



GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
OFFICE OF THE PRINCIPAL CONTROLLER OF ACCOUNTS (FYS)
10-A, S.K. BOSE ROAD, KOLKATA: 700001

E-mail ID: aapcoa.dad@hub.nic.in
Website: www.pcafys.nic.in

Phone No: (033) 2248-5077 to 5080 Extn- 547/549
FAX No. : (033) 2248-0991

Important Circular

No. AA/82/18-19/CIRCULAR/I

Dated: 12-10-2018

To

All Controllers of Finance & Accounts (Fys) [As per list attached]

Addl. CFA/JCFA/DCFA/ACFA I/C of All Local Accounts Offices [As per list attached]

Sub : Reconciliation between Statement 10 (Summery of Cost Out Turn) and Annual Production Account.

During the scrutiny of Statement 10 of the Annual Accounts 2017-18 it is observed that many a factories has not reconciled their figure between Annual Production Account and Statement 10 and also with Table-2 of QFR (Follow-Up QE-03/2018). Resulting, though Total Cost of Production (COP) of Statement 10 and Table-2 of QFR (Follow-up QE-03/2018) tally with the Production Account but elements of COP (viz. Material, Labour, Direct Expense and Overhead) independently reflected in the Statement 10 do not tally with the Production Account.

In view of the above, it is requested that please follow the guidelines depicted in Annexure-A (With an example of Ordnance Factory Chanda) regarding reconciliation between Statement 10 and Production Account. Amount reflected as Material, Labour, Direct Expense, Fixed Overhead and Variable Overhead in the Statement 10 and Table-2 of QFR (Follow up Report) should individually tally with amount reflected as Material, Labour, Direct Expense, Fixed Overhead and Variable Overhead in the Production Account.

The above may please noted for future compliance.

C of A (Fys) has seen.

Sd/xx

Dy. Controller of Accounts (Fys)

Copy to:-

The SAO I/C, EDP Section M.O. Kolkata – To upload in PCA (Fys) Kolkata web site.

b
Sr. Accounts Officer (Fys) -

Reconciliation between Production A/C and Statement 10

1. Total Stores/Materials utilized during the Financial Year 01-04-XX to 31-03-XX

Opening Balance: Opening WIP Stores as on 01.04.XX [Annual Production A/c Dr. Item 1(b) i.e. Opening WIP Stores]

Add : Stores utilized during the year [Annual Production A/c Dr. Item 3]

Less : Closing WIP Stores as on 31.03.XX [Annual Production A/c Cr. Item 3(b)].

Less : Deptl. Stores utilized indirect Work Order [Prod A/c Cr. Item 2]

Less : Rejection ----- (a)

= Stores/Materials as per Statement 10

= Material cumulative total up to the current quarter i.e., up to 03/XX (FU)

2. Total Labour utilized during the Financial Year 01-04-XX to 31-03-XX

Opening Balance: Opening WIP Labour as on 01.04.XX (Fy Labour + Contract Labour) [Annual Production A/c Dr. Item 1(a)(i)(ii)]

Add : Labour utilized during the year [Annual Production A/c Dr. Item 2(i) (ii)]

Less : Closing WIP Labour as on 31.03.XX (Fy Labour + Contract Labour) [Annual Production A/c Cr. Item 3(a) (i) (ii)].

Less : Rejection ----- (b)

= Labour as per Statement 10

= Labour cumulative total up to the current quarter i.e., up to 03/XX (FU)

3. Total Direct Expense during the Financial Year 01-04-XX to 31-03-XX

Opening Balance: Opening WIP Expenses (Direct) as on 01.04.XX [Annual Production A/c Dr. Item 1(c)]

Add : Direct Expense during the year [Annual Production A/c Dr. Item 4]

Less : Closing WIP Expenses (Direct) as on 31.03.XX [Annual Production A/c Cr. Item 3(c)].

Less : Rejection ----- (c)

= Direct Expense as per Statement 10

= Direct Expense cumulative total up to the current quarter i.e., up to 03/XX (FU)

4. Total Overhead Charges during the Financial Year 01-04-XX to 31-03-XX

Opening Balance: Opening WIP Overheads as on 01.04.XX
[Annual Production A/c Dr. Item 1(d)]

Add : Levied FOH+VOH as per IE Statement

Less : Closing WIP Overhead Charges as on 31.03.XX
[Annual Production A/c Cr. Item 3(d)].

Less : Rejection ----- (d)

= (FOH+VOH) as per Statement 10

= FOH & VOH cumulative total up to the current quarter i.e., up to 03/XX (FU)

NOTE: -

(A) (1) + (2) + (3) + (4) = Cost of Production i.e. Cr. Item 6 of Annual Production Account.

(B) (a) + (b) + (c) + (d) = Cost of Rejection (Abnormal) KOP i.e. Cr. Item 8 of Annual Production Account.

Example:-

Reconciliation between Production A/C and Statement 10 of OF Chanda 2017-18 (Page 16,17 & 189 of Annual Account Vol-I)

1. Total Stores/Materials utilized during the Financial Year 01-04-2017 to 31-03-2018:-

Opening Balance: Opening WIP Stores as on 01.04.2018 [Annual Production A/c Dr. Item 1(b) i.e. Opening WIP Stores] = Rs. 5050296967/-

Add : Stores utilized during the year [Annual Production A/c Dr. Item 3] = Rs.10721237376/-

Less : Closing WIP Stores as on 31.03.2018[Annual Production A/c Cr. Item 3(b)] = Rs. 4662315614/-

Less : Deptl. Stores utilized indirect Work Order [Prod A/c Cr. Item 2] = Rs.46639189/-

Less : Rejection = Rs. 27977986/- ----- (a)

= Stores/Materials as per Statement 10 = Rs. 11034601554/-

(5050296967+10721237376-4662315614-46639189-27977986)

2. Total Labour utilized during the Financial Year 01-04-2017 to 31-03-2018:-

Opening Balance: Opening WIP Labour as on 01.04.2017 (Fy. Labour + Contract Labour) [Annual Production A/c Dr. Item 1(a) (i)(ii)] = Rs.110766997/-

Add : Labour utilized during the year [Annual Production A/c Dr. Item 2(i) (ii)] = Rs.702588864/- (Fy. Lab: Rs.695144372/- + Contract Lab: Rs.7444492/-)

Less : Closing WIP Labour as on 31.03.2018 (Fy Labour + Contract Labour) [Annual Production A/c Cr. Item 3(a) (i) (ii)] = Rs. 92209592/- .

Less : Rejection = Rs.1814849/- ----- (b)

= Labour as per Statement 10 = Rs.719331420/-

(110766997+702588864-92209592-1814849)

3. Total Direct Expense during the Financial Year 01-04-2017 to 31-03-2018:-

Opening Balance: Opening WIP Expenses (Direct) as on 01.04.2017

[Annual Production A/c Dr. Item 1(c)] = Rs.6583296/-

Add : Direct Expense during the year [Annual Production A/c Dr. Item 4] = Rs.62812904/-

Less : Closing WIP Expenses (Direct) as on 31.03.2018 [Annual Production A/c Cr. Item 3(c)] = Rs.5637778/-.

Less : Rejection = Rs.99024/- ----- (c)

= Direct Expense as per Statement 10 = Rs.63659398/-

(6583296+62812904-8637778-99024)

4. Total Overhead Charges during the Financial Year 01-04-2017 to 31-03-2018:-

Opening Balance: Opening WIP Overheads as on 01.04.2017

[Annual Production A/c Dr. Item 1(d)] = Rs.370870118/-

Add : Levied FOH+VOH as per IE Statement = Rs. 2435362433/- [FOH levied (page no.166: 2107544219 + VOH Levied (page no.178): 327818214)

Less : Closing WIP Overhead Charges as on 31.03.2018 [Annual Production A/c Cr. Item 3(d)] = Rs.257554675.

Less : Rejection = Rs.6591710/- ----- (d)

= (FOH+VOH) as per Statement 10 = Rs.2542086166/- (FOH: 2188473153 + VOH: 353613013)

(370870118+2435362433-257554675-6591710)

NOTE:-

(A)(1) Rs. 11034601554/- + (2) Rs.719331420/- + (3) Rs.63659398/- + (4) Rs.2542086166/-

= Rs. 14359678538/- Cost of Production i.e. Cr. Item 6 of Annual Production Account.

(B) (a) Rs. 27977986/- + (b) Rs.1814849/- +(c) Rs.99024/- + (d) Rs.6591710/- = Rs.36483569/-

Cost of Rejection (Abnormal) KOP i.e. Cr. Item 8 of Annual Production Account.

