

COST ACCOUNTING RECORDS (POLYESTER) RULES, 1977

MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS
(Department of Company Affairs)

NOTIFICATION

New Delhi the 24th March 1977

G.S.R. 126(E).-In exercise of the powers conferred by subsection (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 -

Short title and Commencement.- (I) These rules may be called the Cost Accounting Records (Polyester) Rules, 1977

- (2) They shall come into force on the 1st day of April, 1977.
2. Application . - They shall apply to every company engaged in the production, processing or manufacturing any of the following Polyester products :-
- (1) Polyester Fibre.
 - (2) Polyester Filament Yarn.
 - {(3) Polyester chips
 - (4) Polyester Fibre Fill (PFF)
 - (5) Partially Oriented Yarn (POY)
 - (6) Processed Polyester yarn (texturised, twisted, dyed, crimped, etc.)
 - (7) 100% Polyester Fabric.”; }¹

[except those companies falling under the category of small scale industrial units:]²

Explanation:

For the purpose of this rule, the expression “small scale industrial undertaking” means a company -

[[(a) the aggregate value of the machinery and plant installed wherein does not exceed the limit as specified for a small scale industrial undertakings under the Industries (Development and Regulations Act 1951(65 of 1951) as on the last date of the preceding financial year.]]³

{(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}⁴

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,[till the 31st day of March, 2001 or the close of the relevant financial year in 2001] ⁵keep proper books of account containing *inter alia*, the particulars specified in Schedules I and II annexed to these rules relating to the utilization of materials, labour and other items of cost in so far as these are applicable to the Polyester products 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 the 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 the products referred to in rule 2.

¹ Inserted by Cost Accounting Records (Polyester) Amendment Rules, 2000 vide GSR 692(E) of 31.8.2000.

² Inserted by GSR 37 dated 5th January 1983.

³ Substituted by GSR 444(E) dated 3rd August, 1998.

⁴ Inserted by GSR 321(E) dated 24th March, 1993.

⁵ Inserted by GSR 692(E) of 31.8.2000

(2) The books of account referred to in sub-rule (1) shall be kept in such a way as to make it possible to calculate the cost of production and cost of sale of each type of Polyester product referred to in rule 2 during a financial year (hereinafter referred to as the relevant period) from the particulars entered therein and every such books of account and the proformae specified in Schedule II shall be completed within ninety days from the end of the financial year of the company.

{(2A) Every company to which these rules apply shall, in respect of each of its financial year commencing on or after the 1st day of April, 2001 keep proper books of account containing, inter-alia, the particulars specified in Schedule III annexed to these rules and Proformae A, B, C, D and E mentioned in the said Schedule relating to the utilization of materials, labour and other items of cost in so far as they are related to the production or manufacture or processing of polyester products:

Provided that if the said company is manufacturing any other product(s) or is engaged in other activities in addition to manufacture of polyester product, the particulars relating to utilization of materials, labour and other items of cost in so far as they are related to the manufacture of such other products or activities shall not be included in the cost of polyester products referred to in rule 2:

Provided further that if the products mentioned in rule 2 are utilised as raw-material or input to produce the products covered under the Cost Accounting Records (Textiles), Rules 1977, as amended from time to time, proper cost accounting records shall be maintained as per that rule so as to arrive at the cost and margin of those products.

(2B) The books of accounts referred to in sub-rule (3) 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 each type of polyester products manufactured or produced for every financial year from the particulars entered therein. Every such books of account and the Proforma specified in the said Schedule III shall be completed not later than ninety days from the close of the financial year of the company to which they relate.

(2C) The statistical and other records shall be maintained in accordance with the provisions of the Schedule III 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 achieve optimum economies in cost. These records shall also provide the necessary data required by the Cost Auditor to suitably report on all the points referred to in the Cost Audit (Report) Rules, 1996 as amended from time to time.⁶

(3) It shall be the duty of every person referred to in sub-section (6) and sub-section (7) 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 (1), (2), [(2A), (2B), and (2C)]⁷ in the manner as they are liable to maintain financial accounts required under sub-section (1) of Section 209 of the said Act.

4. *Penalty.*--If a company contravenes the provisions of rule 3, 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 Companies Act, 1956 (1 of 1956), 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 day during which such contravention continues.

SCHEDULE -1⁸ (See rule 3)

1. Materials

(a) Raw Materials.--(i) Proper records shall be maintained showing separately the quantity and cost of Di-Methyl Terephthalate, Ethylene-glycol and other raw materials used in the manufacture of polyester chips used for the manufacture of Polyester Fibre/Polyester Filament Yarn. Where Di-Methyl

⁶ inserted by GSR 692(E) dated 31st August, 2000

⁷ *ibid.*

⁸ Applicable upto 31st March, 2001 or close of relevant financial year in 2001. (vide GSR 692(E) of 31.8.200)

Terephthalate is obtained from different sources the records shall be maintained in such a manner that the cost of Di-Methyl Terephthalate obtained from imported and indigenous sources are available separately. If Di-Methyl Terephthalate is manufactured by the company, detailed records indicating the break up of raw materials consumed for the production and conversion cost shall also be maintained to enable ascertainment of the cost of Di-Methyl Terephthalate including charges incurred if any, upto the Polyester Factory.

(ii) The records shall also indicate the proportion of imported and indigenous Di-Methyl Terephthalate used from different sources for the manufacture of chips used for the production of Polyester Fibre/Polyester Filament Yarn.

(iii) Proper records shall also be maintained showing the quantity and cost of Di-Methyl Terephthalate recovered from waste obtained after polymerisation and re-used for production of Polyester chips.

(iv) Proper records shall be maintained to arrive at the cost of Di Methyl Terephthalate purchased by the company inclusive of all direct charges such as freight, octroi, insurance etc. incurred upto works. The records shall show the receipts, issues and balances both in quantity and cost of Di-Methyl Terephthalate and Ethylene-Glycol separately from imported and indigenous sources of purchase and for different qualities.

(b) Process Materials Chemicals. - Proper records shall be maintained to show the receipts, issues and balances both in quantities and cost of each item of process materials /chemicals such as catalysts and additives used in the manufacture of Polyester chips used for the manufacture of Polyester Fibre/Polyester Filament Yarn. The cost shall include all direct charges upto the works wherever specifically incurred. The issues shall be properly identified with the departments, cost centres and products manufactured. Where these process materials are produced by the company, separate records showing the cost of manufacture of each such material indicating the break-up of raw materials consumed for the production and conversion cost shall be maintained in such details as may enable the company to determine the cost of such process materials produced.

(c) Recoveries of Process Materials/Chemicals. - Proper records shall be maintained indicating the quantity of the materials/chemicals recovered from the different processes. In the case of certain materials,/ chemicals thus recovered which cannot be re-used in process due to lower content and are sold, the realisations from the same shall be recorded and adjusted against the cost of consumption of respective materials/chemicals, if practicable or adjusted against the process concerned on a reasonable basis. In case further processing is necessary to make the material/chemical useable or saleable adequate records of cost involved for such further processing shall be maintained. If such further processing is done by any outside agency records to show the quantity sent for processing, quantity processed, and the cost incurred thereon shall be maintained in detail.

Ethylene-glycol.-Proper records showing the cost incurred in the recovery of Ethylene glycol and Methanol shall be separately maintained. The sales realisation obtained from Methanol shall be adjusted as a byproduct recovery in the final cost.

(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 charges upto 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 consumed 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 relevant capital heads.

(e) Wastage, Spoilages, Rejections, Losses etc. of materials. - Proper records shall be maintained showing the quantity and cost of wastages, spoilages, rejections and losses of raw materials, process materials, consumable stores small tools and machinery spares, whether in transit, storage, manufacture or for any other reasons.

The total wastage in terms of Di-Methyl Terephthalate and Ethylene-glycol in the polymerisation process as well as wastage incurred in the spinning process shall be separately recorded to enable control of such losses and identifying the realisations thereof. The method followed for the adjustments of the above losses in the cost of production of Polyester Fibre/Polyester Filament Yarn shall be indicated in the records.

II. Salaries and Wages :

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

- (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 in Proforma E of Schedule II 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 addition 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 service and production departments on an equitable basis and applied consistently.

IV. Utilities :

(1) Nitrogen:- Proper records showing the cost of nitrogen purchased by the company for use in the production of Polyester chips as well as Polyester Fibre/Polyester Filament Yarn shall be maintained. These records shall show the cost of Nitrogen delivered upto the works including all direct charges. If nitrogen is produced by the company, proper records showing the quantity and cost of nitrogen produced shall be maintained in such details as to enable the company to furnish necessary particulars in Annexure I appended to this Schedule or in a form as near thereto as practicable. The records shall also show the cost of nitrogen consumed by the Polyester Fibre and Polyester Filament Yarn units separately. The cost of Nitrogen shall be charged to the individual products on a reasonable basis and applied consistently.

(2) Steam.-If steam is raised by the Polyester factory of the company proper records showing the quantity and cost of steam raised and consumed for the production of Polyester chips used in the manufacture of Polyester Fibre and Polyester Filament Yarn shall be maintained in such details as may enable the company to furnish the necessary particulars in Annexure II. The cost of steam consumed by the Polyester activity and other units of the company, if any, 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 Polyester factory, the cost of steam so supplied shall be charged to the Polyester activity on a reasonable basis and applied consistently.

(3) Power- When power is generated by the company, proper records showing the quantity and cost of power generated and consumed for the production of Polyester chips and different Polyester products in different departments and cost centres etc., shall be maintained in such detail as may enable the company to furnish the necessary particulars in Annexure III to this Schedule. Adequate records shall also be maintained to show the quantity and cost of power purchased. If any expenses are incurred for the distribution of the power thus purchased, proper records to show the expenses shall be maintained.

Where power is generated and supplied by any other unit of the company to the Polyester factory, adequate records shall be maintained to assess the quantity and cost of power so supplied. The rate charged by that unit shall be on a reasonable basis. Necessary records shall also be maintained to show the consumption of power by various departments or cost centres. The cost of power allocated to production shall be on a reasonable basis and applied consistently.

(4) Water. - Proper records shall be maintained to show the cost of water chargeable to the Polyester chips manufactured and used for the production of different qualities of polyester products. The cost of water allocated to the cost centres and further to the individual products shall be on a reasonable basis.

(5) Compressed Air. - Proper records shall be maintained to enable determination of the cost of compressed Air and its distribution to different departments and cost centres.

(6) Air-Conditioning. -- Proper records shall be maintained to enable determination of cost of air-conditioning and its distribution to departments or cost centres like Polyester Fibre,/Polyester Filament Yarn plants to enable the company to furnish necessary particulars in Annexure IV to this Schedule.

Workshops/Repairs & Maintenance

Proper records showing the expenditure incurred by the workshop under different heads and on repairs and maintenance by the various departments and cost centres shall be maintained. The records shall also indicate the basis of charging the workshop expenses to different departments, 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 the Polyester factory or other units of the company and *vice versa shall* be charged/credited 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 its acquisition, the date of its 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 different 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 (i of 1956)

and shall relate to plant, machinery and other fixed assets utilized in such departments and cost centres. In case the amount of depreciation charged in the cost records 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 its impact on unit cost of production 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(a) 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 the levy and absorption of the above categories of overheads in the cost of the products shall be indicated in the cost records.

Where the company is engaged in the manufacture of any other products in addition to polyester products, the records shall clearly indicate the basis followed for apportionment of the common overheads including head office expenses of the company to the polyester products activity, other activities and capital works.

The basis followed for apportionment of the overheads shall be equitable. In case, any expense included in the above categories of overheads can be identified with a particular activity/product such expenses shall be segregated in the first instance and thereafter the common expenses shall be allocated on a reasonable basis and applied consistently.

Details of selling and distribution expenses and share thereof applicable to polyester activity and to individual polyester products shall be maintained in such a manner as to enable the company to fill up the particulars in Proforma 'D' of Schedule II. The basis followed for apportionment of all categories of overheads shall be rational, equitable and applied consistently.

VII(b) Expenses on export

Records showing the expenses incurred on export of Polyester products, 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 statements relating to export sales.

VIII. Packing :

Proper records shall be maintained showing the quantity and cost of various packing materials such as polyester sheets, jute sheets, mild steel wires, hoops and buckles used for packing different qualities of cut polyester fibres, and polyester tops as well as cones, cops used for winding polyester filament yarn separately. Records shall also be maintained showing the other expenses incurred in respect of packing. Where such expenses are incurred in common, the basis of apportionment of expenses between different polyester products shall be clearly indicated in the cost records and applied consistently.

Separate records of special expenses incurred on a particular export packing in respect of Polyester Fibre/Polyester Filament yarn, if any, shall be maintained indicating special expenses so that the cost of export sales can be determined correctly.

IX. Research and Development Expenses

Adequate records showing the details of expenses incurred by the company for the development of existing products or new products or processes, if any, shall be maintained separately. Such records shall indicate the expenses incurred on generic research and brand promotion separately. Expenses incurred on brand promotion shall be excluded from costs and charged to profit directly. If the Research and Development department is also engaged in the design and development of the Plant facilities, the

appropriate shares thereof shall be capitalised. The method of charging research and development expenses to the cost of production shall be indicated in the relevant cost records and such expenses shall be charged to Polyester Fibre and Polyester Filament yarn on a reasonable basis.

Wherever the utility of such research extends over more than one financial year, such expenses shall be treated as deferred expenses and charged to cost of production on some reasonable basis which is to be followed consistently.

Expenses incurred by the Research and Development department for furnishing the technical know how to outsiders shall be recorded separately and excluded from the cost of products referred to in rule (2) of Schedule I. The amounts recovered for providing technical know how to outsiders shall also be indicated separately.

X. Polyester for Captive Consumption

If Polyester Fibre/Polyester Filament Yarn is used for captive consumption proper records shall be maintained showing the quantity and cost of each item of polyester products transferred to another department /unit of the company for self-consumption. The rates at which such transfers are effected shall be at cost.

Self-consumption of finished polyester products by the company for other uses shall also be shown separately in Proforma 'D' indicating the quantity, rate and value thereof.

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 quantities and cost of finished items shall be maintained in such details as to enable them to fill up the particulars in Proforma 'F' of Schedule II.

XII. Cost Statements

(i) Separate cost statements shall be maintained in respect of different qualities of polyester chips produced for the manufacture of Polyester Fibre/Polyester Filament Yarn of different grades and deniers in Proforma 'A' or in a form as near thereto as practicable showing the actual cost of production.

(ii) Cost statements showing the cost of production and cost of sales of Polyester Fibre, Polyester Fibre tops and Polyester Filament Yarn shall be maintained in Proforma 'B' and 'E' respectively. Cost statements shall be maintained separately in respect of each quality and denier of Polyester Fibre/Polyester Filament Yarn.

Export of Polyester Fibre,/Polyester Filament Yarn shall be exhibited separately in the relevant cost statements and the same shall be excluded from the cost statements meant for sale in the internal market.

XIII. By products

Proper records shall be maintained for each item of by products derived such as, Methanol showing receipts, issues and balances both in quantity and cost. The basis adopted for valuation of Methanol shall be equitable and applied consistently. Records indicating the expenses incurred on further processing if any, as well as the actual sales realisation from the ultimate by products shall be maintained. Credits afforded for Methanol shall be reasonable.

XIV. 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 production as well as total expenses incurred by and income received by shall be maintained Proforma 'D' duly reconciled with the financial accounts.

XV. 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 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 reasons for the variances shall be detailed in the cost records.

XVI. 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.

XVII. Inter-company Transactions

In respect of supplies made or services rendered by the company to its holding company or a subsidiary or a company under the same management as defined under Section 370(IB) of the Companies Act, 1956 (1 of 1956) or a company in which a Director of the company is also a Director in such companies and vice-versa, records shall be maintained showing contracts entered into, agreements or understandings reached, in respect of :-

- (a) purchase and sale of raw materials and process materials
- (b) utilisation of plant facilities
- (c) supply of utilities ; and
- (d) administrative, technical, managerial and any other consultancy services.
- (e) Sale of finished products.

These records shall indicate the basis followed for arriving at the rates /charged between them so as to enable determination of the reasonableness of the rates charged/paid for such services.

XVIII. Statistical Records :

Data such as wastage of Di-Methyl-Terephthalate Ethylene-glycol shall be maintained to enable control of process losses. Data regarding plant utilisation for different types of yarn produced including yarn produced from regenerated cellulosic fibre or non-cellulosic fibre permitted under Textile Commissioner's Order No. 2(10)-64-Control, dated the 14th August, 1964, if any, shall also be kept. Records showing the total machine hours/spindle hours available and total machine hours/spindle hours worked shall also be kept. Reasons for plant stoppages shall also be recorded under classified headings.

Records as will enable the company to identify, as far as possible, the capital employed separately for polyester fibre, polyester filament yarn and other activities shall also be maintained. Fresh investments on fixed assets that have not contributed to the production during the relevant period shall also 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 accordance with the provisions of this Schedule and Schedule 11 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 economies 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 Textile Commissioner under the Art Silk Textile (Production & Distribution) Control Order, 1962 and Notifications issued thereunder as well the returns submitted to the Excise and other authorities.

ANNEXURE I

Name of the Company-----
 Name and address of the Polyester factory-----

Statement showing the cost Nitrogen produced and consumed during the year ending-----

No. of Units produced	Th	Nm ³
No. of Units purchased	"	"
Consumption including other losses	"	"
Net unit consumed	"	"

Particulars	Quantity (Units)	Rate	Amount	
			(Rs.)	(Rs.)
I	2		3	4

-
- A. 1. (a) Ammonia
 - (b) Activated Aluminum
 - (c) Molecular sieves
 - (d) Others
 - 2. Consumable Stores
 - 3. *Other Services*
 - (a) Power
 - (b) Compressed Air
 - (c) Water
 - 4. Salaries and Wages
 - 5. Repairs and Maintenance
 - 6. Overheads
 - 7. Depreciation

TOTAL	_____
Nitrogen purchased	_____
TOTAL (A+B)	_____
Less Recoveries, if any	_____

NET TOTAL
 Cost per unit
 (Purchased and produced)

Note-Delete Items not applicable.

Quantity Amount
 Th Nm³ (Rs.)

- Consumed in*
- (a) 'Polymerisation Plant
 - (b) Polyester fibre plant
 - (c) Polyester filament yarn plant

TOTAL

Note

(1) Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in 'Proforma 'C' only.

ANNEXURE II

Name of the Company -----

Name and address of the Polyester Factory-----

Statement showing the cost of steam raised/consumed during the
Year ending -----

Annual Installed Capacity.. Tonnes at Kg/^{cm2g}

Quantity of steam raised "

Particulars	Quantity	Rate Amount Cost			
		Rs	Rs	Rs.	
Per tonne of Steam raised					
1		2	3	4	5
1. Water					
2. Fuel					
(a) Coal					
(b) Fuel Oil					
© Electricity					
(d) Other fuels, if any. (to be specified)					
3. Other Direct Expenses (such as Boiler Inspection fees)					
4. Consumable Stores					
5. Salaries and wages					
6. Repairs and Maintenance					
7. Other overheads					
8. Depreciation					
Total					
9. Less (a) Cost of live steam used by power house for generation of electricity					
(b) Other units of the company					
© Outside parties					
Balance quantity and cost of live Steam					

	Units	Amount Rs.
Consumed in:		
Polymerisation Plant		
Polyester Filament Yarn		
Polyester Fibre Spinning Plan		
Other units of the company		

Notes: 1.If steam is supplied to any other outside party, necessary credit for recoveries made shall be given against item 10.

2.Where metres are not installed, consumption of steam shall be assessed on a reasonable basis and applied consistently.

3.The basis of allocation to be indicated.

4.Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proforma C only.

ANNEXURE III

Name of the Company _____

Name and address of the Polyester factory _____

Statement showing the cost of power generated/purchased and consumed during the year ending-----

	M.W.	
Installed Generation Capacity		
No. of Units generated	KWH	
No. of Units purchased	KWH	
Consumption in power house including other losses		KWH
Net units consumed	KWH	

Particulars	Quantity (Units)	Rate (Rs.)	Amount (Rs.)
	(1)	(2)	(3)
<hr/>			
A.1. (a) Steam (as per Annexure II purchased)			
(b) Other materials, if any, (to be specified)			
2. Consumable Stores			
3. Other Direct charges (such as Electricity duty etc.)			
4. Salaries and Wages			
5. Repairs and Maintenance			
6. Overheads			
7. Depreciation			
<hr/>			
TOTAL			
<hr/>			
B. 'Power Purchased			
<hr/>			
TOTAL (A+B)			
Less: Recoveries, if any			
<hr/>			
NET TOTAL			
<hr/>			
Cost per unit (purchased and generated)			

	Quantity	Amount (Rs.)
<i>Consumed in:</i>		
1. Nitrogen plant		
2. Steam generation		
3. Air Conditioning		
4. Polyester chips plant		
5. Polyester fibre /Polyester filament yarn plant		
6. Other units of the company		
TOTAL		

- Notes:*
- (1) Cost per unit shall be worked out with reference to the net units of power available for use after deducting consumption in the power house and other losses.
 - (2) Where meters are not installed, consumption of power shall be assessed on a reasonable basis and applied consistently.
 - (3) Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proforma 'C' only and not in any other Proforma.

ANNEXURE IV

Name of the Company-----

Name and address of the Polyester factory..-----..

Statement showing the cost of air Conditioning during the year ending-----

(a)	Installed capacity	Thermal units/ hrs.
(b)	Average operating load during the year	"
(c)	No. of hour of operation during the year	"

Particulars	Quantity (Units)	Rate (Rs.)	Amount (Rs.)
(1)	(2)	(3)	(4)

1. Chemicals
2. Salaries and Wages
3. Power and other services:
 - (a) Power
 - (b) Water
4. Consumable stores
5. Repairs and Maintenance
6. Works overhead
7. Depreciation

TOTAL COST

Apportionment:	Cost (Rs.)	Percentage
1.Polyester fibre		
(a) Polymerization		
(b) Spinning		
(c) Finishing		
(d) Others		
2.Polyester filament yarn:		
(a) Polymerization		
(b) Spinning		
(c) Coning		
(d) Others		

Notes:

- (1) Bonus to employees other than incentive bonus, interest and provision for statutory gratuity shall be shown in Proforma 'C' only.
- (2) The apportionment of Air Conditioning cost to the different departments and cost centres shall be done on scientific and reasonable manner and applied consistently.

SCHEDULE II⁹
(See rule 3)

PROFORMA 'A'

Name of the Company-----

Name and address of the Polyester Factory.-----

Statement showing the cost of production of Polyester chips produced for the manufacture of Polyester fibre/Polyester filament yarn for the year ending.....

	Current Year Tonnes	Previous year Tonnes
1. Installed capacity (Basis to be indicated)		
2. Budgeted capacity (")		
3. Achieved capacity (") (production)		
4. D.M.T. consumed (")		
5. Production of Polyester chips		
6. Waste percentage		
7. Usages per Kg. of Polyester		
(a) D.M.T.		
(b) Ethylene glycol		

Particulars	Qty (Units)	Rate Rs.	Total cost (Rs)	Cost Per Tonne	
				Current Year (Rs.)	Previous Year (Rs)
1	2	3	4	5	6

1. Raw Materials:

(a) Di-mythy/ terephthalate:

- (i) Imported
- (ii) Indigenous
- (iii) Recovered.

TOTAL

(b) Ethylene glycol:

- (i) Purchased
- (ii) Recovered

Total Raw Materials

Less: By products & recoveries:

- (a) Methanol .
- (b) Others, if any

Net cost of raw materials

2. Process Chemicals:

- (a) Catalysts
- (b) Additives

3. Salaries & Wages

⁹ Applicable upto 31st March, 2001 or the relevant close of financial year in 2001 (inserted vide GSR692 (E) dated 31.8.2000)

4. *Utilities:*

(a) Nitrogen

(b) Steam

(c) Thermex

(d) Power

(e) Chilled water

(f) Compressed Air

5. Stores and Spares .

6. Repairs and Maintenance

7. Other Works overheads

8. Research and Development

Expenses

9 Depreciation

10. Share of Administrative over-
heads -----

TOTAL

11. Adjustments for opening and
closing work-in-progress

12. *Stock adjustments :*

Add: Opening stock

Less : Closing stock -----

TOTAL

13. Total cost of Polyester chips

transferred for Polyester fibre/

Polyester filament yarn

Notes:

(1) The quantity of Dimethyl/ terephthalate, and Ethylene glycol recovered/realized should be recorded on reasonable basis in addition to quantity of irrecoverable waste.

(2) Proper credits shall be afforded to Methanol based on realizable value.

((3) Separate Cost Statements shall be maintained in respect of 'Polyester chip manufactured for the production of Polyester fibre and polyester filament yarn

(4) The basis on which the cost of D.M.T. and Ethylene glycol recovered has been arrived at shall be indicated in the records.

(5) Records shall be maintained to show the Polyester chips sold, if any, indicating sales realization thereof.

(6) The apportionment of Head Office overheads and other common overheads to the product (under reference) shall be equitable.

(7) Bonus to employees other than incentive bonus, provisions for statutory gratuity and interest charges shall be shown in Proforma ' C' only.

PROFORMA 'B'

Name of the Company-----

Name and address of the Polyester factory-----

Statement showing the cost of Production of Polyester fibre/ polyester
Tops/Polyester filament yarn during the year ending -----

Product:

Quality:

Denier:

Polyester chips consumed

Production : Tonnes

Polyester fibre

Polyester filament yarn

Waste %

Particulars	Qty Units	Rate (Rs)	Total Cost (Rs)	Cost Per Kg	
				Current Year(Rs)	Previous Year (Rs)
1	2	3	4	5	6

1. Materials:
 - (a) Polyester chips transferred from Proforma 'A' .
 - (b) Polyester chips purchased, if any
2. Process Materials/Chemicals (to be specified)
3. Utilities:
 - (a) Nitrogen
 - (b) Air conditioning
 - (c) Power
 - (d) Compressed Air
 - (e) Thermex
 - (f) Steam
 - (g) Water
4. Salaries and wages
5. Bobbins
6. Paper cones
7. Cops
8. Other Works overheads
9. Repairs & Maintenance
10. Research & Development
11. Depreciation
12. Share of Administrative overheads
- TOTAL

13. Less : Credit for
 - (a) Spinning Waste
 - (b) Other wastes
14. Adjustment for opening and closing Stock of work-in-progress

15. Stock Adjustments Add Opening Stock
Less Closing Stock
16. Total cost of Polyester fibre/
Polyester tops/Polyester Filament yarn
transferred to Proforma 'D'
-

Notes

(1) In the case of Polyester fibre got converted into tops, the appropriate additional expenses from tow to top shall be added in a separate cost statement maintained for the purpose. If Polyester fibre or yarn is manufactured directly from Dimethyl terephthalate and Ethylene glycol, the costs thereof may be substituted under item I with full details relating to Proforma 'A' in respect of relevant items upto the stage of spinning.

(2) Separate cost statements shall be maintained for each quality and denier of Polyester fibre/Polyester filament yarn. Separate cost statements, shall also be maintained for production under alternate processes.

(3) The cost of bobbins charged shall be based on their life and be reasonable. Proper accounts shall be maintained for returnable cops re-used and charges therefor shall be on reasonable basis. If cops are manufactured by the company, proper records showing the cost of cops manufactured shall also be maintained.

(4) Credit for spinning, waste/other wastes shall be reasonable.

(5) If the same spinning machines are used for manufacture of any other synthetic yarn, appropriate share of the expenses shall be charged to Polyester filament yarn produced and separate cost statements shall be maintained therefor in the Proforma.

(6) Extra cost incurred, if any, for special treatments shall be shown separately in relevant cost statements.

(7) Bonus to employees other than incentive bonus, provision for statutory gratuity shall be shown in Proforma 'C' only and not in any other Proforma .

PROFORMA 'C'

Name of the Company-----

Name and address of the Polyester Factory-----

Statement showing the cost of Sales of Polyester fibre/Polyester fibre tops/Polyester Filament

yarn (quantity of fibre./ Polyester filament yarn to be specified) packed and sold during the year ending -----.

	Current Year Qty in kgs	Previous Year Qty in Kgs.
--	----------------------------	---------------------------------

1. Quantity packed
2. Quantity sold
3. Size of packing
4. Type of winding: Hanks/Cones/Cops/Tops
(in the case of Polyester yarn)
5. Denier

Particulars	Qty	Rate (Rs)	Total Cost (Rs)	Cost per Kg	
				Current Year (Rs)	Previous Year (Rs)
1	2	3	4	5	6

1. Cost: of Polyester fibre/polyester fibre tops/Polyester filament yarn transferred from Proforma 'B'

*2. Packing Cost

- (a) Packing Materials:
- (i) Polythene sheet/Jute pack sheet
 - (ii) Cones
 - (iii) Wooden Boxes
 - (iv) Card Board Boxes
 - (v) Other packing materials
- (b) Salaries and Wages .
- (c) Repairs and Maintenance
- (d) Other overheads
- (e) Depreciation

TOTAL

3. Stock Adjustments: (Packed goods only)

Add: Opening Stock

Less : Closing Stock

Cost of Packed quantity transferred to:

- (a) Sales
- (b) Self Consumption, if any
4. Selling and Distribution Expenses (For quantities sold only)
- (i) Salaries and Wages
 - (ii) Commission to Selling Agent
 - (iii) Freight and transport charges
less recovered from customers
 - (iv) Loading and unloading charges
 - (v) Godown rent
 - (vi) Retail sales offices expenses

- such as rent etc. if any
- (vii) Other expenses
 - (viii) Share of Administration overheads
5. Total cost including selling and distribution expenses
 6. Interest charges
 7. Annual Bonus to employees
 8. Provision for statutory gratuity
 9. Other expenses not included in cost (to be specified)

TOTAL

10. *Less* : Other incomes not considered in cost (items to be specified)
11. Total expenses excluding excise duty for quantity sold within the country in the form of hanks/cones/cops:
12. Sales realization excluding excise duty for quantity sold within the country:
 - (a) At prices under voluntary agreement
 - (b) At prices under free sale
13. Margin: (1) for voluntary agreement
(2) for free sale price I

*Separate records of packing expenses incurred on Polyester fibre sold in the form of tops shall be maintained.

Notes:

- (1) Separate cost statements shall be maintained in respect of each quantity of Polyester fibre/Polyester filament yarn manufactured and sold and each type of winding up hanks, cones or cops.
- (2) Separate cost statements shall be maintained for the respective production obtained under alternative processes.
- (3) 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.
- (4) Interest charges, actually incurred shall only be shown against item 6.
- (5) 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.
- (6) Sales realization shall be shown separately for each type of Polyester fibre/Polyester filament yarn of different uses and deniers sold against item 13 of this Proforma.
- (7) Separate cost statements under this Proforma (Suitably modified) shall be maintained in respect of Polyester fibre/Polyester filament yarn exported wherein expenses incurred on exports and incentives earned thereon shall be shown.
- (8) Sales realization under item 12 above should indicate the broad details such as sales to actual users/exporters/as per Textile Commissioner's Orders/or as per voluntary agreement with weavers and at free sale price.
- (9) Self consumption if any, shall be shown separately.
- (10) Expenses incurred on brand promotion shall be excluded from costs and charged to profits directly.

PROFORMA 'D'

Name of the Company-----

Name and address of the Polyester factory-----

Statement showing the total Production and allocation of total actual expenses and income of the company between Polyester fibre/polyester filament yarn and other activities for the year ending.....

A . Production data	Polyester fibre		Polyester filament Yarn	
	Current Year	Previous Year	Current Year	Previous year

1. Licensed Capacity
2. installed Capacity (Basis to be indicated)
3. Budgeted capacity (Basis to be indicated)
4. Actual utilization/production during the year
5. Percentage of (4) to (2)
6. Percentage of (4) to (3)

B. Allocation of total expenses and income for the year ending

S No.	Particulars	Total Actual Expenses (Rs)	Share applicable		
			Polyester fibre(Rs)	Polyester Yarn(Rs)	Other activities (Rs)
1	2	3	4	5	6

1. Raw materials consumed
2. Process materials/Chemicals consumed
3. Packing materials
4. Salaries & Wages
5. Utilities
6. Stores and spares
7. Repairs & Maintenance
8. Other works overheads
9. Research & Development expenses
10. Depreciation
11. Administration overheads

TOTAL

12. Adjustments for difference between opening and closing balance of work-in-progress

TOTAL

- 13. Less : credit for recoveries
 - (i) By-products
 - (ii) Spinning wastes
 - (iii) Others
- 14. Packing cost
- 15. Stock Adjustments for difference between opening and closing stock
- TOTAL
- 16. Selling & Distribution expenses
- TOTAL
- 17. Annual Bonus to employees other than incentive bonus
- 18. Provision for statutory gratuity
- 19. Interest charges
- 20. Other expenses not included in cost (Items to be specified)
- 21. Less : Other incomes not considered in cost(Items to be specified)
- 22. Total excluding excise duty.
- 23. Deduct export benefits, if any
- 24. Net sales realisation (excluding excise duty)
- 25. Margin

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

PROFORMA 'E'

Name of the Company-----

Name and address of the Polyester Factory-----

Statement showing reasons for loss of production during the year ending-----

Name of the Section(*) (e.g. Polyester fibre, Polyester filament yarn, Polymerization unit, Power house, air-conditioning unit boiler unit, any other unit.)

Reasons for loss of production	Production Losses	Under utilization of installed Capacity (Percentage)	Remarks

1. Routine plant maintenance:
(Please indicate the nature of maintenance)
2. Unforeseen break-down of plant and machinery
3. Shortage of raw materials
4. Power failure
5. Strike, lock out, etc.
6. Any other reasons

Note : (1) Data in accordance with the above Proforma has to be maintained separately for each section mentioned above.

PROFORMA 'F'

Name of the Company-----

Name and address of the Polyester Factory-----

Statement showing the value of Work-in-Progress at the end of the year (Particulars)

-
- A. 1. Opening work-in-progress as on
2. Add: Expenses relating to production
of Polyester products referred to in rule 2
TOTAL
3. Less ; Cost of production of the items referred to in rule 2
4. Closing work-in-progress as on

-
- B. Statement showing the finished stock of Polyester Fibre, tops ,
Polyester filament and other products as on

Type of products	Production during the year		Sold/consumed during the year		Physical stock adjustment if any		Closing stock	
	Qty	Cost	Qty	Cost	Qty	Cost	Qty	Cost
1	2	3	4	5	6	7	8	9

1.D.M.T

(a) Indigenous

(b) Imported

2.Polyester Chips

3. Polyester chips of different qualities/deniers

(i)

(ii)

(iii)

4.Polyester Fibre of different qualities/deniers

(i)

(ii)

(iii)

5. Polyester filament yarn of different deniers

(i)

(ii)

6. Polyester tops

7. Catalyst

8.Others (to be specified)

Notes:

- (1) The items of finished stock shall be shown in as much details as practicable.
(2) Values shall exclude excise duty wherever applicable.

"SCHEDULE III¹⁰
[See rule 3(2A)]

1. MATERIALS:

(1) The proper records shall be maintained showing separately all receipts, issues and balances both in quantities and cost of each item of raw material such as Di-Methyl Terephthalate, Ethylene-Glycol, Pure Terephthalic Acid, etc., required for the production of Polyester Chips, fibres and other intermediate product and also for the production of polyesters and polymers referred to in rule 2. These records shall contain such details so as to enable the company to determine the quantity and cost of receipt (including all direct charges upto the works in respect of major raw material), issues and balances in quantity as well as value of each item of all such raw materials. The basis on which said quantities and costs of issue and consumption have been calculated shall be indicated in the cost records and followed consistently. In the case of imported raw materials proper records shall be maintained showing FOB value, overseas freight, insurance, customs duty and inland freight charges. If both indigenous and imported materials are consumed, the records showing details of percentage mix of the same have to be maintained for each item. In the case of imported raw material proper records shall be maintained showing license-wise allowed quantities, actual quantities imported, actual quantities consumed, quantities in stock and quantities yet to be imported out of total licensed quantities. Proper records shall also be maintained showing the quantity and cost of any raw material recovered from waste obtained after polymerisation and re-used for the production of intermediate or polyester product.

(2) The proper records shall be maintained separately showing the receipts, issues and balances both in quantities and cost of each item of process material or chemicals such as catalysts and additives used in the manufacture of the intermediate or polyester products. The cost shall include all direct charges upto works. The issues, consumption shall be properly identified with the departments, cost-centres and products manufactured.

(3) Where these process materials are produced by the company, separate records showing the cost of production of each such material indicating the break up of material consumed shall be maintained to determine the cost of process material produced. The basis on which the quantities and costs of issues and consumption of process materials produced by the company are calculated shall be indicated in the cost records and followed consistently.

(4) The proper records shall be maintained indicating the quantity as well as value of by-products like, Methanol Ethylene Glycol, burnt-oil and water recovered in the different processes having significant value of the cost of input of materials. In the case of certain by-products recovered, which cannot be reused in the process and are sold or disposed of without further processing, the realisation from such sales shall be recorded and adjusted against the process concerned on a reasonable basis. In case further processing is necessary to make the by-products usable or saleable, as the case may be, adequate records of the cost involved for such further processing shall be maintained. If such processing is done by any outside agency, proper records to show the quantity sent for processing, quantity received back after processing and the cost incurred thereon shall be maintained in detail. The net realisation, if any shall be adjusted against the major process relatable to such by-product. The basis adopted for determining cost of the by-products shall be equitable and consistent. The records indicating the actual sales realisation of by-products shall also be maintained.

(5) The proper records shall be maintained to show the receipts, issues and balances, both in quantities and cost of each item of consumable stores, other chemicals not covered by sub-rule (2), tools and machinery spares. The cost shall include all direct charges upto works.

¹⁰inserted vide GSR 692(E) dated 31.8.2000-Applicable for each of the financial year commencing on or after 1st April,2001.

(6) 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 group of such consumable stores and tools.

(7) The cost of consumption of consumable stores, small tools and machinery spares shall be charged to the relevant cost centre/department on the basis of actual issues.

(8) The proper records shall be maintained showing the quantity and value of wastage, spoilage, rejections and losses of raw materials, process materials, consumable stores 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 spoilage, if any, in determining the cost of product shall be indicated in the cost records. Any abnormal wastage or spoilage or rejection shall be indicated distinctly and separately along with reasons thereof. The records shall also be maintained to indicate the value of raw materials and components, finished and semi-finished which have not moved for more than twelve months.

(9) Where any credit under Modified Value Added Tax (MODVAT) or any other benefits of the nature of MODVAT Credit under the Central Excise Act, 1944 (1 of 1944) are available on any item of material, the cost of such material should be shown after adjusting such credit or benefits.

(10) If any of the materials purchased is processed by an outside party proper records shall be maintained for the quantity sent for processing, quantity received after processing, by products received, if any, and the cost involved in processing.

2. SALARIES AND WAGES:

(1) The proper records shall be maintained to show the attendance and earnings of all employees of the cost centres or departments and the work on which they are employed. The records shall also indicate the following separately for each cost centre or department:

- (a) piece rate wages (Wherever applicable);
- (b) incentive wages, either individually or collectively as production bonus or under any other scheme based on output;
- (c) overtime wages;
- (d) earnings of casual labour;
- (e) bonus or gratuity;
- (f) contribution to superannuation scheme
- (g) any other earning.

(2) The records shall be maintained in such a manner as to enable the company to furnish necessary particulars under this head in Proformae A, B, C, D and E of Schedule III annexed to these rules. The records may be maintained to book these expenses cost centrewise or department wise under raw-material preparation, esterification, polymerisation, spinning, etc., with reference to activities like production of Polyester chips and polymers etc. Where the employees work in such a manner that it is not possible to identify them with any cost centre or department, the labour charges shall be apportioned to the cost centres or departments on equitable and reasonable basis and applied consistently.

(3) The idle labour cost shall be separately recorded under classified headings indicating the reasons therefor. The method followed for accounting of idle time payments in determining the cost of the 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:

The detailed records shall be maintained to indicate expenses incurred in respect of each service department or cost centre like laboratory, welfare, transport etc. These expenses shall be apportioned to other services and production departments on equitable and reasonable basis and applied consistently. Where these services are utilised for other products of the company also, the basis of apportionment of such expenses to any type of Polyester products and to the other products shall be on equitable and reasonable basis and applied consistently.

4. UTILITIES:

(1) Water: -The proper records showing the quantity and cost of treated or cooling water produced and consumed, if any, for the manufacture of any type of polyester products in different cost centres or departments shall be maintained. The cost of treated water apportioned to the cost centres or departments concerned shall be on equitable and 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 for the manufacture of the polyester products shall be maintained. The cost of steam consumed by the Polyester plant and by other units of the company shall be apportioned on equitable and reasonable basis and applied consistently. Where steam is raised and supplied by any other unit of the company to the Polyester plant, the cost of steam so supplied shall be charged to the Polyester Plant on equitable and reasonable basis and applied consistently.

(3) Power:- For power purchased, proper records shall be maintained for the units and cost of power consumed for the production of Polyester products in different cost centres or departments. Where power is generated by the company itself, adequate records, showing all elements of cost shall be maintained to show the cost of power generated and consumed for the production of the Polyester products in different cost centres or departments. Records shall also indicate installed capacity, number of units generated losses and consumption in each cost centres or departments separately. Where power is generated and supplied by any other unit of the company to the Polyester plant adequate records shall be maintained to indicate the quantity and cost of power so supplied. The cost of power allocated to the production or manufacture of polyester products shall be on equitable and reasonable basis and applied consistently. The records should state clearly the measures taken on conservation of energy and its corresponding impact on unit cost of production.

(4) Nitrogen: -The proper records shall be maintained as per the Cost Accounting Record (Industrial Gases) Rules, 1996 as amended from time to time, showing the cost of Nitrogen produced or manufactured by the company for use in the production of polyester products. The cost of Nitrogen produced by the company shall be apportioned to polyester products on equitable and reasonable basis and applied consistently. If the Nitrogen is purchased by the company, proper records showing the quantity purchased and consumed cost centre-wise or department-wise shall be maintained. These records shall show the cost of Nitrogen delivered upto works including all direct charges.

(5) Compressed Air; - The proper records shall be prepared to enable determination of the cost of compressed air and its distribution cost centre-wise or department-wise. The cost of compressed air shall be apportioned to polyester products on equitable and reasonable basis and applied consistently.

(6) Air-Conditioning; - The proper records shall be prepared to enable determination of the cost of air-conditioning and its distribution cost centre-wise or department-wise. The cost of air conditioning shall be apportioned to polyester products on equitable and reasonable basis and applied consistently.

(7) Other Utilities: - The proper records showing quantity and cost shall be maintained in respect of any other utilities produced or purchased by the company for the production or manufacture of Polyester products.

(8) The Cost Statements for each utility shall be maintained in Proforma A.

5. WORKSHOP OR REPAIRS AND MAINTENANCE OR TOOL ROOMS:

(1) The proper records showing the expenditure incurred by the workshop or tool room under different heads and on repairs and maintenance in the various cost centres or departments shall be maintained. The records shall also indicate the basis of charging the workshop or tool room expenses to different cost centres or departments. Where maintenance work is done by direct workers of any production cost centre or department, the wages and salaries of such workers shall be treated as direct expenses of the respective cost centre or department. If the services are utilised for other products also, the manner of charging a share to such products shall be on equitable and reasonable basis and applied consistently. In addition to the above, records should indicate the amount and also the proportion of closing inventory of stores & spare parts representing items which have not moved for over 24 months.

(2) The expenditure on major repair works from which benefit is likely to accrue for more than one financial year shall be allocated over the period expected to benefit on a reasonable and equitable basis and applied consistently. Such costs shall be shown separately and method of accounting and the basis of the allocation of such costs shall also be clearly indicated in cost records.

6. DEPRECIATION:

The basis on which depreciation is calculated and allocated or apportioned to the various cost centres or departments and absorbed on all products shall be clearly indicated in the cost records. If depreciation charged or chargeable to the cost centres or departments is in excess or lower than the depreciation calculated by applying the rates of depreciation prescribed under the provisions of sub-section (2) of Section 205 of the Companies Act, 1956 (1 of 1956), such amount of excess or lower depreciation shall be indicated clearly in the cost records. The cost records shall also show the effect of such excess or lower depreciation as the case may be, on the per unit cost of Polyester product. 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. OTHER OVERHEADS:

(1) The proper records shall be maintained for the product under reference showing the various items of expenses comprising the other overheads. These expenses shall be analysed, classified and grouped according to functions, namely, works, administration, selling and distribution.

(2) Where the company is manufacturing products other than the polyester product thereof, the records shall clearly indicate the basis followed for apportionment of the common overheads including head office expenses of the company to such products and polyester products, including capital works. Where certain expenses forming part of overheads can be identified with a particular activity or a product, such expenses shall be first segregated and charged to the relevant activity or product and thereafter the residue 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. The basis of apportionment or absorption of overheads to the cost centres or departments and products shall be indicated in the cost records. The records shall be maintained in such a manner as to indicate the details of works, administration, selling and distribution overheads.

8. ROYALTY/TECHNICAL KNOW-HOW FEE:

The adequate records shall be maintained showing the royalty and/or technical know-how fee including other recurring or non-recurring payments of similar nature, if any, made for the product under reference to collaborators or technology suppliers in terms of agreements entered into with them. Such records shall be kept separately in respect of each such collaborator or supplier. The basis of charging such amount, including lump sum payment, to the products shall be indicated in the cost records.

9. RESEARCH AND DEVELOPMENT EXPENSES:

(1) The proper records showing the details of expenses, if any, incurred by the company for the research and development work on the product covered under these rules according to the nature of development of products, existing and new products and processes, development of process of manufacture, existing and new, design and development of new plant facilities and market research for the existing and new products, shall be maintained separately.

(2) The method of charging these expenses to the cost of polyester products and all other 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 the cost of production of the polyester products and all other products if any, on equitable and reasonable basis and applied consistently.

(3) The 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 polyester products. The amount recovered for providing technical know-how to outsiders shall also be indicated separately and excluded from the income arising from the sale of polyester products.

10. QUALITY CONTROL:

The adequate records shall be maintained to indicate the expenses incurred in respect of quality control department or cost centre for product under reference. Where these services are also utilised for other products of the company, the basis of apportionment to Polyester products and to other products shall be on equitable and reasonable basis and applied consistently.

11. INTEREST:

The proper records shall be maintained for Interest charges paid. The amount of interest shall be allocated or apportioned to the product covered by these rules and other activities on a reasonable and equitable basis and applied consistently. The basis of further charging of the share of the interest to the various types of such products shall also be reasonable and equitable and the same shall be followed consistently. The basis of such allocation or apportionment shall be spelt out clearly in the cost records or statements.

12. EXPENSES OR INCENTIVES ON EXPORTS:

The proper records showing the expenses incurred on the export sales, if any, of the polyester products shall be separately maintained so that the cost of export sales can be determined correctly. Separate cost statement shall be prepared for polyester products exported giving details of export expenses incurred or incentive earned. In case, duty free imports are made, the cost statements should reflect this fact. If the duty free imports have been made after actual production, the statement should reflect this fact also.

13. PACKING EXPENSES:

(1) The proper records shall be maintained showing the quantity and cost of various packing materials and other expenses incurred on packing for marketing of the Polyester products. Where such expenses are incurred in common for other products also, the basis of apportioning the expenses between the relevant products shall be on equitable and reasonable basis and applied consistently.

(2) The 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.

14. WORK IN PROGRESS AND FINISHED STOCK:

The method followed for determining the cost of work in progress and finished stock of the polyester products shall be indicated in the cost records so as to reveal the cost element that have been taken into account in such computation. The appropriate share of conversion cost upto 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.

15. COST STATEMENTS:

(1) The cost statement showing details of installed capacity, production, wastage, issues and sales and all elements of cost of the current financial year and previous year shall be prepared for each process adopted in manufacture or production of polyester products in Proformae A, B, C, D and E.

(2) The product emerging from a process which forms raw material for a subsequent process shall be valued at the cost of production up to the previous stage.

(3) If the company is operating more than one plant or factory, separate cost statements as specified above shall be prepared in respect of each plant or factory.

(4) The cost statements shall be prepared countwise or denierwise or sortwise for items whose production is substantial and which constitutes eighty five percent or more of the total value of production and for the remaining items whose production is relatively negligible and where all such items put together constitute nearly fifteen percent of the total value of production, combined cost statements should be prepared for groups of counts or deniers or sorts.

16. PRODUCTION RECORDS:

Quantitative records of all finished goods, whether packed or unpacked, issues for sales and balances of different types of the product under reference produced by the company shall be maintained.

17. RECONCILIATION OF COST AND FINANCIAL ACCOUNTS:

(1) The cost statements shall be reconciled with the financial statements for the financial year specifically indicating the expenses or incomes not considered in the cost records or statements so as to ensure accuracy and to adjudge the profit of the product under reference with the overall profit of the company. The variations, if any, shall be clearly indicated and explained.

(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 shall be prepared and reconciled with the financial statement.

18. 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 procedure followed by the company in working out the cost of the 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 separate heads and analysed into material, labour, overheads and further segregated into quantity, price and efficiency variances. The reasons for the variances shall be duly explained in the cost records or statements.

19. STATISTICAL RECORDS:

(1) The records regarding available machine hours or direct labour hours in different production departments and actually utilised shall be maintained for production of Polyester products and shortfall suitably analysed. Suitable records for computation of idle time of machines shall also be maintained and analysed.

(2) The adequate records shall be maintained to enable the company to identify the capital employed, net fixed assets and working capital separately for the production or manufacture of polyester products and other products and other activities. Fresh investments on fixed assets that have not contributed to the production of Polyester products during the relevant period shall be indicated in the cost records. The records shall, in addition, show assets added as replacement and those added for increasing existing capacity.

(3) Whenever WTO provisions are attracted, proper records shall be maintained to identify the competitiveness of the product in the domestic as well as global market and the expenses, if any, incurred to combat the competition arising out of WTO provisions. Adequate statistical records shall also be maintained to identify the market share of the product manufactured and the likely impact thereon on account of competitive goods imported in to the country. These records shall indicate, inter alia, the total volume of imports, names of importers countries of origin and contain such empirical evidence as to show whether such imports can be construed as dumping and affecting the market share of the product. Proper records shall also be maintained, containing such details as may be necessary to show that the export price of the product is not such as to be construed as dumping in the importing country, by applying the provisions of WTO regarding anti dumping measures under Article VI of GATT 94.

20 CAPTIVE CONSUMPTION:

If polyester product is used for captive consumption proper records shall be maintained showing the quantity and cost of each item of polyester product transferred to other departments or units of the company for self-consumption. The rates at which the transfers are effected shall be at cost only.

21. POLLUTION CONTROL:

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

22. HUMAN RESOURCES DEVELOPMENT:

Expenditure incurred by the company on the human resources development activity shall be 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 econottlic 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."]*

*Inserted vide GSR NO . 727(E) dated 28th September,2001

PROFORMA A

Name of the company

Name and address of the factory

Statement showing the cost of Utility like Power, Steam, Water, etc., produced and consumed during the year/period

A Quantitative Information:

Serial Number	Particulars		
		Current Year (unit)	Previous Year (unit)
1.	Installed capacity		
2.	Quantity produced		
3.	Capacity utilisation		
4.	Quantity recirculated		
5.	Quantity purchased		
6.	Consumption including other losses		
7.	Net units consumed		

B Cost Information:

Serial Number	Particulars	Quantity	Rate (Rupees) per unit	Amount (Rupees) (in lacs)	Cost unit per (Rupees)	
					Current Year	Previous Year
A 1.	Materials(specify) (a) (b) (c)					
2.	Utilities(specify) (a) (b) (c)					
3.	Consumable stores					
4.	Salaries and wages					
5.	Repairs and maintenance					
6.	Other overheads					
7.	Depreciation					
8.	Total					
9.	Less:Credit,if any					
10.	Net Total					
B.	Apportioned to 1. 2. 3. 4.					

Note 1.- Separate cost sheet is to be prepared for each utility as well as effluent treatment.

Note 2.- If any of the utility, which are manufactured by the company is sold to outside parties, proper credit should be given in the cost of production of the respective utility.

PROFORMA B

Name of the company
Name and address of the factory

Statement showing the summary cost of sales, sales realisation and margin in respect of each type of Polyester Chips/ Polymer produced/manufactured and sold during the year/period.....

A Quantitative Information:

Serial Number	Particulars	Metric Tonnes	
		In Current Year	Previous Year
1.	Installed capacity		
2.	Quantity produced		
3.	Capacity utilization		
4.	Quantity sold (a) Domestic (b) Export		
5.	Quantity. captively consumed		
6.	Waste percentage		
7.	Closing stock(fin.goods)		
8.	Opening stock(fin.goods)		

B Cost Information:

Serial Number	Particulars	Quantity	Rate (Rupees)	Amount (Rupees) (in lacs)	Per Tonnes		Metric (Rupees)
					Current Year	Previous Year	
1.	Material cost(itemwise covering 80% of value) (a) Di-Methyl Terephthalate/Pure Terephthalic Acid: (i) Imported (ii) Indigenous (iii) Recovered (b) Ethylene Glycol (i) Imported (ii) Indigenous (iii) Recovered (c) Other materials(specify) (d) Total Raw- Materials(a to c) (e) Less: By-Products and						

	Recoveries (f)Net cost of raw-materials (d-e)					
2.	Process Chemicals (a)Catalysts (b)Additives					
3.	Direct Wages and Salaries					
4.	Utilities (a)Nitrogen (b)Power (c)Steam (d)Water (e)Compressed Air (f)air-conditioning (g)Others (h)Total (a to g)					
5.	Consumable Stores and spares					
6.	Depreciation					
7.	Repairs and maintenance					
8.	Royalty					
9.	Research and development					
10.	Quality control					
11.	Other Factory overheads					
12.	Administrative overhead (a)Salaries and wages (b)Others (Please specify) (c) Total(a+b)					
13.	Total(1 to 12)					
14.	Stock adjustment (Work in Progress)					
15.	Less: Credits (from wastages and by-Products)					
16.	Cost of Production					
17.	Stock adjustment (finished products)					
18.	Net cost of Production of unpacked finished goods					
19.	Less: captive consumption					
20.	Packing Cost (a) materials (b) others					
21.	Less: Captive Consumption in packed condition					
22.	Net cost of materials available in for sales					

23.	Selling and Distribution Expenses: (a)Salaries and Wages (b)Freight and Transport Charges (c)Commission to selling agents (d)Advt. Expenses (e)Others (f)Total(a to e)					
24.	Cost of Sales					
25.	Interest					
26.	Annual Bonus to employees a) Minimum Statutory Bonus b) Other than Statutory Bonus					
27.	Statutory Gratuity including provisions					
28.	Contribution to Superannuation Scheme					
29.	Total cost excluding excise duty					
30.	Total sales realization Less: i) excise duty ii) export incentives					
31.	Margin(30-29)					

Note 1.- Separate Proforma shall be prepared for each type of description of product.

Note 2.- Separate Proforma shall be prepared for the quantity sold with in the country and the quantity exported. Expenses incurred on export and the incentive earned thereon shall be indicated in the Proforma applicable for the quantity produced and exported.

PROFORMA C

Name of the company
Name and address of the factory

Statement showing the summary cost of sales, sales realization and margin in respect of each type of Polyester Product, produced or manufactured and sold during the year/period.....

Denier/Type/Quality of the product.....

A. Quantitative Information:

Serial Number	Particulars	In Metric Tonnes	
		Current Year	Previous Year
1.	Installed capacity		
2.	Quantity produced		
3.	Capacity utilization		
4.	Quantity sold (a)Domestic (b)Export		
5.	Waste percentage		
6.	Closing stock(finished goods)		
7.	Opening stock(finished goods)		

B. Cost Information:

Serial Number	Particulars	Quantity	Rate	Amount	Per Metric Tonnes	Per Metric Tonnes
			(Rupees)	(Rupees in lacs)	Current.Year (Rupees)	Previous.Year (Rupees)
1.	Material cost (itemwise covering 80% of value) a)Polyester Chips/Polymer (i)Own manufactured (ii)Purchased (b)Process material/chemicals(specify) (c)Others(specify) (d)Total (a)to (c) (e)Less Credits (f)Total Net Material Cost(d - e)					
2.	Direct Wages and Salaries					
3.	Utilities (a)Power (b)Steam					

	(c)Water (d)Fuel (e)Compressed Air (f)Air-Conditioning (g)Nitrogen (h)Others(specify major items) (h)Total(a to h)					
4.	Bobbins					
5.	Paper cones					
6.	Cops					
7.	Consumable stores and spares					
8.	Depreciation					
9.	Repairs and maintenance					
10.	Royalty					
11.	Research and development					
12.	Quality control					
13.	Other Factory overheads					
14.	Administrative Overhead (a)Salaries and wages (b)Others (Please specify) (c) Total(a+b)					
15	Total(1 to 14)					
16.	Stock adjustment (Work in Progress)					
17.	Less: Credits (from wastages and by-Products)					
18.	Cost of Production					
19.	Stock adjustment (finished products)					
20.	Net cost of Production of unpacked finished goods					
21.	Less: captive consumption					
22.	Packing Cost (c) materials (d) others					
23.	Less: captive consumption in packed condition					
24.	Net cost of materials available for sales					
25.	Selling and Distribution Expenses (a)Salaries and Wages					

	(b)Freight and Transport Charges (c)Commission to selling agents (d)Advertisement Expenses (e)Others (f)Total(a to e)					
26.	Cost of Sales					
27.	Interest					
28.	Annual Bonus to employees (a) Minimum Statutory Bonus (b)Other than Statutory Bonus					
29.	Statutory Gratuity including provisions					
30.	Contribution to superannuation scheme					
31.	Total cost excluding excise duty					
32.	Total sales realization Less: i)excise duty ii) export incentives					
33.	Margin(32 – 31)					

Note 1.- Separate Proforma shall be prepared for each type of description of product.

Note 2.- Separate Proforma shall be prepared for the quantity sold with in the country and the quantity exported. Expenses incurred on export and the incentive earned thereon shall be indicated in the proforma applicable for the quantity produced and exported.

PROFORMA D

Name of the company

Name and address of the factory

Statement showing the summary cost of sales, sales realization and margin in respect of each type of Yarn sold during the year/period ended _____

A. Quantitative Information:

Serial Number	Particulars	Current Year (in M.T.)	Previous Year (in M.T.)
1.	Denier and description of yarn		
2.	Quantity packed for sale		
3.	Quantity sold (a) Domestic (b) Export		
4.	Closing stock (finished goods)		
5.	Opening stock (finished goods)		

B. Cost Information:

Serial Number	Particulars	Amount		Cost per Kg	
		(Rupees lacs)	in	Current Year (Rupees)	Previous Year (Rupees)
1.	Material cost (a) Raw material cost (b) Process material cost (c) Purchased yarn cost (d) Total (a to c)				
2.	Conversion cost a) Texturising b) Twisting c) Crimping d) Winding e) Dyeing f) Others (pl. specify)				
3.	WIP Stock Adjustment				
4.	Less: Credit for hard waste				
5.	Cost of Production (1-4)				
6.	Packing cost: a) Material cost b) Conversion cost				
7.	Finished Goods-stock adjustment				
8.	Net cost of production (5+6+7)				
9.	Selling and distribution expenses (a) Salaries and Wages (b) Freight and Transport				

	Charges (c)Commission to selling agents (d)Advertisement Expenses (e)Others (f)Total(a to e)			
10.	Interest			
11.	Bonus to employees: a)Minimum statutory bonus b)Other than statutory bonus			
12.	Statutory Gratuity including provisions			
13.	Contribution to superannuation scheme			
14.	Cost of sales excluding excise duty(8 to 13)			
15.	Total sales realisation Less: i)excise duty ii)export incentives			
16	Margin(15-14)			

Note 1.- Separate Proforma shall be prepared for each type of description of product.

Note 2.- Separate Proforma shall be prepared for the quantity sold with in the country and the quantity exported. Expenses incurred on export and the incentive earned thereon shall be indicated in the Proforma applicable for the quantity produced and exported.

PROFORMA E

Name of the company
Name and address of the factory

Statement showing the total production and allocation of total actual expenses and income of the company between Polyester products and other activities for the year ending.....

A. Production Data:

Serial Number	Particulars	Current Year	Previous Year	Current Year	Previous Year
1.	Installed capacity				
2.	Budgeted capacity				
3.	Actual utilisation/production during the year				
4.	Percentage of (3) to(1)				
5.	Percentage of (3) to(2)				

B. Allocation of total expenses and income for the year ending....

1.	Raw-Material consumed				
2.	Process materials/Chemicals consumed				
3.	Packing materials				
4.	Salaries and wages				
5.	Utilities				
6.	Consumable stores and spares				
7.	Depreciation				
8.	Repairs and maintenance				
9.	Royalty				
10.	Research and Development				
11.	Quality control				
12.	Other Factory overheads				
13.	Administrative Overhead (a)Salaries and wages (b)Others (Please specify) (c) Total(a+b)				
14.	Total(1 to 13)				
15.	Stock adjustment (Work in Progress)				
16.	Less: Credits (from wastages and by-Products)				
17.	Cost of Production				
18.	Stock adjustment (finished products)				

19.	Net cost of Production of unpacked finished goods				
20.	Less: captive consumption				
21.	Packing Cost (e) Materials (f) Others				
22.	Less: captive consumption in packed condition				
23.	Net cost of materials available for sales				
24.	Selling and distribution expenses (a)Salaries and Wages (b)Freight and Transport Charges (c)Commission to selling agents (d)Advertisement Expenses (e)Others (f)Total(a to e)				
25.	Cost of Sales				
26.	Interest				
27.	Annual Bonus to employees a) Minimum Statutory Bonus b) Other than Statutory Bonus				
28.	Statutory Gratuity including provisions				
29.	Contribution to superannuation scheme				
30.	Total cost excluding excise duty				
31.	Total sales realization Less: i)excise duty ii) export incentives				
32.	Margin(31 – 30)				

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

(A. Ramaswamy)
Joint Secretary
F.No.52/5/CAB-99

Foot note. - The principal notification was published vide G.S.R. number 126(E), dated the 24th March, 1977 and subsequently amended vide -

1. GSR 37, dated the 5th January, 1983.
2. GSR 561, dated the 22nd July, 1989.
3. GSR 321(E), dated the 24th March, 1993.
4. GSR 444(E), dated the 3rd August, 1998.
5. GSR 692(E) dated 31st August, 2000
6. GSR 727 (E) dated 28th September,2001