

**COSTACCOUNTING RECORDS (DRY CELL BATTERIES)
RULES, 1978
MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS
(Department of Company Affairs)
NOTIFICATION
New Delhi, the 31st January 1979**

G.S.R. 45 (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 Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following rules, namely:

1. Short title and commencement. –

(1) These rules may be called **The Cost Accounting Records (Dry Cell Batteries) Rules, 1978.**

(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, processing or manufacturing of any type of dry cell batteries and components thereof. 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 where in dose 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 presenting financial year.]¹

[(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.]²

3. Maintenance of records.-

(1) Every company to which these rules apply shall in respect of each of its financial year commencing on or after the commencement of these rules, keep proper books of account containing inter-alia the particulars specified in Schedules I and II annexed to these rules relating to the utilisation of materials, labour and other items of cost in so far as these are applicable to the dry cell batteries and components thereof.

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

(2) . The books of account referred to in sub-rule (1) shall be kept on a regular basis in such a way as to make it possible. to calculate the cost of production and cost of sale of all types of dry cell batteries referred to in rule 2 at the end of every quarter during a financial year (thereinafter referred to as the relevant period) as well as for the financial year as a whole from the particulars entered therein and every such books of account and the proforma specified in Schedule II shall be completed within ninety days from the end of the financial year of the company to which they relate.

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

¹. Inserted by G.S.R. 447(E) dated 3rd August, 1998.

². Inserted by G.S.R 323 (E) dated 24th March, 1993

(4) Penalty.

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

SCHEDULE I

(See rule 3)

I. Materials

(a) Raw Materials. –

(i) Proper records shall be maintained showing all the receipts, issues and balances both in quantities and cost of zinc, manganese, ore lead, electrolytic manganese di-oxide, cadmium, acetylene black, carbon rods printed metal sheets, heat shrinking PVC tubes and other materials purchased and used in the manufacture of dry cell batteries of different types and qualities. The cost of such raw materials shall include all direct charges incurred up to the works. Such records shall be maintained separately for purchases both from indigenous and imported sources.

(b) Manufactured Components and ingredients.

(i) *Zinc Cans.*-In the case of zinc cans manufactured by the company, separate records, shall be maintained showing the cost of manufacture of each size of zinc can in such details as may enable the company to fill up the necessary particulars in Proforma 'A' of Schedule II or in a proforma as near thereto as may be possible.

(ii) *Other components and ingredients.* -In the case of other components like carbon rods, brass caps, metal jackets, paper covers, washers and ingredients like electrolytic manganese-oxide, electrolyte paste manufactured by the company the records shall be maintained showing the cost of manufacture of such items in Proforma B of Schedule II or in a proforma as near thereto as practicable. If, however the value of any such component constitutes less than 5 per cent of the value of direct material cost including primary packing materials of any type of dry cell battery the detailed costing thereof shall not be necessary.

(iii) Records of quantities and costs of components and ingredients manufactured, accepted, rejected, consumed and balances shall be kept separately for each batch. The method of dealing with losses on account of rejection in the calculation' of costs shall be indicated in the cost records.

(iv) If any of the manufactured components or process materials are sold to outsiders proper records of the quantity, cost of sales and value realised therefrom shall be recorded separately and also shown in the respective cost statements.

(c) Dies and punches.

In respect of dies and punches records shall be maintained showing the quantity and cost of receipts in the case of bought out items which shall include all direct charges incurred up to the works. In the case of own manufactured items, adequate records shall be maintained showing the cost of dies and punches. The method adopted for charging the cost of dies and punches in the cost of production shall be reasonable taking into account the life of the dies and punches. The same shall be indicated in the cost records and shall be applied consistently.

(d) Consumable stores, small tools, machinery spares, etc.

(i) Proper records shall be maintained to show the receipts, issues and balances both in quantities and cost of each item of consumable stores, small tools and machinery spares. The costs shown shall include all direct charge incurred up to the works wherever specifically incurred.

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

(iii) The cost of consumable stores, small tools and machinery spares issued, shall be charged to the relevant heads of account such as production, repairs to plant and machinery and repairs to buildings. Materials consumed on capital works such as addition to buildings, plant and machinery and other assets shall be shown under the relevant capital heads.

(e) Wastages, spoilages, rejections, losses, etc. of materials. -

(i) Proper records shall be maintained showing the quantity and cost of wastages, spoilages, rejections and losses of raw materials, own manufactured components and ingredients consumable stores, small tools, and machinery spares, dies

and punches whether in transit, storage, manufacture or for any other reasons. The method followed for the adjustments of the above losses shall be indicated in the cost records.

(ii) Proper records shall be maintained showing the quantity and cost of rejected batteries. Records for the income derived from the disposal of rejected and waste materials including scrap, if any, and the value of components recovered from rejected batteries and re-used in process; shall also be maintained separately and the method adopted for adjusting the aforesaid recoveries in the cost of production shall be indicated in the cost records.

II. Wages and Salaries:

(a) Proper records shall be maintained to show the attendance and earning of all employees in the cost centres and departments and the work in which they are employed. The records shall also indicate separately for each cost centre and department.

- (i) Piece-rate wages earned;
- (ii) Incentive wages earned, either individually or collectively as Production bonus or under any other scheme based on output;
- (iii) Overtime wages earned;
- (iv) Earnings of casual labour.

(b) 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 the products shall be disclosed in the records.

(c) Any wages and salaries allocable to capital works such as additions or major repair works to plant and machinery, buildings, or other fixed assets shall be accounted for under the relevant capital heads.

III. Service department expenses

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

IV. Utilities:

(i) **Power.**-Adequate records shall be maintained for the quantity and cost of power purchased. Where the company itself generates power, adequate records shall be maintained to show the cost of power generated. The records shall also show the consumption of power by the various cost centres and departments. The cost of power allocated to the cost centres and further to the individual products shall be on a reasonable basis and applied consistently.

V. Workshop repairs and maintenance:

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

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 its accounting in determining the cost of various products manufactured during the relevant period.

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

VI. Depreciation:

(a) Proper records shall be maintained showing the cost and other particulars of fixed assets in respect of which depreciation is to be provided. These records shall inter-alia indicate the cost of each item of asset including installation

charges, if any, the date of this installation and rate of depreciation. In respect of those assets, the original cost of acquisition of which cannot be ascertained without an unreasonable expenditure or delay, the valuation shown in the books on the first day of the financial year beginning on or after the commencement of these rules shall be taken as the opening balance.

(b) The basis on which depreciation is calculated and allocated to the various departments and cost centres and to the products shall be clearly indicated in the records. Depreciation chargeable to the deferent departments and cost centres shall not be less than the amount of depreciation chargeable in accordance with the provisions of sub-section (2) of Section 205 of the Companies Act, 1956 (1 of 1956), and shall relate to plant, machinery and other fixed assets utilized in such cost centres and departments. In case the amount of depreciation charged in the cost accounts in any financial year is higher than the amount of depreciation chargeable under the aforesaid provisions of the Companies Act, the amount so charged in excess and the incidence of such excess depreciation on the unit cost of production of the individual dry cell batteries manufactured 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 assets.

VII. Overheads:

Proper records shall be maintained showing the various items of expenses comprising the overheads. These expenses shall be analyzed, classified and grouped into works, administration and selling and distribution overheads. The methods followed for allocation [absorption of the above categories of overheads to the departments][cost centres/products shall be indicated in the cost records.

Where the company is engaged in the manufacture of any other products in addition to dry cell batteries, the records shall clearly indicate the basis followed for apportionment of the common overheads including head office expenses of the company to the dry cell batteries activity, other activities and capital works. The basis followed for apportionment of the overheads shall be equitable and consistent. In case any expenses included in the above categories of overheads can be identified with a particular activity[product, such expenses shall be segregated and charged to the relevant activity/product at the first instance and thereafter the remaining common expenses under the above categories of overheads shall be apportioned on a reasonable and equitable basis and applied consistently.

VII. A. Interest:

Proper records shall be maintained showing interest charges. The amount of interest shall be allocated to dry cell batteries and other activities on a reasonable and equitable basis, which is to be followed consistently. The basis of such allocation shall be spelt out clearly in the costs. Basis for further apportionment of the share of interest for dry cell batteries to different types thereof shall also be reasonable and equitable and the same shall be followed consistently.

VIII. Expenses on export:

Record showing the expenses incurred on export of dry cell batteries, 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 of sales statements relating to export sales.

IX. Packing:

Proper records shall be maintained showing the quantity and cost of various packing materials such as cardboard boxes, wooden boxes used for packing different types of dry cell batteries. If the company manufactures such packing materials, proper record showing the cost of production of such items shall also be maintained. Records shall also be maintained showing wages and other expenses incurred in respect of different types and sizes of package adopted for marketing dry cell batteries.

Where packing expenses are incurred in common, the basis of apportionment of such expenses amongst different types and sizes of dry cell batteries shall be equitable and clearly indicated in the cost records and applied consistently.

Separate records of special expenses incurred on a export packing in respect of different types and sizes of dry cell batteries, if any, shall be maintained and exhibited in the relevant cost of sales statements for exports.

X. Research and development expenses:

Proper records showing the details of expenses, if any, incurred by the company for the research and development according to the nature of such research viz. development of products, existing and new design

and development of new plant facilities, market research for new products etc. shall be maintained separately. The method of charging these expenses to the cost of products during any year shall be indicated in the cost records. Wherever the utility of such research extends over more than one financial year such expenses shall be treated as deferred expenses and charged to the cost of products on some equitable basis which is to be followed consistently.

XI. Work-in-progress and finished goods stock:

The method followed for determining the cost of work in progress and finished goods stock shall be indicated in the cost records so as to reveal the cost elements that have been taken into account in such computation. The method adopted shall be followed consistently. Records showing the value of work in progress and the quantities and value of finished items shall be maintained in Proforma 'F' of Schedule II.

XII. Cost Statements: -

(i) Cost statements showing the cost of production and cost of sales of different type and sizes of dry cell batteries shall be maintained in proforma 'c' and 'D' respectively. Such cost statements shall be maintained for the production obtained under different methods of manufacture, if any, like partly manual of automatic lines. The cost statements shall also be maintained separately in respect of each size of dry cell batteries corresponding with international standards like IR-20, IR-14, IR-6 as well as for different types like paper clad, metal clad and ceUulose acetate batteries, flat cells, layer cells and inert cells of different specifications. Such cost statements shall be maintained separately for different factories/units of the company.

(ii) Export of dry cell batteries shall be covered by separate cost statements under Proforma 'D' and the same shall be excluded from the cost statements meant for sale in the internal market.

XIII. Reconciliation of cost and financial accounts:

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

A statement showing the total expenses incurred and income received by the company and the share applicable to dry cell batteries shall be maintained in proforma 'E' duly reconciled with the financial accounts.

XIV. Adjustment of cost variances:

Where the company maintains cost records on any basis other than actual such as standard costing, the records shall indicate the procedures followed by the company in working out the cost of the product under such a 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. The variances in respect of materials shall inter-alia be furnished separately for major materials, components and primary packing materials. Variance analysis shall be made periodically say quarterly. The reasons for the variances shall be detailed in the cost records.

XV. Records of physical verification:

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

XVI. 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, 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;

(t) "**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;. I

(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."

XVII. Statistical records:

Data such as melt loss of zinc and different types of wastages including rejections incurred in the manufacture of dollies, carbon rods and assembly of different types and sizes of dry cell batteries shall be maintained to enable, control of process losses.

Data regarding available machine hours/labour hours in the different production departments and assembly line and the machine hours! Labour hours actually utilized shall also be maintained.

Records as will enable the company to identify, (next fixed assets and working capital) the capital employed separately for dry cell batteries and other activities shall also be maintained. Fresh investments on fixed assets that have not contributed to the production during the relevant period shall be indicated in the records. The records shall in addition show assets added as replacement and that added for increasing existing capacity.

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

SCHEDULE II
(See rule 3)
PROFORMA 'A'

Name and Address of the Company.....

Name and Address of the Dry Cell Batteries manufacturing unit.....

*Statement showing the cost of Zinc Can manufacture
during the Year ending.....
for use in dry cell battery No. IR 6/jR-14IR-20.*

Type and size of zinc can produced:

	Current year	Previous year
	Tonnes/Nos.	Tonnes/Nos.
Quantity produced:		
1. Sheets		
2. Callots		
3. Cans		
Melt loss (as % of input)		

Particulars	Qty	Rate Rs.	Total Amount Rs.	Cost per unit	
				Current year	Previous year
				Rs.	Rs.
1.	2.	3.	4.	5.	6.

A. Manufacture of zinc sheets

1. Raw materials:
 - (a) Zinc ingots
 - (b) Zinc scrap
 2. Wages and salaries
 3. Consumable stores
 4. Repairs and maintenances
 5. Utility
 - (a) Power
 - (b) Fuel
 - (c) Other Services to be specified
 6. Depreciation
 7. Other works overheads
 8. Adjustment for difference in opening and closing balance of work-in-progress
 - 8a. Adjustment for cost variances
 - (a) Material
 - (b) Labour
 - (c) Overhead
- Total cost of Zinc sheets**

9. Less: Qty and value of recoveries in the from of

scrap

10. Net cost of zinc sheets produced

11. Adjustment for opening and closing stock
Add: Opening Qty
Less: Closing Qty

12. Total

13. Cost of zinc sheets transferred to item B

B. Zinc Callots:

1. Cost of zinc sheets transferred from A 13
2. Wages and salaries
3. Consumable stores
4. Repairs and maintenances
5. Utility
 - (i) Power
 - (ii) Lubricate and Oils
6. Depreciation
7. Other works overheads
8. Adjustment for work-in-progress
- 8 a. Adjustment for cost variances
 - (a) Materials
 - (b) Labour
 - (c) Overheads

Total cost

9. Less: Credit for recover
10. Net cost of callots produced
11. Adjustment for opening and Closing stock
Add: Opening Qty value
Less Closing Qty value

12. Total

13. Cost of zinc callots transferred to item C

C. Zinc Cans

1. Zinc callots (13 of item B)
2. Wages and Salaries
3. Punches/dies
4. Consumable stores
5. Repairs and maintenances
6. Utilities
 - (a) Power
 - (b) Other
7. Depreciation
8. Other works over head
9. Share of administration overhead
10. Adjustment for differences in Opening and closing balances Of work-in-progress
- 10 a. Adjustment for cost variances
 - (a) Material
 - (b) Labour
 - (c) Overhead

11. Total cost

12. Less: Credit for scrap
 13. Adjustment for opening and closing stock:
Add: Opening stock value
Less: Closing stock value
 14. Net cost of zinc cans transferred to Proform C
 15. Qty and cost of items sold if any and sales Realization.
-

Notes:

1. Separate cost statements in the above Proforma shall be maintained in respect of each size of zinc cans produced corresponding to the different types of dry cell batteries produced.
2. Credit afforded for scrap shall be reasonable and the basis shall be consistent.
3. Data relating to the number of days/hours worked for the different type of callots cans shall be maintained.
4. Interest, bonus to employees other than incentive. Bonus, provision for statutory gratuity charges shall be shown in Proforma 'D' and 'E' Only.
5. If any of the items like zinc sheets/canots/cans and the like are sold, the proportionate share of administrative, selling and distribution and Head Office overheads shall be levied on an equitable basis and applied consistently. Direct and allocable expenses relating to packing shall also be added to arrive at the cost of sale of such items sold. The respective sales realization shall be indicated in this Proforma.
6. Where standard costing system is adopted, the cost variances shall be shown under the relevant heads.
7. Proper records for scrap produced at various stages and their re-use for making zinc cans shall be maintained both in quantity and value.
8. If any unit is making zinc cans from ingots by extrusion process the stage of manufacture given in this proforma shall be suitably modified and cost sheets furnished taking into account the sequence of manufacture.

PROFORMA 'B'

Name and Address of the Company.....

Name and Address of the Dry Cell Batteries manufacturing unit.....

Statement showing the cost of other components like brass caps, printed metal jackets/paper tubes; washers carbon rods and ingredients like electrolytic manganese di-oxide, acetylene black etc. manufactured during the period.....

Name of Ingredient/component:

Qty Product	Current Year			Previous Year		
	Particulars	Qty	Rate	Total	Cost per unit	
					Rs.	Rs.
1.	2.	3.	4.	5.	6.	
1. Raw materials (To be specified) (a) (b) (c) Less: Credit for scrap.						
2. Wages and salaries						
3. Consumable stores						
4. Repairs & maintenance						
5. Utilities: (a) Power (b) Fuel (c) Others. (Items to be specified)						
6. Depreciation						
7. Other works overheads						
8. Share of Administration Overheads						
9. Adjustment for difference in opening and closing balance of work-in-progress						
9a. Adjustment for cost variances (where standard costing system is adopted) (a) Material (b) Labour (c) Overheads						
10. Net cost of quantity produced						
11. Adjustment for opening and closing stock Add: Opening Stock: Qty. Value Less: Closing Stock: Qty Value						
12. Qty consumed in the manufacture of dry cell batteries and cost thereon.						

13. Qty and cost of item sold and amount realised.

Notes:

1. Separate cost statements shall be maintained in respect of each ingredient/component produced corresponding to the different dry cell batteries. If, however, the value of any such component constitutes less than 5 % of the value of direct Material cost including primary packing materials of any type of BT! Ttery cost statement of such component shall not be necessary.
2. Credit afforded for scrap shall be reasonable and the basis applied shall be consistent.
3. Data relating to the number of days/hours worked for the production of each type of component/ingredient shall be maintained.
4. Interest, bonus to employees other than incentive bonus, provision for statutory gratuity charges shall be shown in Proforma 'D' only.
5. If any of the items like electrolytic manganese di-oxide, acetylene black, and carbon rods are sold the proportionate share of administration, selling and distribution and Head Office overheads shall be levied on an equitable basis and applied. Consistently. direct and allocable expenses relating to packing shall also be added to arrive at the Cost of sale of such items sold. The respective sales realization shall be indicated in this Proforma.
6. Where standard costing is adopted, the cost variances shall be shown under the relevant heads.

PROFORMA 'C'

Name and Address of the Company.....

Name and Address of the Dry Cell Batteries manufacturing unit.....

Statement showing the cost of production of different types of dry cell batteries manufactured during the year ending.....

Description/type '.....

International standard No.....
if available.

Brand Name

Manufacturers code No.....

Type of packing: paper clad/metal clad/cellulose acetate.....

	Current year	Previous year
Quantity produced		

Particulars	Qty	Rate	Total Cost	Cost per unit	
				Current year	Previous Year
	Rs.	Rs.	Rs.	Rs.	Rs.
1.	2.	3.	4.	5.	6.

1. Components:
 - (i) Zinc cans (transferred from Proforma 'A')
 - (ij) Carbon rods.
 - (iii) Dry mix
 - (iv) Electrolyte.
 - (v) Acetylene black.
 - (vi) Ammonium chloride.
 - (vii) Other materials.
(Items to be specified)
2. Wages and salaries
3. Consumable stores.
4. Repairs and maintenance
5. Services:
 - (i) Power
 - (ii) Fuel..
 - (iii) Other Services (to be Specified)
6. Depreciation.
7. Other works overheads
8. Research and development Expenses ..
9. Share of Administration Overheads . . .

10. Adjustments for difference in the opening and closing balance of work-in-progress
- 10a. Adjustment for cost variances
(Where standard costing system is adopted)
- (a) Material
 - (b) Labour
 - (c) Overhead
- 11. Total ..**
12. Less: Credit for rejections/ scrap . . .
13. Total cost of pre-packed dry cell batteries .
14. Packing expenses:
- (i) Primary packing materials
 - (a) Paper tube (Proforma B)
 - (b) Cellulose acetate tube
 - (c) Metallic top
 - (d) Metal jacket.
 - (e) Polythene washer
 - (f) Others materials
(to be specified)
 - (ii) Wages
 - (iii) Depreciation
 - (iv) Overheads.
15. Total Primary packing cost:
16. Total cost of packed Dry cell Batteries (13+15) .
17. Less: Credit for rejections and scrap
- 17a. Adjustment for cost variances (where standard costing system is adopted)
- (a) Material (primary packing)
 - (b) Labour (primary packing)
 - (c) Overheads (primary packing)
18. Total cost of dry cell batteries produced.
19. Add: Opening stock:
- Qty . Value
 - Less: Closing stock:
 - Qty:. Value
20. Cost of dry cell batteries
Transferred to Proforma 'D' .

Notes:

1. Separate cost statements shall be maintained in respect of each type and site of Dry Cell Battery manufactured. Separate cost statements shall also be maintained for production under automatic lines.
2. Credit for scrap and rejections shall be reasonable and the basis applied shall be consistent.
3. Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proforma 'D' only and not in this Proforma.
4. Where standard costing system is adopted, the cost variances shall be shown under the relevant heads.

PROFORMA 'D'

Name and Address of the Company.....

Name and Address of the Dry Cell Batteries manufacturing unit.....

Statement showing the cost of sales of different types of dry cell batteries sold during the year ending.....

Type/size:

(Indicate International standard No.)

Brand name:

Manufacturer's code No. :

Type of packing: Pap's clad/cellulose acetate/metal jacket.....

Qty Sold	Current Year	Previous Year
	Nos.	Nos.

Particulars	Qty Rs.	Rate Rs,	Total Rs.	Cost per unit	
				Current year Rs.	Previous year Rs.
1.	2.	3.	4.	5.	6.

1. Cost of dry cell batteries
 Transferred from Proforma 'c'
2. Secondary packing cost
 - (a) Packing materials.
 (To be specified)
 - (b) Depreciation
 - (c) Overheads.
 - (d) Other expenses
3. Stock Adjustments:
 Add: Opening Stock
 Less: Closing Stock.
4. Selling & distribution over Heads
 (For goods sold only)
 - (i) Salaries and wages
 - (ii) Commission to selling agents.
 - (iii) Depot expenses.
 - (iv) Freight and transport charges. .
 - (v) Other expenses, if any
5. Share of Administration Expenses..,
6. Total cost including selling
 And distributing expenses
7. Interest charges
8. Annual bonus to employees.
9. Provision for statutory gratuity
10. Other expenses not included
 in cost (to be specified)

- Total**
11. *Less:* Other incomes not considered in cost
(items to be specified)
 12. Total expenses excluding excise duty
for quantity sold within the country
 13. Sales realization excluding excise
duty for quantity sold within the country. .
 14. Margin
-

Notes:

1. Separate cost statements shall be maintained in respect of each type/size of Dry Cell batteries. . . .
2. The apportionment of common selling and distribution expenses to the product under reference in the case of multi-product units shall be equitable and consistent.
3. Interest charges, actually incurred shall only be shown against item 7.
4. Bonus to employees other than incentive' bonus, provision for statutory gratuity and interest charges shall be shown separately in this proforma only and not in any other Proforma.
5. Sales realization shall be shown separately for each type of dry cell batteries sold against item 13 of this Proforma.
6. Separate cost statements under this Proforma (suitably modified) shall be maintained in respect of dry cell batteries exported wherein expenses incurred on exports and incentives earned thereon shall be shown.
7. Self-consumption if any, shall be shown separately.

PROFORMA ' E'

Name and address of the company.....

Name and address of the' dry cell batteries manufacturing unit..... :

Statement showing the allocation of total expenses and income ill respect of dry cell batteries and other activities for the year ending

Particulars	Total Expenses Rs.	Share applicable to		
		Dry cell Batteries Rs.	Other activities Rs.	Basic of allocation Rs.
1.	2.	3.	4.	5.

1. Raw materials consumed.
2. Packing materials.
3. Direct salaries and wages.
4. Utilities
5. Consumable stores.
6. Repairs and maintenance
7. Other works overheads.
8. Research and Development expenses
9. Depreciation
10. Administration overheads

Total.

11. Adjustment for difference between opening and closing balances of working-progress

Total

12. *Less:* Credit for recoveries:
 - (i) Rejections
 - (ii) Waste
 - (iii) Others
13. Packing expenses
14. Stock adjustments for difference bet
Wean opening and closing stock
15. Selling & distribution expenses.

Total

16. Annual bonus to employees other than
Incentive bonus
17. Provision for statutory gratuity.
18. Interest charges
19. Other expenses not included in cost
(Items to be specified) .
20. *Less:* Other incomes not considered in
Cost (items to be specified)
21. Total excluding excise duty. 22. Deduct export benefits, *if any.*
23. Net sales realization (excluding excise
duty)
24. Margin

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

PROFORMA 'F'

Name and address of the company.....

Name and address of dry cell batteries manufacturing unit.....

I. Statement showing the volume of work-in-progress at the end of the year'

Particulars	(Rs)
1. Opening work-in-progress as on.....	
2. <i>Add:</i> Expenses relating to production of dry cell batteries referred to in rule 2 (including items referred to in Profoma 'A' and 'B' of Schedule II) incurred during the year ending	
Total	
3. <i>Less:</i> Cost of production of the items referred to in rule 2 (including items referred to in Profonna 'A' and 'B')	
4. Closing work-in-progress as on.....	

II. Statement showing the finished stock of dry cell batteries/ electrolytic manganese dioxide/acerylene black and other products as on _____

Type of Products	Opening Stock as on		Production during the year		Sold/ consumed during the year		Closing Stock	
	Qty	Cost (Rs.)	Qty	Cost (Rs.)	Qty	Cost (Rs.)	Qty	Cost (Rs.)
1.	2.	3.	4.	5.	6.	7.	8.	9.

- I. Electrolytic manganese dioxide.
2. Zinc sheets
3. Zinc callots
4. Zinc cans
5. Dry Cell batteries:
 - (i) IR-20
 - (ii) IR-14
 - (iii) IR-6
 - (iv) Flat cells,
 - (v) Layer cells
6. Acetylene black
7. Carbon rods with the
8. Brass caps
9. Printed metal jackets
10. Paper tubes
11. Others.

PROFORMA 'G'

Name and address of the company.....

Name of the unit manufacturing dry cell batteries/major components.....

Statement showing the cost of production, cost of sales, realization and margin obtained per Dry cell battery during the year ending.....

Type and Brands Name		Type and Brands Name	
For the year	For the previous year	For the year	For the previous year

Qty Produced:

Qty Sold:

Cost Particulars:

1. Material Components:

(a) Zinc can .

(b) Dry mix.

(c) Electrolyte.

(d) Acetate black

(e) Others. .

2. Other materials

Total Material Cost

3. Conversion cost including depreciation and Admin. Overheads

4. Adjustment for difference in opening and closing work-in-progress

5. Net factory cost

6. Adjustment for cost variances (where standard costing System is adopted) .

7. *Less:* Credit for rejections and scrap.

8. Total cost of pre packed dry cell battery

9. Primary packing cost

10. Total cost of packed dry cell battery.

11. Credit for rejections and scraps.

12. Adjustment for cost variances.

13. Total cost of dry cell battery produced

14. Adjustment for opening and closing Stock of finished product.

15. Secondary packing cost

16. Selling & distribution cost including Share of Admin. Overheads

17. Total cost including selling and distribution overheads.

18. Other expenses (net) not included in Cost

19. Net cost sales

20. Sales realization excluding excise duty Within the country

21. Margin

22. Total profit/loss on quantity sold

Note: One consolidated statement is to be furnished for all the type of batteries.

Footnote

The principal rules were published vide GSR 45(E), dated 31st January 1979 and subsequently amended vide

1. GSR 39, dated 5th January 1983

2. GSR 563, dated 22nd July 1989

3. GSR 323(E), dated 24th March 1993

4. GSR 447(E), dated 3rd August 1998