

## COST AUDIT REPORT

I/We, **(Name of the Cost Auditor)**, having been appointed as Cost Auditor(s) under section 233B of Companies Act 1956 (1 of 1956) of **(Name of The Company)**, (hereinafter referred to as the Company), having its registered office at **(Registered office)**, have examined the books of accounts prescribed under clause (d) of Sub-section (1) of Section 209 of the said Act and other relevant records in respect of the Unit **(Name and Location of the Unit)** for the period/year ended **(Financial Year )** relating to **(Product under reference)** maintained by the Company and Report, Subject to our comments under the heading "Auditor's Observations and Conclusions" contained in the Annexure to this Report, that:

1.
  - i) I/We have/ have not obtained all the information and explanations which to the best of my/our knowledge and belief were necessary for the purposes of this Audit;
  - ii) Proper Cost Accounting Records required under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 have/ have not been kept by the company;
  - iii) Proper returns adequate for the purpose of my/our Cost Audit have/have not been received from Branches not visited by me/us;
  - iv) The said books and Records give/do not give the information required by the Companies Act, 1956 (1 of 1956) in the manner so required,
  - (v) the cost statements in respect of product or activity under reference as specified in the Annexures/Proformae of Schedules I, Schedule II or Schedule III of the concerned Cost Accounting Records (name of product.) Rules duly audited by me/us are kept in the company.
2. In my/our opinion the Company's Cost Accounting Records have/ have not been properly kept so as to give a true and fair view of the Cost of Production, cost of sales and margin of the product under reference, as prescribed under rules.
3. Based on my/our examination of the records of the company subject to aforesaid qualifications, if any, I/We give my/our observations and suggestions on the following -

(a) the adequacy or otherwise of the cost accounting system including inventory valuation in vogue in the company and suggestions for the improvement thereof. The Cost auditor shall also indicate the persistent deficiencies in the system, pointed out in earlier reports but not rectified;	
(b) the adequacy or otherwise of the budgetary control system, if any, in vogue in the company;	
(c) matters which appear to him to be clearly wrong in principle or apparently unjustifiable;	
(d) cases, where price charged for related party transactions as defined in the respective Cost	

Accounting Records Rules is different from normal price, impact of such lower/higher price on margin of the product under reference shall be specified;	
(e) areas where the company is incurring losses or where there is considerable decline in profitability, the cost auditor should comment on the reasons thereof including indicative break-even point. The cost auditor shall also comment on the default, if any on the payments due to the Government, financial institutions and banks, penal interest levied thereon and its impact on the cost of sales and profitability;	
(f) steps required to strengthen the company under the competitive environment especially with regard to need for protection from cheaper imports, if any;	
(g) export commitments of the company vis-à-vis actual exports for the year under review. Also comment on comparative profitability and pricing policy of the company for domestic and export sales. Give impact of exports benefits/ incentives offered by the Government on export profitability;	
(h) the scope and performance of internal audit of cost records, if any, and comment on its adequacy or otherwise.	
4. Suggestion for making further improvements in the performance in respect of cost control and cost reduction.	
5. other observations and suggestions, if any, relevant to the cost audit.	

**DATED THIS ----- OF 200---**

**at**

**FOR XYZ & CO.,  
COST ACCOUNTANTS**

**(XYZ)  
(MEMBERSHIP No: ----  
PARTNER**

## ANNEXURE TO THE COST AUDIT REPORT

### 1. GENERAL:

(1)	(a) Name and address of the registered office of the company whose accounts are audited.	
	(b) Name and address of the place where the cost accounting records are maintained viz. registered office, head office or factory.	
(2)	Name of the product and location of the unit to which the Annexure pertains.	
(3)	The Company's financial year to which the Cost Audit Report relates.	
(4)	Date of first commencement of commercial production of the product under reference.	
(5)	Location of other sites manufacturing or producing or processing or mining the product or carrying out the activity under reference.	
(6)	Name and address of the Cost Auditor.	
(7)	Membership number of the Cost Accountant. In case of firm of Cost Accountants, name and membership number of all the partners.	
(8)	Reference number and date of Government Order under which the Audit is conducted.	
(9)	Reference number and date of the Government letter approving the appointment of the Cost Auditor.	
(10)	Date of Board of Directors' meeting wherein the Annexure and Proforma to the cost audit report were approved.	
(11)	The number of Audit Committee meetings held by the company, and attended by the Cost Auditor during the year under reference.	
(12)	Name, qualification and designation of the officer heading the cost accounting section or department of the company.	
(13)	In case of loan license/ job work arrangement by the company, mention the name of the third party and location of the factory, where the product has been produced/manufactured.	
(14)	If there is any foreign technical collaboration for the product under reference, the following details shall be given:	

	(a) name and address of the foreign collaborators;	
	(b) main terms of agreement ;	
	(c) amount of royalty, lump sum payment, technical aid fee payable and the basis of calculating the same;	
	(d) whether the technical collaborator has contributed to the share capital. If so, the paid up share capital so held.	
(15)	If the company is engaged in other activities besides the manufacture of the product under reference, the following details in respect of each such product or activity shall be given:	
	(a) list of the products or activities;	
	(b) list of the products or activities for which Cost Accounting Records Rules have been prescribed under section 209(1)(d) of the Act.;	
	(c) whether Cost Audit Order has been issued by the government in respect of any of the products or activities. If so, number and date of the order.	
(16)	A printed copy of the Annual Report, containing audited Profit and Loss Account, Balance Sheet and Auditor's Report in respect of the company's financial year for which the report is rendered, shall be enclosed with the Cost Audit Report.	

## **2. COST ACCOUNTING SYSTEM:**

(1). Briefly describe the cost accounting system existing in the company, keeping in view the requirements of the Cost Accounting Records Rules applicable to the class of companies manufacturing the product under reference and also its adequacy or otherwise to determine correctly the cost of production, cost of sales, sales realisation and margin of the product under reference.

(2). Briefly specify the changes, if any, made in the costing system; basis of inventory valuation; method of overhead allocation; apportionment to cost centers/departments and final absorption to the product under reference etc., during the current financial year as compared to the previous financial year.

## **3. PROCESS OF MANUFACTURE:**

A brief note regarding the process of manufacture along with flow chart covering production, utility and service department of the product.

## **4. QUANTITATIVE DETAILS :**

PARTICULARS			
1. Installed Capacity (Multiple Shift)			
2. Capacity enhanced during the year by leasing arrangement etc.,			
3. Total available capacity			
4. Production during the year			
(a) Self Manufactured			
(b) Third Party on Job work etc.,			
(c) Loan and License basis			
5. Total Production Quantity			
6. Production as per Excise Records			
7. Capacity Utilisation Percentage			
8. Opening Stock ( finished quantity)			
9. Total available Quantity			
10. Quantity captively consumed			
11. Quantity sold:			
(a) domestic at controlled price			
(b) domestic at market price			
© export under advance license			
(d) export under obligation			
(e) export at market price			
(f) TOTAL			
12. Closing Stock (Finished Quantity)			

Notes :

1. It should be clarified whether the installed capacity is on single shift or multiple shift basis.
2. In order to have a meaningful comparisons of production and installed capacity, wherever necessary these details should also be expressed in appropriate units, e.g. standard hours or equipment/ plant/ vessel occupancy hours, crushing hours, spindle/ loom shifts, equivalent production, production in terms of standard hours etc.

**5(A). MAJOR INPUT MATERIALS / COMPONENTS CONSUMED:**

PARTICULARS			
1. Indigenous			
(a)			
(i) Quantity			
(ii) Rate per Unit			
(iii) Value			
2. Self Manufactured			
3. Imported			
4. Total			
(i) Quantity			
(ii) Rate per Unit			
(iii) Value			

Note : Details should be furnished in respect of major input materials each constituting at least 2% of the total raw material cost.

**5(B). STANDARD/ ACTUAL CONSUMPTION OF INPUT MATERIALS PER UNIT:**

PARTICULARS	UNIT	STANDARD	ACTUALS		
1.	Kgs				
2.					
3.					

Note : Details should be furnished in respect of major input materials each constituting at least 2% of the total raw material cost for each major type/ variety/ size etc. of product under reference.

**6. BREAK-UP OF COST OF INPUT MATERIALS IMPORTED DURING THE YEAR :**

PARTICULARS			
1. FOB Price in foreign currency/ rupees			
2. Insurance & freight			
3. Customs duty			
4. Clearing charges			
5. Inland freight			
6. Other expenses			
7. Total			

Note : Details should be furnished in respect of major input materials each constituting at least 2% of the total material cost.

**7 (A). POWER, FUEL AND UTILITIES :**

PARTICULARS			
1. Electricity (purchased) :			
(i) Quantity			
(ii) Rate per Unit			
(iii) Value			
2. Self generated/ produced:			
(i) Quantity			
(ii) Rate per Unit			
(iii) Value			
3. Imported			
(i) Quantity			
(ii) Rate per Unit			
(iii) Value			
4. Total			
(i) Quantity			
(ii) Rate per Unit			
(iii) Value			

Note : Details should be furnished in respect of major items each constituting at least 2% of the total material cost.

**7 (B). STANDARD/ ACTUAL CONSUMPTION OF POWER, FUEL AND UTILITIES IN TERMS OF QUANTITY PER UNIT OF PRODUCTION :**

PARTICULARS	ACTUALS			
	UNIT	STANDARD		
1.				
2.				
3.				

Note : Details should be furnished in respect of each major type/ variety/ size etc. of product under reference.

**8. SALARIES AND WAGES:**

PARTICULARS			
A: QUANTITATIVE DETAILS:			
1. Direct Workers:			
a. Average No. during the year			
b. Mandays available			
c. Mandays actually worked for			
(i) Own Production			
(ii) Job Work			
d. Reason-wise analysis of idle mandays			
(i) Absenteeism			
(ii) Shortage of raw materials			
(iii) Power Shortage/ failures			
(ii) Others (specify)			
2. Indirect Workers			
a. Average No. during the year			

b. Mandays available			
c. Mandays actually worked for			
(i) Own Production			
(ii) Job Work			
d. Reason-wise analysis of idle mandays			
(i) Absenteeism			
(ii) Shortage of raw materials			
(iii) Power Shortage/ failures			
(ii) Others (specify)			
<b>B. COST DETAILS:</b>			
1. Direct labour cost on production			
2. Indirect employee costs on production			
3. Employee costs on administration			
4. Employee costs on selling and administration			
5. Other Employee costs			
6. Total Employee costs			
7.a. Payments under any VRS Scheme			
7.b. Amount provided during the year			

### **9. REPAIRS AND MAINTENANCE:**

<b>PARTICULARS</b>			
1. Land and Building			
2. Plant and Machinery			
3. Staff quarters and colony			
4. Others ( to be specified asset category wise)			
5. Total amount			
6. Amount capitalized/ deferred during the year			
7. Net Amount (5-6)			
8. Deferred amounts of earlier years, if any			
9. Total amount provided in the cost records (7+8)			

### **10. FIXED ASSETS REGISTER AND DEPRECIATION:**

<b>PARTICULARS</b>			
1. Whether fixed assets register maintained cost centre-wise			
2. Method of providing depreciation			
3. Amount of depreciation under section 205(2) of the Companies Act, 1956 or any other relevant Act, as the case may be			
4. Amount of depreciation provided in the financial records			
5. Amount of depreciation absorbed in the cost records *			
6. Shortfall / Excess, if any (3 and 5)			

Note : The impact of re-valuation of assets, if any, shall not be included.

**11. GROSS BLOCK, DEPRECIATION AND LEASE RENT:**

PARTICULARS	Gross Block	Depreciation	Lease Rent	Total (b+c)	1 <sup>st</sup> PREV. YEAR	2 <sup>nd</sup> PREV. YEAR
Name of Major Cost Centres/Products						
(a)						
(b)						
Total						

Note : Excluding gross block of assets given on lease, if any.

**12. OVERHEADS:**

PARTICULARS			
1. Factory Overheads			
2. Admin. Overheads			
3. Selling Overheads			
4. Distribution Overheads			

Note :The break-up under each head should be furnished in respect of major items constituting at-least 80% of the overhead cost under each head.

**13. RESEARCH AND DEVELOPMENT EXPENSES:**

PARTICULARS			
1. Process development and improvement			
2. Existing product development			
3. New Product Development			
4. Others, if any			
5. Total Amount			
6. Amount Capitalized/deferred during the year			
7. Net Amount (5-6)			
8. Deferred amount of earlier years, if any			
9. Total amount provided in the cost records (7+8)			
10. Amount paid to related parties			

**14. ROYALTY AND TECHNICAL KNOW HOW CHARGES:**

PARTICULARS			
1. Royalty on production/ sales			
2. Lump sum payment of royalty, if any			
3. Technical know how charges			
4. Others, if any			
5. Total amount			
6. Amount capitalized/ deferred during the year			
7. Net Amount (5-6)			
8. Deferred amount of earlier years, if any			

9. Amount provided in the financial accounts (7+8)			
10. Amount absorbed in the cost records			
11. Shortfall/ excess, if any			
12. Amount paid to related parties			

Note : The details should be furnished in respect of each agreement separately.

**15. QUALITY CONTROL EXPENSES:**

PARTICULARS			
1. ISO Number, if any			
2. Name of certifying agency			
3. Salaries and wages			
4. Others direct expenses			
5. Others, if any (specify)			
6. Total amount			

**16. POLLUTION CONTROL EXPENSES:**

PARTICULARS			
1. Effluent Treatment			
2. Control of air pollution			
3. Control ash pound/ ash mound			
4. Penalty, if any			
5. Others, if any			
6. Total Amount			

**17. ABNORMAL NON-RECURRING COSTS:**

PARTICULARS			
1. Specify			
2.			
3.			
Total			

**18.(A) NON-MOVING STOCK (at the end of the year) :**

PARTICULARS			
a1. Total direct material consumption			
a2. Closing stock of direct material			
a3. Value of non moving stock			
a4. Percentage a3 to a2			
b1. Total indirect material consumption			
b2. Closing stock of indirect material			
b3. Value of non moving stock			
b4. Percentage b3 to b2			
C1. Work-in-progress			
C2. Closing stock of WIP			
C3. Value of non moving stock			

c4. Percentage c3 to c2			
D1. Finished Goods			
D2. Closing stock of finished goods			
D3. Value of non moving stock			
D4. Percentage d3 to d2			
E1. Total			
E2. Total Closing stock			
E3. Total Value of non moving stock			
E4. Percentage e3 to e2			

**18.(B) WRITTEN OFF STOCK (during the year) :**

PARTICULARS			
1. Direct Materials			
2. Indirect Materials			
3. WIP			
4. Finished Goods			
5. Total			

**19.(A) INVENTORY VALUATION (at the end of the year) :**

PARTICULARS	Basis Of			
1. Input Material	Valuation			
(i) Purchased				
- Indigenous				
(i) Quantity				
(ii) Rate per Unit				
(iii) Amount Rs. In Lacs				
- Imported				
(i) Quantity				
(ii) Rate per Unit				
(iii) Amount Rs. In Lacs				
(ii) Self Manufactured				
(i) Quantity				
(ii) Rate per Unit				
(iii) Amount Rs. In Lacs				
2. Chemicals, additives and consumbles				
(i) Quantity				
(ii) Rate per Unit				
(iii) Amount Rs. In Lacs				
3. Stores and spares				
(i) Quantity				
(ii) Rate per Unit				
(iii) Amount Rs. In Lacs				
4. Packing Materials				
(i) Quantity				
(ii) Rate per Unit				
(iii) Amount Rs. In Lacs				
5. Tools and implements, Jigs, dies and fixtures				
(i) Quantity				
(ii) Rate per Unit				

(iii) Amount Rs. In Lacs				
6. Work-in-progress				
(i) Quantity				
(ii) Rate per Unit				
(iii) Amount Rs. In Lacs				
(a) Material Cost				
(b) Conversion cost				
7. Finished Goods				
(i) Unpacked				
(i) Quantity				
(ii) Rate per Unit				
(iii) Amount Rs. In Lacs				
(ii) Packed				
(i) Quantity				
(ii) Rate per Unit				
(iii) Amount Rs. In Lacs				
8. Scrap/ wastage				
(i) Quantity				
(ii) Rate per Unit				
(iii) Amount Rs. In Lacs				
9. Others, if any				
10. Total value of inventory as per cost accounts				
11. Total value of as per financial accounts				
12. Reasons for major differences, if any				

Notes :

- (1) In respect of item at Sr. No. 1 and 6 details be furnished in respect of each major input material constituting at least 2% of the total material cost.
- (2) In respect of items at Sr. No. 2 to 5, total amount be given without any quantitative details.
- (3) Give in brief the method of inventory valuation system indicating the elements of cost included therein and the extent thereof.
- (4) Capital work-in-progress to be shown separately.

**19.(B) PHYSICAL VERIFICATION OF INVENTORY :**

Sl. No	PARTICULARS	PERIODICITY OF VERIFICATION	SHORTAGE VALUE (Rs)	EXCESS VALUE (Rs)	NET (Rs)
1.	Raw Material				
2.	Chemicals, additives, consumables etc.,				
3.	Stores and Spares				
4.	Packing Materials				
5.	Tools and Implements				
6.	WIP				
7.	Finished Goods				
8.	Scrap/ Wastage				
9.	Total				

**20. SALES OF THE PRODUCT UNDER REFERENCE:**

PARTICULARS			
1. Purchased Goods			
(i) Quantity			
(ii) Rate per Unit			
(iii) Amount			
2. Loan License basis			
(i) Quantity			
(ii) Rate per Unit			
(iii) Amount			
3. Own Manufactured			
(i) Quantity			
(ii) Rate per Unit			
(iii) Amount			
4. Total Sales			
(i) Quantity			
(ii) Rate per Unit			
(iii) Amount			

Notes :

- (1) Above details shall be furnished for major product groups/ varieties.
- (2) Separate details shall be furnished for indigenous sales and export sales.

**21. MARGIN PER UNIT OF OUTPUT:**

PARTICULARS			
1. Purchased Goods			
a) Cost Of Sales			
b) Sales Realisation			
c) Margin			
2. Loan License basis			
a) Cost Of Sales			
b) Sales Realisation			
c) Margin			
3. Own Manufactured			
a) Cost Of Sales			
b) Sales Realisation			
c) Margin			
4. Total Sales			
a) Cost Of Sales			
b) Sales Realisation			
c) Margin			

Notes :

- (1) Above details shall be furnished for major product groups/ varieties.
- (2) Separate details shall be furnished for margin on indigenous sales and export sales. Where the product (such as sugar, bulk drugs, formulations, etc.) is sold at different prices in accordance with government policy, sales realisation and margin on such product at different prices shall be shown separately alongwith quantity and value.

**22. COMPETITIVE MARGIN AGAINST IMPORTS:**

PARTICULARS			
1. Name of product			
2. Estimated demand of the product in the country *			
3. Total production in the country *			
4. Quantities imported in the country **			
5. Total production by the company			
6. %age share of the company in total inland production (item 5/ item 3)			
7. a. Cost of production per Unit (Inland sale)			
b. Cost of Sale per Unit (Inland sale)			
c. Cost of production per Unit (Export sale)			
8. Quantity of the product imported by the company **			
9.FOB value of quantity imported by the company **			
10. Weighted average FOB rate for quantities imported by the company (item 9/ item8) **			
11. FOB value of quantity imported in the country **			
12. Weighted average FOB rate of quantities imported in the country (item 11/ item4) **			
13. Competitive margin (item 12 less item 7(A)) **			
14. Major exporting countries (other than those listed in item 4 above)			
15.(A) Total import duty paid by the company* (net of CENVAT)			
(B) Weighted average rate of import duty paid by the company (net of CENVAT) (item 15(A)/ item 8)			
16. Bound rate of duty under WTO agreement.			

Notes :

- (1) \* Indicate the source of information.  
(2) \*\* Country-wise details should be furnished in respect of major countries covering at-least 80% of the total and balance should be shown under the head "Others".

**23. VALUE ADDITION AND DISTRIBUTION OF EARNINGS :**

PARTICULARS			
A. VALUE ADDITION			
1. Gross Sales (Excluding Returns)			
2. Less: Excise duty, etc.,			
3. Net Sales			
4. Adjustments in stocks			
5. Less: cost of bought out materials and services			
6. Value added			
7. Add: Income from any other sources			
8. Earnings for distribution			
B. DISTRIBUTION OF EARNINGS TO:			
1. Employees as salaries and wages,			

retirement benefits, etc.,			
2. Shareholders as dividend			
3. Retained funds as depreciation etc.,			
4. Government as taxes (specify)			
5. Others, if any (specify)			
6. Total			

**24. FINANCIAL POSITION AND RATIO ANALYSIS :**

PARTICULARS									
	Product Under Ref	Factory as a whole	Company as a whole	Product Under Ref	Factory as a whole	Company as a whole	Product Under Ref	Factory as a whole	Company as a whole
1. Capital employed									
2. Net Worth									
3. Profit									
4. Net Sales									
5. Operating expenses as a percentage of Net Sales:									
(a) Material cost									
(b) Factory overheads									
(c) Royalty on Production, if any									
(d) Salaries & wages									
(e) Research and development expenses									
(f) Quality control									
(g) Administrative overheads									
(h) Selling & distribution									
(i) Interest									
6. Profit as %age of capital employed									
7. Profit as %age of net worth									
8. Profit as %age of net sales									
9. Profit as %age of value addition									
10. Value addition as a %age of Net Sales									
11. Current assets to current liabilities									
12. Net working capital in terms of number of months of cost of sales excl. depreciation.									
13. Debt-equity ratio									
14. Raw materials stock in terms of number of months of consumption									
15. Stores & spares stock in terms of number of months of consumption									

16. Work-in-progress stock in terms of number of months of cost of production									
17. Finished goods stock in terms of number of months of cost of sales.									

Notes :

(1) Figures given for the company as a whole against serial number 1, 2, 3 and 4 shall be, duly reconciled with the financial accounts of the company

(2) The figures given for the product against serial number 1, 2, 4 and 5 shall be, duly reconciled with the cost accounts of the company.

(3) Figures given for the factory as a whole against serial number 1, 3, and 4 shall be, duly reconciled with the financial accounts of the company.

**25. CAPITALISATION OF REVENUE EXPENDITURE:**

PARTICULARS			
1. Raw Materials			
(a) Purchased			
- Indigenous			
- Imported			
2. Direct wages and salaries			
3. Consumable Stores			
4. Repairs and Maintenance			
5. Depreciation			
6. Factory Overheads			
7. Administration Overheads			
8. Other Expenses (specify)			
9. Total			
10. Capitalisation ( Excisable Value)			
11. Capitalisation (Non Excisable Value)			

**26. RELATED PARTY TRANSACTIONS:**

Briefly describe the transfer pricing policy, followed by the company in respect of “related party relationship” as defined in the relevant cost accounting records rules made under clause (d) of sub-section (1) of section 209 of the Act. The following particulars may be furnished with regard to related party transactions :

Particulars of related party	Product/ Activity	Quantity	Rate	Amount	Normal Price
1.					
2.					
3.					
4.					

Note :

(1) Details should be furnished for sale and purchase transactions separately.

**27. CENTRAL EXCISE RECONCILIATION FOR THE PRODUCT UNDER REFERENCE :**

PARTICULARS	CHAPTER- HEADING UNIT	CHAPTER- HEADING UNIT	CHAPTER- HEADING UNIT
<b>A. QUANTITATIVE DETAILS:</b>			
1. Opening Stock			
2. Add : Production			
3. Less : Closing Stock			
4. Total Sales / Clearances			

PARTICULARS	ASSESABLE VALUE (Rs)	RATE OF DUTY	AMOUNT OF DUTY (Rs)
<b>B. DETAILS OF CLEARANCES:</b>			
1. Total Clearances (Chapter heading-wise)			
2. Less : Duty Free Clearances (factory)			
3. Excisable Clearances (factory)			
4. Penalty / Fine / Interest payable if any			
5. Total Duty Payable ( total 3 & 4 )			

PARTICULARS	Inputs	Capital Goods	Total
<b>C. SUMMARY OF CENVAT CREDIT</b>			
1. Opening Balance			
2. Add : Availed During the year			
3. Add Refunds received during year			
4. Less : Closing Balance as per Excise Records			
5. Total Cenvat credit utilised during the year (1+2+3-4)			
6. Closing Balance as per Annual Accounts			
7. Difference between 4 - 6			
8. (State amount and reasons for difference)			

PARTICULARS	AMOUNT Rs
<b>D. RECONCILIATION OF DUTY PAID</b>	
1. Excise Duty Payable as per 'B'	
2. Total Excise Duty paid through	
a). Cenvat Account -( Inputs )	
b). Cenvat Account -( Capital Goods )	
c). P.L.A.	
Total ( a+b+c )	
3. Difference between (1-2)	
4. (State amount and reasons for difference)	
5. Excise Duty as per RT – 12	
6. Difference between (2-5)	
7. (State amount and reasons for difference)	
<b>E. RECONCILIATION OF DUTY PAID AND RECOVERED :</b>	
1. Excise Duty paid as per P & L A/c	
2. Excise Duty Recovered as per P & L A/c	

3. Difference between duty paid and recovered	
4. (State amount and reasons for difference)	
<b>F.RECONCILIATION OF TURNOVER</b>	
1.Turnover as per RT 12	
2.Turnover as per Annual Accounts (Net off Duties & Taxes)	
3.Difference between ( 1- 2 )	
4.(State amount and reasons for difference)	

**28. PROFIT RECONCILIATION:**

PARTICULARS			
1. Profit or Loss as per cost accounting records			
2. Add: Incomes not considered in cost accounts:			
(a) (specify)			
(b)			
©			
3. Less: Expenses not considered in cost accounts:			
(a) (specify)			
(b)			
©			
4. Add: Overvaluation of closing stock in financial accounts			
5.Add: Under-valuation of opening stock in financial accounts			
6. Less: Under-valuation of closing stock in financial accounts			
7. Less: overvaluation of opening stock in financial accounts			
8. Adjustment for others, if any (specify)			
9. Profit or Loss as per financial accounts			

## WORKINGS FOR COST AUDIT REPORT

### CAPITAL EMPLOYED:

Net Fixed Assets  
Less: Intangible assets  
Less: Revaluation Reserves  
Less: Capital Work-in-progress  
Add: Current Assets, Loans & Advances  
Less: Current Liabilities and provisions

TOTAL

Average Capital Employed  
(Curr. Yr + Prev. Yr) / 2

### NET WORTH:

Share Capital  
Add: Reserves & Surplus  
Less: Revaluation Reserves  
Less: Intangible assets  
Less: Profit & Loss A/c (Debit Balance)  
Less: Miscellaneous Expend.

TOTAL

### PROFIT BEFORE TAX:

Net Profit before Tax  
Less: Interest, Dividend and income on  
investments outside business  
Less: Depreciation not provided  
Less: Capital gains  
Less: Other Income  
Add: Non recurring/ abnormal expenses  
Add: Interest on borrowings

TOTAL

Net sales (excluding sales returns)  
Less: excise duty paid  
Less: Sales Tax etc., paid  
Less: Octroi and local Taxes., paid  
Less: waste, scrap (reduced from  
material)  
Net Sales

VALUE ADDITION:

Net Sales

Add: Closing Stock of Fg

Less: Opening Stock of Fg

Sale Value of Production

Sale Value of Output

BOUGHT OUT :eg

(-) Material Consumed

Packing Materials

Consumable Stores

Govt.Power

Diesel Consumed

Repairs

Brk & Comm on sales

Frt & Handlg

Advt

Insurance

Vehicle Maint

Postage & Telegrams

Printing & Stationery

Travelling Exps

TOTAL

VALUE ADDITION

Equal to Payroll + Interest+depreciation