- (3) In case steam is generated in waste heat boiler of the captive Power Plant, proper records of value of heat so used shall be maintained so that its cost is debited to the steam cost and appropriate credit given to the cost of generated power. Where it is not possible to exactly quantify this heat, this should be done on reasonable technical estimates or other methods like heat per unit of steam consumed in package boiler (main boiler) etc.
- (4) **POWER**-Proper records shall be maintained for the quantity and cost of power purchased in such detail as may enable the company to furnish the particulars as required in the prescribed proformae of Schedule-II. Where power is generated by the company itself, adequate records shall be maintained to show the cost of power generated and consumed for the production of Industrial Alcohol in different cost centres and departments etc. Where power is generated and supplied by any other unit of the company to the Industrial Alcohol Plant, adequate records shall be maintained to indicate the quantity and cost of power so supplied. The cost of power allocated to production of Industrial Alcohol referred to in rule 2 shall be on a reasonable basis and applied consistently.
- (5) **UTILITIES OTHER THAN WATER, STEAM AND POWER**- Proper records shall also be maintained in respect of any other utilities other than water, steam and power produced or purchased by the company. If any 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. The cost of any 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:

- (1) Proper records showing the expenditure incurred by the workshop under different heads and on repairs and maintenance by the various cost centres and departments shall be maintained. The records shall also indicate the basis of charging 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 workers do maintenance work shall be treated as direct expenses of the respective cost centre. If the services are utilities for other products also, the manner of charging a share to Industrial Alcohol, referred to in rule 2 shall be equitable and clearly indicated in records and applied consistently.
- (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.
- (3) The jobs carried out by workshop of industrial alcohol unit for other units or the company shall be charged on a reasonable basis and applied consistently.

6. DEPRECIATION:

The basis on which depreciation is calculated and allocated/apportioned to the various cost centres/departments and absorbed on the products shall be clearly indicated in the cost records. Depreciation chargeable to the different cost centres 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 (I of 1956) and shall relate to plant, machinery and other fixed assets utilized in such cost centres/departments. In case the amount of depreciation charged in the cost accounts in a financial year is higher than the amount of depreciation chargeable under the aforesaid provisions of the Companies Act, 1956 (I 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 Industrial Alcohol referred to in rule 2. The cumulative depreciation charged in the cost records, against any individual item of asset shall not, however, exceed the original cost of the respective asset.

7. ROYALTY/TECHNICAL KNOW-HOW FEE:

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

8. OTHER OVERHEADS:

- (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 functions, viz. works, administration and selling and distribution.
- (2) Where the company is manufacturing any products(s) other than Industrial Alcohol 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 Industrial Alcohol 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 residue common expenses under the above categories of overheads shall be apportioned on a reasonable and equitable basis and applied consistently. Overheads chargeable to capital works shall be indicated separately in the cost records. Basis of apportionment or absorption of overheads to the cost centres and products shall be indicated in the cost records.
- (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 for filling the relevant annexure and

Proforma of Schedule I and Schedule II annexed to these rules.

9. CONVERSION COST:

When more than one manufacturing process is carried out in a particular machine(s) or series of machines, adequate records about the usage of such machine(s) for different products shall be kept. The cost of using such machine(s) shall be charged to the different products on an equitable basis e.g. equipment usage 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 machines for different processes connected with the manufacture of different products shall be kept to enable determination of total machine hours and the amounts chargeable to the respective Industrial Alcohol referred to in rule 2. The variance between the actuals and the amount 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:

- (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, processes of manufacture, existing and new, design and development of new plant facilities and market research for the existing and new products etc. shall be maintained separately.
- (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 research and development work extends over more than one financial year, such expenses shall be treated as deferred expenses and charged to cost of production of Industrial Alcohol referred to in rule 2 and to other products, if any, on a reasonable basis and applied consistently.
- (3) Expenses incurred by the Research and Development department for providing technical know-how to outsiders shall be recorded separately and excluded from the cost of Industrial Alcohol referred to in rule 2. The amount recovered for providing technical know-how to outsiders shall also be indicated separately.

11. INTEREST:

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

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. Separate Cost Statement shall be prepared for products exported giving details of export expenses incurred/incentives earned. If the duty free imports have been made after actual production, the statements should reflect this fact.

13. JOINT PRODUCTS:

Where more than one product which is of equal economic importance arises from processes, the cost up to 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.

14. CAPTIVE CONSUMPTION:

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

effected at cost and shall be disclosed in the cost records.

15. PACKING:

- (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 Industrial Alcohol 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 the company manufactures such packing materials, proper records showing the cost of production of such items shall be maintained.
- (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.

16. WORK IN PROGRESS AND FINISHED GOODS STOCK:

The method followed for determining the cost of work in progress and finished goods of Industrial Alcohol 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.

17. COST STATEMENTS:

- (1) Separate cost of sales statement in respect of different type of Industrial Alcohols produced and sold, if any, shall be maintained.
- (2) 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.

18. PRODUCTION RECORDS:

Quantitative records of all finished/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/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 atleast once in a year with the value of the quantities shown in the quantitative account maintained for each type of products referred to in rule 2.

19. RECONCILIATION OF COST AND FINANCIAL ACCOUNTS:

- (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 arrived at and reconciled with the over all profit of the company.
- (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 and reconciled with the financial accounts for the period.

20. 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 product under such system. The method followed for adjusting the cost variances in determining the actual cost of the product shall be indicated clearly in the cost records. The cost variances shall be shown against the relevant heads in the respective proforma of Schedule II annexed to these rules and analyzed into material, labour, overheads and

broken up into quantity, price, capacity utilization etc. and shall be made regularly during the financial year. The reason for the variances shall be duly explained in the cost records.

21. STATISTICAL RECORDS:

- (1) Data regarding available machine hours/direct labour hours in different production departments and actually utilized shall also be maintained and shortfall suitably analyzed. Suitable records for computation of idle time of machines shall be maintained.
- (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, be added as replacement and that added for increasing existing capacity.

22. POLLUTION CONTROL:

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

23. [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, of 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 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

² Inserted by G.S.R.720 (E) dated 28th September 2001

Schedule II

(See Rule 3)

Proforma A1

Name of the company

Name and address of the Factory

Statement showing the cost of Treated/Colling Water/ Effluent Treatment during the year/period ended
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	Unit	Current Year	Previous Year
1. Installed Capacity			
2. Production			
3. Purchases			
4. Total Produced and Purchased			
5. Consumption			
6. Transit Losses			
7. Production at 2 as percentage of Installed capacity mentioned at 1 above			
8. Transit loss at 6 as a percentage of Total production at 4 above			

Sl.No	Particulars	Quantity	Rate	Amount	Cost per Unit (Rs.)	
		Unit	Rs.	Rs.	Current Year	Previous Year
1	2	3	4	5	6	7
A.	1. Direct Materials (to be specified)					
	(a)					
	(b)					
	(c)					
	2. Utilities					
	a) Water					
	b) Steam					
	c) Power					
	I. Purchased (Kwh)					
	II. Own (kwh)					
	d) Others (specify)					
B.	Conversion Cost					
	1. Salaries and wages					

2. Chemicals
3. Repairs and Maintenance
4. Consumable Stores
5. Factory overheads
6. Administrative Overheads
7. Depreciation

B1 Total conversion cost (1 to 7)

B2 Fixed Conversion Cost

B3 Variable conversion cost

- C. Credit, if any
- D. Net Total (A+B-C)
- E. Net transferred /sold
- a) Steam generator plant
 - b) Captive power plant
 - c) Intermediate plants (specify)
 - d) End product plants (specify)
 - e) For non plant use
 - f) Others (specify)

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 borrowing debentures shall be shown in Proforma 'D' only.

Schedule II

(See Rule 3)

Proforma A2

Name of the company

Name and Address of Factory

Statement showing the cost of Steam raised/ consumed during the year/period ended

	Current Year Pressure Quantity	Previous Year Pressure Quantity
1. Installed Capacity		
2. Production		
3. Capacity Utilisation		

Sl.No	Particulars	Quantity	Rate per Unit	Amount	Cost per Ton of steam raised (Rs.)	
		Unit	Rs.	Rs.	Current Year	Previous Year
1	2	3	4	5	6	7
A.	1. Water (As per Proforma A1)					
	2. Fuels					
	(a) Coal					
	(b) Fuel oil					
	(c) Electricity					
	(d) Others, (to be specified)					
	3. Quantity of waste heat from the plant, if any					
	Total (1 to 3)					
B.	Conversion Cost					
	1. Consumable Stores/chemicals					
	2. Salaries and wages					
	3. Repairs and Maintenance					
	4. Factory overheads					
	5. Administrative Overheads					

6. Other Overheads

7. Depreciation

Total conversion cost (1 to 7)

C. Credit, if any

D. Net Quantity and cost of Steam
(Total of items A+B-C)

Unit

Amount (Rs.)

E. Consumed for

a) Power generation

b) Manufacturing Dept. (to be specified)

c) Other service Dept. (to be specified)

d) Others, if any (to be specified)

Total (as per Item D above)

Notes:

1. If the steam is supplied to any other outside party, necessary credit for recoveries shall be given against item C
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 borrowing debentures shall be shown in Proforma 'D' only.
3. The rate at which waste heat is evaluated vide item A3 of this Proforma should be indicated giving details of cost center from which transferred.

Schedule II

(See Rule 3)

Proforma A3

Name of the company

Name and Address of Factory

Statement showing the cost of power generated, purchased and consumed during the year/period ended

	Current Year	Previous Year
1. Installed Capacity (KWH)		
2. No. of units generated (KWH)		
3. No. of units purchased (KWH)		
4. Total (KWH) (1+2)		
5. Consumption in Power House(KWH)		
6. Losses (KWH)		
7. Net Unit consumed (KWH)		
8. Percentage of loss of total power generated and purchased		
9. Percentage of power generated to installed capacity		

Sl.No	Particulars	Quantity	Rate per Unit	Amount	Cost per Unit of Power generated/ purchased (Rs.)	
		Unit	Rs.	Rs.	Current Year	Previous Year
1	2	3	4	5	6	7
A.	1. (a) Fuel Oil					
	(b) Other materials (to be specified)					
	(b) Other direct charges (such as Electricity Duty etc.)					
B.	Conversion Cost					
	1. Salaries and wages					
	2. chemicals/Consumable Stores					
	3. Repairs and Maintenance					
	4. Factory overheads					
	5. Administrative Overheads					
	6. Depreciation					
	7. Other expenses,					

	Total conversion cost		
C.	Less: (i) Credits for supply to other units of the company		
	(ii) Other Parties		
D.	Net cost of Power Generated (A+B-C)		
E.	Purchased Power		
F.	Total (D and E)		
G.	Cost per unit (average)		
H.	Consumed in:		
Particulars		No. of Units KWH	Amount (Rs.)
1.			
2.			
3.			
4.			
5.			
6.	etc.		

Notes:

1. Cost per unit of Power generated shall be worked out with reference to net units of power available for use after deducting consumption in the Power House/ Own generator and other losses.
2. Where meters are not installed consumption of power by different cost centers/ deptts shall be assessed on a reasonable basis and applied consistently.
3. If rate of electricity duty or the cost of any input is different according to end use, these shall be loaded to the respective user department and suitably indicated in this statement.
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 borrowing debentures shall be shown in Proforma 'D' only.
5. Realisation, if any, by sale of power to outside party etc. shall be shown separately.
6. If purchased power is used in a specific plant; its allocation should be shown accordingly.

1.													
2.													
3.													
4.													
5.													
6. etc.													
Total													

Notes:

- 1) A= Actual direct labuor/ machine hours utilised as per actual recording appropriate basis of apportionment.
B= Conversion cost in Rs.
- 2) Cost centers are illustrative only
- 3) 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 borrowing debentures shall be shown in Proforma 'D' only
- 4) The amount of Royalty paid/ payable on production should be shown against item A4

Schedule II

(See Rule 3)

Proforma C

Name of the company

Name and Address of Factory

Statement showing the cost of production of Industrial Alcohol for the year/period ended

Name of Industrial Alcohol

Type

S No.	Particulars	Unit	Current Year	Previous Year
1	Licensed Capacity			
2	Installed Capacity			
3	Batch Size			
4	Number of Batches produced			
5	Actual quantity of Alcohol produced (Kilo Liters)- (alcohol content%) Converted in terms of 100% Alcohol Kilo Liters			
6	Quantity used for captive consumption			
7	Quantity transferred for sales			
8	Total sugar % in Molasses			
9	Total fermentable sugar % in Molasses			
10	Possible recovery of Alcohol %			
11	Actual recovery of Alcohol %			
12	Fermentation efficiency %			
13	Distillation efficiency %			
14	Overall efficiency %			

Sl.No	Particulars	Quantity Unit	Rate Rs.	Amount Rs.	Cost per unit (Rs.)			
					Current Yr Std	Actual	Previous Yr Std	Actual
A	Direct Material Cost (each major item to be specified)							
	1. Molasses (Proforma C1)							
	2. Sulphuric Acid							
	3. Caustic Soda							
	4. Ammonium Sulphate							
	5. Urea							
	6. Yeast							
	7. Others, if any (to be specified)							
	8. Less: waste/ rejects							
	Total Direct material							
B	Conversion Cost							
	1. Fermentation							
	2. Distillation							
	3. Process Control							
	4. Royalty, if any							
	5. Etc.							
	Total Conversion cost							

- C
- Other Expenses
1. Inspection
 2. Quality control
 3. Testing
 4. R&D
 5. Storage
 6. Other works overheads
 7. Administrative overheads
 8. Others (to be specified)

Total other Expenses

- D
1. Total Cost
 2. Adjustment for cost variances
 - (a) Raw material
 - (b) Conversion charges
 - (c) OthersTotal
 3. Less: net credit for recoveries
(to be specified)
 4. Adjustment for Opening & Closing Work in Progress
 5. Total cost of production transferred to:
 - (1) Captive consumption
 - a) Specify the product
 - b)
 - (2) Transfer for sales
 - a) Specify the product
 - b)

Notes:

- 1) This proforma shall be prepared for each type Industrial Alcohol.
- 2) Separate statement shall be prepared as above for export production.
- 3) 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 borrowing debentures shall be shown in Proforma 'D' only.
- 4) Item No D2 is applicable for companies following standard costing system.
- 5) Abnormal losses, if any, shall be indicated both in quantity and value in a separate statement.
- 6) Cost centers are illustrative only.

Schedule II

(See Rule 3)

Proforma C 1

Name of the company

Statement showing the cost of Molasses procured and consumed for the use in the manufacture of Industrial Alcohol produced during the year/period ended

S No.	Particulars	Qty	Rate	Amount	Cost per Tonne (Rs.)			
			(Rs.)	(Rs.)	Current Year		Previous Year	
					Standard	Actual	Standard	Actual
1	2	3	4	5	6	7	8	9
1	Opening Stock							
2	(a) Qty transferred from own sugar factory, if any (b) Purchases, to be given gradewise							
3	Transport and handling charges							
4	Excise duties, if any, on Molasses (a) Qty transferred from own sugar factory, if any (b) Purchases							
5	Other expenses including taxes, fees (to be specified)							
	Total							
6	Less: (1) Transit losses (2) Storage losses (3) Other losses, if any							
	Total							
7	Less: Closing stock							
8	Consumption (from proforma C)							

Notes: 1) Abnormal losses of Molasses, if any, shall be indicated both in quantity and cost in a separate statement.

Schedule II

(See Rule 3)

Proforma D

Name of the company

Name and Address of Distillery unit

Statement showing the cost of Industrial Alcohol Sold during the year/period ended

Name of Industrial Alcohol

Type of Industrial Alcohol

Type of packing

Size of pack

Quantity sold

S No.	Particulars	Unit	Qty	Rate (Rs.)	Total Amount (Rs.)	Cost per Unit (Rs.)	
						Current Year	Previous Year
A	Cost of Production transferred from Proforma B						
B	Adjustment for Opening and closing stock						
C	Packing Material (Major items to be specified)						
D	Packing Cost Charges (Major items to be specified)						
E	Other expenses: 1) Inspection 2) Quality control 3) Other works overheads 4) Administrative overheads 5) Others (to be specified)						
F	1. Cost of complete product (A+B+C+D+E) 2. Less/ add adjustment for cost variances 3. Total cost of complete product 4. Less Qty transferred for samples/ trials 5. Add: Opening stock 6. Less: Closing stock 7. Cost of Goods sold						
G	Selling and distribution expenses (for quantity sold only) 1. Salaries and wages 2. Advertisement 3. Freight & transport charges 4. Commission to selling agent 5. Others (to be specified)] 6. Total selling & distribution exp						
H	Interest Charges						

I	Bonus
	(a) Minimum statutory bonus
	(b) Other than (a)
J	Provision for statutory gratuity
K	Other expenses not included in Cost (items to be specified)
L	Total expenses including interest & other charges (excl excise duty)
M	Less other incomes not considered in cost (items to be specified)
N	Total sales realisation excl excise duty for qty sold in the internal market
O	Margin
P	Maximum Retail Price, wherever applicable

Note:

- 1) Separate statement shall be prepared as above for export packing.
- 2) Bonus to employees other than incentive bonus, provision for statutory gratuity or actual payment during the period and interest charges on borrowings including debentures all be exhibited in Proforma 'D' only.
- 3) Item no. F2 is applicable for companies following standard costing
- 4) Cost centers are illustrative only.

Foot note:- The principal rules were published vide GSR no. 532 (E), dated 17th September, 1997 and subsequently amended vide:

- 1) GSR 467(E) dated 3rd August 1998
- 1) GSR 720(E) dated 28th September 2001