

SECTION - IV

COST ACCOUNTING RECORDS (RAYON) RULES, 1976 AS AMENDED (UPTO 31ST AUGUST, 2000)

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

NOTIFICATION

New Delhi, the 20th April, 1976

G.S.R. 606.-In exercise of the powers conferred by sub-section (1) of Section 642, read with clause (d) of sub-section (1) of Section 209, of the Companies Act, 1956 (I of 1956), the Central Government hereby makes the following rules namely :-

1. **Short title and commencement. :**
 - (i) These rules, may be called the Cost Accounting Records (Rayon) Rules, 1976.
 - (ii) They shall come into force on the 1st day of, May, 1976.
2. **Application :** They shall apply to every company engaged in the production, processing or manufacturing of any of the following rayon products :-
 - (i) Viscose Staple Fibre in all forms;
 - (ii) Viscose Filament Yarn;
 - (iii) Viscose Tyre Yarn/Cord/Fabric
 - (iv) 100% Viscose Yarn Fabric;
 - (v) Acetate Yarn/Fibre; and
 - (vi) Rayon Film (Cellophane film)}¹
[excepting those companies falling under the category of "small scale industrial units".]²

Explanation : For this purpose of this rule, the expression 'small scale industrial unit' means a Company :

 - (a) aggregate value of machinery and plant installed wherein does not exceed the limit specified for a small scale industrial undertaking under the Industries (Development and Regulation Act 1951 (65 of 1951), as on the last date of the preceding financial year; and
 - (b) the aggregate value of the realisation made by the Company from the sale or supply of all its products during the preceding financial year does not exceed ten crore rupees.}}³

1. Inserted by Cost Accounting Records (Rayon) Amendment Rules, 2000 vide GSR694 (E) dt 31.8.2000.

2. Inserted by GSR 788 dated 3.6.1977.

3. Substituted by GSR No. GSR34 dated 5.1.83, GSR 557 dated 22.7.89, GSR317 (E) dt 24.3.93 and GSR 441 (E) dated 3rd August, 1998.

3 Maintenance of records. :

3.1 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 relevant close of the financial year in 2001,]⁴ keep proper, books of account containing, inter alia the particulars specified in Schedules I and II annexed to these rules relating to the utilisation of materials, labour and other items of cost in so far as these are applicable, to the rayon products referred to in rule 2;

3.1.1 Provided that if the said company is manufacturing any other products 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 products referred to in rule 2.

3.2 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 sales of each type of rayon products 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 proforma specified in Schedule II shall be completed within ninety days from the end of the financial year of the company.

3.2.1 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 and D 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, processing or manufacturing of rayon products:

Provided that if the said company is manufacturing any other product (s) or is engaged in other activities in addition to manufacture of rayon products, 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 rayon 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.

3.2.2 The books of accounts referred to in sub-rule (2A) shall be kept on a regular basis in such manner so as to make it possible to calculate the cost of

4. Inserted by GSR 694 (E) dated 31st August, 2000.

production and cost of sales of each type of rayon products manufactured or produced for every financial year from the particulars entered therein. Every such books of account and the Proformae 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 it relates.

3.2.3 The statistical and other records shall be maintained in accordance with the provisions of Schedule III, which shall be such as to enable the company to exercise, as far as possible, control over 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.”}}⁵

3.3.1 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 (I of 1956) to take all reasonable steps to secure compliance by company with the provisions of sub-rules [(1) , (2), (2A), (2B) and (2C)] ⁶in the same 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 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.

5. Inserted by GSR 694 (E) dated 31st August, 2000.

6. Ibid

SCHEDULE - I⁷

(See Rule 3)

1 **Materials :**

(a) **Raw Materials :**

- (i) Proper records shall be maintained showing separately the quantity and cost of Rayon Grade Pulp, Caustic Soda and other materials used in the manufacture of Viscose Staple Fibre, Viscose Filament Yarn and Tyre Yarn. Where Rayon Grade Pulp is obtained from different sources, the records shall be maintained in such a manner that the cost of Rayon Grade Pulp obtained from imported and indigenous sources are available separately. If Rayon Grade Pulp is manufactured by the company, detailed records indicating the break up of raw materials consumed for its production and conversion cost shall be maintained in such details as to enable ascertainment of the cost of the Rayon Grade Pulp including charges incurred upto the rayon
- (ii) The records shall also indicate the proportion of different kinds of Pulp used from different sources for the manufacture of the rayon products.
- (iii) Proper records shall also be maintained showing the quantity and cost of packing paper, jute pack sheets, wires, drums, Polythene paper and other items received along with different raw materials which are either re-used or sold. Credits for such items shall be afforded to the respective raw materials as far as possible. Otherwise the credits should be allocated to different products on an equitable basis.
- (iv) Proper records shall be maintained to arrive at the cost of Rayon Grade Pulp purchased by the company inclusive of all direct charges such as freight, insurance, octroi, etc., incurred upto works. The records shall show the receipts, issues and balances both quantity and cost of Rayon Grade Pulp separately by sources of purchase and for different qualities.
- (v) Similar records as detailed in paras (i) to (iv) above shall be maintained in respect of cotton linters of different grades used in the manufacture of acetate yarn/fibre. These records shall show the receipts, issues and balances both in quantity and cost of cotton linters of different grades like second cut linters, defibrated linters and mill run linters.

(b) **Process Materials. :**

Proper records shall be maintained to show the receipts, issues and balances both in quantities and cost of each item of process materials such as charcoal, Titanium dioxide, Carbon-bi-sulphide, sodium sulphide, sulphuric acid, liquid chlorine and other process materials used for the manufacture of products under the viscose group as well as acid, liquid chlorine and

7. Applicable upto 31st March, 2001 or close of relevant financial year in 2001 vide GSR ibid.

other process materials used for the manufacture of acetate yarn/fibre. In the case of certain chemicals used as catalysts having longer life of more than a year, the costs of such items should be deferred on appropriate basis. The costs shall include all direct charges upto the works wherever specially 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 their production and conversion cost shall be maintained in such details as may enable the company to determine the cost of such process materials produced. In case, Caustic Soda is manufactured proper records as prescribed in the Cost Accounting Records (Caustic Soda) Rules, 1967 shall be maintained to arrive at the cost of caustic soda. Where any of the plants for process chemicals are used for processing such chemicals on behalf of outsiders, proper records about the quantities so processed, the details of the costs incurred therefor and the amounts recovered as conversion charges shall also be maintained.

(i) Recoveries of Process Chemicals :

Proper records shall be maintained indicating the quantity of chemicals recovered in the different processes. If however, it is not practicable in a particular case, the recovery may be credited to the main product. In the case of certain chemicals thus recovered which cannot be reused in process due to lower chemical content and are sold, the realization from the same shall be recorded and adjusted against the cost of consumption of respective chemicals. In case further processing is indispensable before the chemical is in saleable condition, adequate records of cost involved for such further processing shall be maintained.

(ii) 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, issued shall be charged to the relevant heads of account such as production, repairs to plant and machinery, repairs to buildings. Materials consumed on capital works such as addition to buildings, plant and machinery and other assets shall be shown under the relevant capital heads.

- (e) Wastages, Spoilages, Rejections, Losses, etc. of Materials. 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 waste in terms of cellulosic content of pulp made up from wastes in different departments like viscose, spinning, bleaching, coning, and reeling shall also be recorded separately to enable control of such losses and identifying the realisations therefor. Separate records of different types of wastes like clean, oily and other waste fibres obtained in the process of conversion of viscose staple fibre into tops either through own unit or through outside combing units shall also be kept indicating the respective quantities and sales realisation. The method followed for adjusting the above losses as well as the income derived from the disposal of rejected and waste materials including scrap, if any, shall be indicated in the cost records.

2 Salaries and Wages :

- (a) Proper records shall be maintained to show the attendance and earnings of all employees and the departments or units or cost centres and the work on which they are employed. The records shall also indicate separately.
- (i) overtime wages earned.
 - (ii) piece-rate wages earned.
 - (iii) incentive wages earned, either individually or collectively as production bonus or under any other scheme based on output.
 - (iv) earnings of casual labour.
- (b) Idle time shall be separately recorded under classified headings in 'Proforma H' of Schedule II indicating the reasons therefor. The method followed for accounting of idle time payments in determining the cost of the products shall be disclosed in the cost records.
- (c) Any wages and salaries allocable to capital works such as additions or heavy repair works to plant and machinery, buildings or other fixed assets shall be accounted for under relevant capital heads.

3 Service Department Expenses :

Detailed records shall be maintained to indicate expenses incurred for each service department or cost centre like water supply, laboratory, air-conditioning, welfare etc. These expenses shall be apportioned to other service and production departments on an equitable basis and applied consistently.

5 Utilities :

- (a) Water :- Proper records showing the quantity and, cost of water treated and consumed for the manufacture of Rayon in different departments/cost centres etc., shall be maintained in such detail as may enable the company to
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furnish the necessary particulars in Annexure I to this Schedule. The cost of water allocated shall be on reasonable basis and applied consistently.

- (b) Steam. : Where steam is raised by the company proper records showing the quantity and cost of steam raised and consumed for the production of Rayon in different departments or cost centres shall be maintained in such detail as may enable the company to furnish the necessary particulars in Annexure II to this Schedule. Adequate records shall be maintained to show the quantity and cost of steam purchased, if any. The cost of the steam consumed by the Rayon factory and other units of the company shall be calculated on a reasonable basis and applied consistently.
- (c) Power : When power is generated by the company, proper records showing the quantity and cost of power generated and consumed for the production of Rayon in different departments or cost centres etc. shall be maintained in such details 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.

Where power is generated and supplied by any other unit of the company to the Rayon 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.

- (d) Air-conditioning-Proper records shall be maintained to enable determination of cost of air-conditioning and its distribution to departments or cost centres like viscose, spinning, bleaching., coning to enable the company to furnish necessary particulars in Annexure IV to this Schedule.

5 **Workshop/Repairs and Maintenance :**

Proper records showing the expenditure incurred by the workshop under different basis and on repairs and maintenance by the various departments and cost centres shall be maintained. The records shall also indicate the basis charging the workshop expenses to different departments, cost centres and units. Expenditure on major repairs 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 Rayon manufactured during the relevant period. Expenditure incurred on works of capital nature shall be capitalised. The cost of such jobs shall include the expenditure on material, labour and a share of the overheads. The jobs carried out by the workshop of any other unit of the company to the Rayon factory and vice versa shall be charged/ created on a reasonable basis and applied consistently.

6 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 installation and the rate of depreciation. In respect of these assets, the original cost of acquisition of which cannot be ascertained without an unreasonable expenditure or delay, the valuations 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 department 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 and machinery and other fixed assets utilised 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 the incidence of such excess depreciation on the unit cost of individual rayon products shall be indicated clearly in the cost records. The cumulative depreciation charged in the cost records against any individual item of the asset shall not, however, exceed the original cost of the respective asset.

7 Overheads :

Proper records shall be maintained showing the various items of expenses comprising overheads. These expenses shall be analysed, classified and grouped in the works, administration and selling and distribution overheads. Where the company is engaged in the manufacture of any other products in addition to rayon products, the records shall clearly indicate the basis followed for apportionment of the common overheads including head office expenses of the company to different rayon activities and other activities.

Overheads allocable to capital works shall be indicated separately in the cost records. The methods followed for the levy and absorption of the above categories of overheads to the products shall be indicated in the cost records. The basis followed for levy and absorption of the overheads shall be equitable and applied consistently. In case any expense included in the above categories of overheads can be identified with a particular activity/product, such expenses shall be segregated and charged to the relevant activity/product at the first instance and thereafter the remaining common expenses under the above categories of overheads shall be allocated on a reasonable and equitable basis and applied consistently.

8 Expenses on Export :

Records showing the expenses incurred on export of Rayon products if any, shall be separately maintained, so that the cost of export sales can be determined correctly. The expenses incurred on export, as well as any export incentive earned shall be reflected in the cost statements relating to export sales.

9 By-Products :

Proper records shall be maintained for each item of by-product derived showing the receipts, issues and balances both in quantity and value. The basis adopted for valuation of the by-products shall be equitable and consistent. Records indicating the expenses incurred on further processing of by-products like glauber salt into sodium sulphate as well as the actual sales realisation of the ultimate by-product i.e. sodium sulphate shall be maintained. Credit afforded for the quantity of glauber salt got converted into sodium sulphate shall be reasonable.

10. Research and Development Expense :

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 plant facilities, the appropriate share thereof shall be capitalised. The method of charging research and development expenses to the cost of production shall be indicated in the cost records and such expenses shall be charged to viscous staple fibre of different enduses viscous filament yarn and viscose tyre 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 & Development Department for furnishing technical know-how to outsiders shall be recorded separately and excluded from the cost of rayon products referred to in rule (2) of Schedule I. The amounts recovered for providing technical know-how to outsiders shall also be indicated separately.

11. Viscose Staple Fibre/Viscose Filament yarn and Viscose Tyre yarn/ cord Acetate yarn/Fibre for self-consumption :

Proper records shall be maintained showing the quantity and cost of each item of rayon products transferred to another department/ unit of the company for self-consumption. The rates at which such transfers are effected shall be disclosed in the cost statements.

12. Packing :

Proper records shall be maintained showing the quantities and cost of various packing materials such as Polythene sheets, kraft paper, jute packing sheets,

hoofs, buckles, mild, steel wires, cones and wages and other expenses incurred in respect of different types and sizes of packages adopted for marketing of Rayon products. Where the expenses are incurred in common the basis of apportioning such expenses amongst different types of Rayon products shall be equitable and clearly indicated in the records and applied consistently.

The quantity and cost of packing materials recovered from purchased raw materials and that re-used in packing shall be maintained. The basis of valuation adopted for such materials shall be reasonable.

Detailed records of the expenses incurred on export packing shall also be kept separately and exhibited in the relevant cost statements for exports.

13. Work-in-progress and Finished Goods :

The method followed for determining the cost of work-in-progress and finished goods stocks 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.

14. Cost statements :

Cost statements showing the cost of production and cost, of sales of Viscose staple Fibre, Viscose Filament yarn, Viscose Tyre yarn/cord and Acetate yarn/ Fibre shall be maintained as detailed below :

(i) **Viscose Staple Fibre :** Cost statements showing the cost of production and cost of sales under Proforma A and D respectively shall be maintained separately for each quality of fibre like ordinary viscose staple fibre coarse fibre used for manufacture of tops for blending with wool, viscose staple fibre used for filter /ftips, brake-lining, asbestos ropes, sanitary cloth and coloured fibres. In the case of fibre got converted into tops for mixing with wool either through own machinery or by outside combing units cost statements showing the cost of production and cost of sales of viscose staple fibre in the form of tops shall also be maintained under Proforma C & D. The cost statements shall also be maintained separately in respect of each denier. If viscose staple fibre is manufactured by the same company under two different processes like slurry and steeping processes cost of production and cost of sale respectively shall be ascertained separately in respect of relevant production under each of the processes.

(ii) **Viscose Filament Yarn :** Cost statements indicating the cost of production and cost of sale under Proforma A and D respectively shall be maintained in respect of each quality of filament yarn manufactured and sold. Such cost statements shall as far as possible be maintained denier-wise. If, however, the cost of filament yarn cannot be collected denier-wise the total common cost of filament yarn produced may be distributed between

the different deniers based on the length of production of each denier by adopting the appropriate weight and length conversion ratios as indicated in Proforma B or in a more appropriate manner.

- (iii) **Viscose Tyre Yarn Cord** : Cost statements showing the cost of production and cost of sales shall be maintained under Proforma E and F respectively for different qualities like super I and super II of viscose tyre yarn cord.
- (iv) **Acetate Yarn/Fibre** : Cost statements showing the cost of production of bleached cotton, cellulose acetate and acetate yarn/fibre shall be maintained under Proforma A-I, A-II and A-III respectively. In respect of acetate yarn/fibre such cost statement shall be maintained denier-wise, cost the common costs may be distributed between different deniers based on the length of production of each deniers by a adopting the appropriate weight and length conversion ratios as indicated in Proforma B. Cost of sales statements shall be maintained for these products also in Proforma D.

Export of viscose staple fibre, viscose filament yarn, viscose tyre yarn/ cord and acetate yarn/fibre shall be exhibited separately in the cost of sales statements and same excluded from the cost of sale statements meant for sale in the internal market. Cost statements in Proforma 'F' shall also be maintained for tyre cord fabrics, if manufactured by the same company.

15. Reconciliation of Cost and Financial Accounts :

The cost records shall be reconciled 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 over all profits of the company.

A statement showing the total expenses incurred and the income received by the company and the share applicable to Rayon products shall be maintained in Proforma 'G' duly reconciled with the financial accounts.

16. Adjustment of Cost Variances :

Where the company maintains cost records on any basis other than actuals, such as standard cost, the records shall indicate the procedures followed by the company in working out the cost of the products 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.

17. 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.

18. 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 in Section 370 (IB) of the Companies Act 1956 , (I 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 understanding reached in respect of :

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

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.

19. Statistical Records :

Data such as dry cellulose content of wood pulp purchased and consumed shall be maintained. Records shall also be maintained to indicate the loss of yield cellulose occurring in different stages of the process employed in the manufacture for enabling control of process losses. The overall dry cellulose content of wood pulp used in the manufacture of viscose staple fibre, viscose filament yarn and viscose tyre yarn/cord and cotton linters in case of acetate yarn/fibre shall be reconciled with the overall dry cellulose content of the respective output. Data regarding plant utilisation for different types of yarn produced including yarn produced from regenerated cellulose rayon fibre or non-cellulosic fibre permitted under Textile Commissioner Order No. 2 (10)/ 64-Control dated the 14th August, 1964, if any, shall also be kept. Statistical data regarding available machine hours spindle hours and actual machine hours/spindle hours worked shall be maintained. Reasons for plant stoppages shall also be recorded under classified headings.

Records as will enable the company to identify the capital employed separately for the viscose staple fibre, viscose filament yarn and viscose tyre yarn cord and Acetate yarn/fibre activities shall also be maintained. Fresh investments on fixed assets that have not contributed to 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 II shall be such as to enable the company to exercise, as far as possible, control over the various operations and costs with a view to achieve optimum 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, Excise Department and other authorities.

ANNEXURE I

Name of the Company_____

Name and address of Rayon Factory_____

Statement showing the cost of water treated /consumed during
the year ending_____

Installed capacity_____

Quantity of water treated_____

Cost per Kilo litre of water treated_____

	Particulars	Unit	Rate	Quantity (Rs.)	Amount (Rs.)
	(1)	(2)	(3)	(4)	(5)
1	Water Royalty				
2	Chemicals :				
	(i) Chlorine				
	(ii) Calcium Hydrochloride				
	(iii) Alum				
	(iv) Bleaching Powder				
	(v) Sodium Aluminate				
	(vi) Lime				
	(vii) Any other item (to be specified)				
3	Stores				
4	Power				
5	Salaries & Wages				
6	Repairs and Maintenance				
7	Overheads				
8	Depreciation				
	TOTAL				
9	Less: Credits, if any				
10.	NET TOTAL				
			No. of Units		Amount (Rs.)
	Consumption :				
	(i) Steam				
	(ii) Power				
	(iii) Viscose fibre				
	(iv) Viscose filament yarn				

- (v) Viscose Tyre Yam
- (vi) Sulphuric Acid plant
- (vii) Carbon-di-sulphide Plant
- (viii) Caustic Soda and Chlorine Plant
- (ix) Bleached cotton
- (x) Cellulose acetate
- (xi) Acetate yam
- (xii) Acetate fibre
- (xiii) Others

Notes :

1. If treated water is supplied to any other outside party, necessary credits for recoveries made shall be given against item 9.
 2. Where metres are not installed consumption of treated water 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 Proformae 'D' and 'F' only.
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ANNEXURE II

Name of the Company_____

Name and address of the Rayon factory_____

Statement showing the cost of steam raised & consumed during the year ending_____.

Installed steam generation capacity Kg./hr at Kg./Cm²_____

Quantity of Steam raised_____Tonnes Pressure-Kg./Cm²

Cost per tonne of steam raised_____

Particulars	Quantity	Rate (Rs.)	Amount (Rs.)
(1)	(2)	(3)	(4)
1 Water (As per Annexure 1)			
2 Fuels :			
(a) Coal			
(b) Fuel Oil			
(c) Electricity			
(d) Other Fuel, 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 : Credits for Coal Ash, condensate and other credits, if any			
10. Less : (a) Cost of live steam used by power houses			
(b) Other units of the Company			
11. Quantity and cost of balance steam			
	Units	Pressure Amount	
	Kg./	Cbm ² g	
Consumed in :			
(1) Viscose Staple Fibre			
(2) Viscose Filament Yarn			
(3) Viscose Tyre Yarn			
(4) Sulphuric Acid			

- ⑥ Carbon-di-sulphide
- ⑥ Caustic Soda/Chlorine
- ⑦ Bleached Cotton
- ⑥ Cellulose acetate
- ⑨ Acetate Yarn
- (10) Acetate Fibre

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. Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proformae 'D' and 'F' only.
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ANNEXURE III

Name of the Company _____

Name and address of the Rayon Factory _____

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

Installed generation capacity MW _____

No. of Units generated KWH _____

No. of Units purchased KWH _____

Consumption in power house KWH _____

Net Units consumed KWH _____

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

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

TOTAL

B. Power purchased

TOTAL (A+B) .

Less : Recoveries if any

TOTAL

Cost per unit (purchased and generated)

Installed Load	Quantity	Amount (Rs.)
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Consumed in

(1) Water treatment

(2) Steam generation

(3) Air-Conditioning

- (4) Viscose Staple Fibre
- (5) Viscose Filament Yarn
- (6) Viscose Tyre Yarn
- (7) Caustic Soda/Chlorine
- (8) Carbon-di-Sulphide
- (9) Sulphuric Acid
- (10) Sodium Sulphate
- (11) Bleached Cotton
- (12) Cellulose Acetate
- (13) Acetate Yarn
- (14) Acetate Fibre
- (15) 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 Proformae 'D' and 'F' only and not in any other Proforma.
-

ANNEXURE IV

Name of the Company_____

Name and address of the Rayon Factory_____

Statement showing the cost of Air-Conditioning during the year ending_____.

Thermal units/hr.

- (a) Installed capacity_____
- (b) Average operating load_____
- (c) No. of hours 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 Overheads			
7 Depreciation			

Total cost

Apportionment	Cost	Percentage
1 Viscose Staple Fibre		
(a) Viscose Deptt.		
(b) Spinning Deptt.		
2 Viscose Filament Yarn		
(a) Spinning Deptt.		
(b) Coning Deptt.		
3 Viscose Tyre yarn		
(a) Viscose Deptt.		
(b) Textile Deptt.		
4 Acetate Fibre		
(a) Bleaching Deptt.		
(b) Spinning Deptt.		

- 5 Acetate Yam.
 - (a) Bleaching Deptt.
 - (b) Spinning Deptt.
- 6 Other units

Notes :

- 1 The apportionment of Air-Conditioning cost to the different departments and cost centres shall be done on scientific and reasonable manner and applied consistently
 - 2 Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proforma 'D' and 'F' only and. not in any other Proforma.
-

3	Direct Salaries & Wages					
4	Utilities (a) Power (b) Water (c) Steam (d) Air-Conditioning					
5	Repairs & Maintenance					
6	Stores and Spares					
7	Other Works Overheads					
8	Research and Development Expenses					
9	Depreciation					
10.	Share of Admn. Overhead					
TOTAL						
11.	Less : Credit for (a) Waste recovered (b) Glauber salt					
12.	Adjustment for opening and closing balance of Work-in-Progress					
13.	Stock Adjustments Add: Opening Stock Less : Closing Stock					
14.	Total cost of Viscose Staple Fibre/Viscose Filament Yarn transferred for packing					

* If market rate basis is adopted instead of actual expenses incurred for own production of rayon grade pulp consumed in the manufacture of rayon Products, impact on the basis of the cost of production and cost of sales of rayon products due to difference in the basis adopted shall be separately worked out and indicated in the respective Proforma.

Notes :

1. Separate cost statements shall be maintained in respect of different qualities of Viscose, Staple Fibre manufactured like coloured staple fibre, staple fibre for

making tops for filter tips and other uses indicating cost of the additional chemicals separately.

- 2 Separate cost statements shall be maintained for the respective production obtained under steeping or slurry or other alternative processes.
 - 3 Denier-wise cost statements shall be maintained in respect of Viscose Filament Yarn. If, however, it is not possible, the apportionment of common cost shall be done on the basis of respective length of production as indicated in Proforma 'B' .
 - 4 The basis on which the realisable value for rejection ,wastages such as good waste, oily waste etc., is determined shall be clearly indicated. Expenditure any incurred for the disposal of such items shall be taken into account in arriving at the figures at item 11.
 - 5 The apportionment of head office expenses and other common overheads to the product under reference in the case of multi-product unit shall be equitable.
 - 6 Credits for glauber salt shall be reasonable and based on realisable value of sodium sulphate.
 - 7 The Stock adjustments against item 13 of this Proforma shall relate to Rayon before packing only.
 - 8 Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proforma 'D' only.
 - 9 The cost of Viscose Staple Fibre processed. further for conversion into tops shall be transferred separately to Proforma 'C' .
-

PROFORMA 'A-1'

Name and address of the Company _____

Name and address of the Acetate Yarn/Fibre Factory _____

Statement showing the cost of production of bleached cotton used in the manufacture of Acetate Yarn/Fibre during the year ending _____.

Production	Current year (Tonnes)	Previous year (Tonnes)
1 Total dry Cotton linters Consumed		
2 Total output		
3 Waste percentage		

Particulars	Qty. Units	Rate Per Unit Rs.	Total Cost Rs.	Cost Per Kg.	
				Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)	(6)
1 Raw Materials : Cotton lintens : (a) Second Cut linters (b) Defibrated linters (c) Mill Run linters					
2 Process Chemicals (a) Chlorine (b) Sulphuric Acid (c) Caustic Soda (d) Others (to be specified)					
3 Direct Salaries & Wages					
4 Utilities : (a) Power (b) Water (c) Steam					
5 Repairs and Maintenance					

6	Stores and Spares					
7	Other Works Overheads					
8	Depreciation					
9	Share of Administration Overhead					
	TOTAL					
10.	Adjustments for opening and closing balance of Work-in-Progress.					
11.	Stock Adjustments : Add: Opening Stock Less: Closing Stock Total cost of production					
12.	Total cost of bleached cotton (linters) transferred to Proforma AII.					
13.	Quantity sold if any					
14.	Sales Realisation					

Notes :

1. Bonus to employees other than incentive bonus, provision statutory gratuity and interest charges shall be shown in Proforma 'F' only.
2. Appropriate share of selling & distributed shall be charged on quantity sold.

PROFORMA 'A-II'

Name and address of the Company.....

Name and address of the Acetate/Yam/Fibre Factory.....

Statement showing the cost of Cellulose Acetate manufactured during the year ending--

	Current year (Tonnes)	Previous year (Tonnes)
(1) Production		
(2) Total Input		
(3) Total Output		
(4) Waste Percentage		

Particulars (1)	Qty. Units (2)	Rate per unit Rs. (3)	Total Cost Rs. (4)	Cost per Kg.	
				Current year (5)	Previous Year (6)
1. Raw Materials: (a) Bleached Cotton linters (Proforma A-I) (b) Acetic Acid (c) Acetic anhydride Less : Credit for acetic acid					
NET TOTAL					
2. <i>Process Chemicals</i> (to be specified) (a) Sulphuric acid (b) Magnesium Oxide (c) Others					
3. Direct Salaries & Wages					
4. Utilities : (a) Power (b) Water (c) Steam					
5. Repairs and Maintenance					

6. Stores and Spares					
7. Other Works Overheads					
8. Depreciation					
9. Share of Administration Overhead					
TOTAL					
10. Adjustments for opening and closing balance of Work-in-Progress.					
11. Stock Adjustments: Add: Opening Stock Less: Closing Stock					
12. Total cost of Production of Cellulose Acetate (transferred to Proforma A-III)					

Note: Bonus to employees other than incentive bonus, provision for statutory gratuity and interest charges shall be shown in Proforma "D" only.

PROFORMA 'A-III'

Name and address of the Company.....
 Name and address of the Acetate Yam/Fibre Factory----.....
 Statement showing the cost of production of Acetate Yarn/Fibre.
 manufactured during the year ending.....

	Current year	Previous year
1. Type		
2. Description		
3. Quality		
4. Denier		
5. Production		
6. Total Input		
7. Total Output		
8. Waste percentage		

Particulars	Qty. (Units)	Rate per unit (Rs.)	Total Cost (Rs.)	Cost per Kg.	
				Current yr.(Rs.)	Previous Yr.(Rs.)
I. Raw Materials (a)Cellulose Acetate (Proforma A-II) (b)Waste Yarn (c)Acetone TOTAL Less : Credit for acetone Recovery NET TOTAL					
2. Chemicals (a) Titanium dioxide (b) Celite (c) Activated Carbon (d) Others (to be specified)					
3. Stores					
4.Direct Salaries & Wages					
5. Utilities : (a) Power (b) Water (c) Steam (d)Others (to be specified)					

6.Repairs and Maintenance					
7.Works Overhead					
8, Research & Development Expenses					
9.Depreciation					
10.Share of Administration Overhead					
TOTAL					
II- Less: Credit for waste					
12. Adjustments for opening and closing balance of Work-in-Progress.					
13. Stock Adjustments: Add: Opening Stock Less: Closing Stock					
14.Total cost of Acetate Yam/fibre transferred for packing to porforma ' D '.					

Notes

- (1) Separate cost statements shall be maintained in respect of different qualities of acetate fibre manufactured.
- (2) Denier wise cost statements shall be maintained in respect of acetate Filament yarn. If however it is not Possible to apportion common cost, the same shall be done on the basis of respective length of production as indicated in porforma B .
- (3) The basis on which the realisable value of rejection ,wastage, etc is determined shall be clearly indicated. Expenditure, if any, incurred for the disposal of such items shall be taken into account in arriving at the figures at item 11.
- (4) The apportionment of head office expenses and other common overheads to the products under reference in the case of multi-product units shall be equitable.
- (5) The stock adjustment against item 13 of this Proforma shall relate to Acetate Yarn/Fibre before packing only.
- (6) Bonus to employ other than incentive bonus , provision for statutory gratuity and interest charges shall be shown in Proforma '**D**' only.

PROFORMA 'B'

Name of the Company -----

Name and address of the Rayon Factory-----

Statement showing denier-wise distribution of common cost of Viscose Filament
Yarn/Acetate Yarn /produced during the year ending -----

Deniers	Actual production Kg	Ratio of conversion	Total length in '000 Mtrs	Distribution of common cost on length basis(Rs.)	Direct cost (Rs.)	Total cost (Rs.)	Cost per Kg.	
							Current year (Rs.)	Previous year (Rs.)
1	2	3	4	5	6	7	8	9

Note: The apportionment of common cost may be done on the above basis and indicated in Proforma A in accordance with para XIV(2) and (4) of Schedule I. The break up of such expenses which are distributed to different deniers shall also be attached.

PROFORMA 'C'

Name of the Company-_____

Name and address of the Rayon Factory _____

Statement showing the cost of production of Viscose Staple Fibre in the form of
Tops mixing with wool manufactured during the year ending-----

	Current Year	Previous Year
1. Staple		
2. Denier		
3. Colour		
4. Quantity of Viscose Fibre processed		
5. Quantity of Viscose Fibre in the form of tops obtained		
6. Waste: (a) Good waste (b) Oily Waste		
7. Total Waste percentage.		

Particulars	Qty. (Units)	Rate per unit (Rs.)	Total Cost (Rs.)	Cost per Kg.	
				Current year (Rs.)	Previous Year (Rs.)
1. Viscose Staple Fibre transferred from Proforma A					
2. Packing & Despatch to Processor if applicable (a) Packing Materials (b) Salaries and wages (c) Other Overhead including depreciation					
3. Cost of conversion into tops					
Total					
Less: Credits for: (a) Good waste (b) Oily waste					
4. Stock Adjustments Add: Opening Stock Less: Closing stock.					
5. Quantity of tops transferred to Proforma 'D'					

Notes .

- I. Separate cost statements shall be maintained for each quality and colour.
2. If conversion is done by the. company, element-wise cost of conversion shall be shown against item No.3., Adjustment for opening & closing balances of work-in-progress shall be indicated in such cases.
3. Adequate records for quantity despatched to the contractor and quantity received as tops shall be maintained

PROFORMA 'D'

Name of the Company-----

Name and address of the Rayon Factory-----

Statement showing the cost of Sales of Viscose Staple Fibre/Viscose Filament
Yarn/Acetate Yarn /Fibre (Quality of Fibre/ Yarn to be specified) packed and
sold during the year ending-----

	Current year (Qty Kg)	Previous year (Qty Kg)
(a)Type of winding : :Hanks/Cones/Cheese		
(b)Input in winding Deptt.		
(c)Iutput of winding Deptt.		
(d))Waste percentage		
(e)Quantity packed		
(f) Quantity sold.		

Particulars	Qty. (Units)	Rate per unit (Rs.)	Total Cost (Rs.)	Cost per Kg.	
				Current year (Rs.)	Previous year(Rs.)
1.Cost of Viscose Staple Fibre/Viscose/Filament Yarn/Acetate Yarn/Fibre and Fibre in the form of tops transferred from A- III and C					
2. Winding Charges					
(a) Cones					
(b) Salaries & Wages					
(c) Stores & Spares					
(d) Depreciation					
(e) Repairs & Maintenance					

(f) Other Overheads					
Total					
3-Adjustment for difference in work-in - progress stock					
4. Adjustments Add: Opening stock Less : Closing stock Quantity transferred for packing					
5. Packing Cost (a) Packing Materials (as may be appropriate for, (i) Jute pack sheet (ii) Polythene sheet (iii) Wooden Boxes (iv) Card Board Boxes (v) Mild Steel Wire (vi) Other packing materials (b)Salaries and Wages (c)Repairs and Maintenance (d)Other Overheads (e)Depreciation.					
Total					
6. Stock Adjustments (Packed goods): Add: Opening Stock Less: Closing Stock					
Cost of quantity transferred to Sales					
7.Selling and					

Distribution Expenses (for quantities sold only) (i) Salaries and Wages (ii) Commission to Selling Agents (iii) Freight and transport charges less recoveries from customers (iv) Loading and unloading charges (v) Godown rent (vi) Retail sales office expenses such as rent etc., if any (vii) Other expenses . (viii) Share of Administration Overheads					
8.Total cost including selling and distribution expenses					
9.Interest charges					
10. Annual Bonus to employees					
11.Provision for statutory gratuity					
12.Other expenses not included in cost (to be specified)					
Total					
13 Less Other incomes not considered in cost (items to be specified).					
14.Total expenses excluding excise duty for quantity sold within the country					

15. Sales realisation excluding excise duty for quantity sold within the country (a) At Prices under voluntary agreement (b) At prices under free sale price (c) Self-consumption, if any					
<u>6.</u> Margin (1)Under Voluntary agreements (2)Under free sale price					

Notes:

1. Separate cost statements shall be maintained in respect of each quality of Viscose Staple Fibre/Acetate Yarn/Fibre and Fibre sold in the form of tops for woollen industry and each denier of Viscose Staple Fibre, Viscose Filament Yarn manufactured and sold. Separate cost statements shall also be maintained. for each form of winding like hanks and cones.
2. Separate cost statements shall be maintained for the respective production obtained under steeping or slurry or other alternative processes.
3. Packing materials recovered from raw materials purchased and reused for packing fibre shall be charged at reasonable rates.
4. 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.
5. Interest charges, actually incurred shall only be shown against item 9.
6. 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.
7. Sales realisation shall be shown separately for each type of Viscose Staple Fibre/Filament Yarn/Acetate Yam/Fibre sold against item 15 of this Proforma.
8. Separate cost statements under this Proforma(suitably modified)shall be maintained in respect of Viscose Staple Fibre/Viscose Filament Yarn/Acetate Yarn/Fibre exported wherein expenses incurred on exports and incentives earned thereon shall also be shown.
9. Sales realisation under item 15 above should indicate the broad details such as sale to actual users/exporters/as per Textile Commissioner's, Order or as per voluntary agreement with weavers and under free sale price.
10. Self consumption, if any, shall be shown separately.

PROFORMA 'E'

Name of the Company_____

Name and address of the Rayon Factory_____

Statement showing the cost of Viscose Tyre Yarn manufactured
during the Year ending_____

(1) Type	
(2) Description	
(3) Quality	
(4) Denier	
(5) Production (in Tonnes)	
(6) Total dry Cellulose content of Tyre cell pulp consumed	
(7) Total dry Cellulose content of output	
(8) Waste percentage	

Particulars	Qty. (Units)	Rate per unit (Rs.)	Total Cost (Rs.)	Cost per Kg.	
				Current year (Rs.)	Previous year(Rs.)
1. Raw Material Tyre cell Pulp					
2. Process Materials (a) Caustic Soda (b) sulphuric acid (c) Carbon-di- sulphide (d) Other chemicals					
3. Direct Salaries & Wages					
4. Utilities (a) Power (b) Water (c) Steam (d) Air-conditioning (e) Other Services (to be specified)					
5. Stores and Spares					

6. Other Works Overheads					
7. Research & Development expenses.					
8. Depreciation					
9 Share of Administration Overheads					
TOTAL					
10. Less : Credit for (a) Waste recovered (b) Glauber Salt					
11. Adjustment for opening and Closing balances of work-inprogress					
12. Stock Adjustments Add: Opening Stock Less: Closing Stock					
13. Total cost of tyre yarn transferred to Proforma 'F1					

Notes:

1. Separate cost statements shall be maintained in respect of different qualities of Viscose Tyre Yarn like Super I and Super II.
2. The apportionment of head office expenses and other common overheads to the product under reference in the case of multi-products units shall be equitable.
3. The basis on which the realisable value for rejections, wastage such as good waste, oily waste, etc. is determined shall be clearly indicated. Expenditure, if any, incurred for the disposal of such items shall be taken into account in arriving at the figures at item 10.
4. Credit for glauber salt shall be reasonable and based on recoveries for sodium Sulphate saleable.
4. Bonus to employees other than incentive bonus, 'provision for statutory gratuity and interest charges shall be shown in Proforma 'F' only.

PROFORMA 'F'

Name of the Company-----

Name and address of the Rayon Factory-----

Statement showing the cost of sales of Viscose Tyre Yarn / Cord / Fabric (quality to be specified) packed and sold during the year ending-----

	Current year(Qty-Kg.)	Previous year (Qty- Kg)
(1) Input of total tyre yarn.		
(2) Tyre cord produced		
(3) Waste %		
(4) Input of tyre cord		
(5) Output of fabric		
(6) Waste %.		
(7) Quantity packed		
(8) Quantity sold		

Particulars	Qty. (Units)	Rate per unit (Rs.)	Total Cost (Rs.)	Cost per Kg.	
				Current year (Rs.)	Previous year(Rs.)
1.Cost of Viscose Tyre Yarn transferred from Proforma 'E'					
2.Expenses on Slashing (a) Salaries & Wages (b) Repairs & Maintenance (c) Depreciation (d) Other Overheads					
2. Expenses on Secondary Coning (a) Salaries & Wages - (b)Repairs & Maintenance (c)Depreciation (d)Power (e)Other overheads					

4. Expenses on Cord making (a) Salaries & Wages (b) Power (c) Repairs & Maintenance (d) Depreciation (e) Other Overheads					
5. Expenses on Fabric Making (a) Cotton Weft (b) Power (c) Salaries & Wages (d) Repairs & Maintenance (e) Other Overheads .					
6.(a) Adjustment for opening and closing work-in-progress (b) Stock adjustment Add: Opening Stock Less: Closing Stock					
7. Packing Expenses : (For quantity packed) (a) Cones (b) Bobbins (c) Rolls (d) Wooden Boxes (e) Other Materials, if any (f) Wages (g) Repairs & Maintenance (h) Depreciation (i) Other overheads					
TOTAL:					
8. Stock Adjustments Add: Opening Stock Less Closing Stock					
TOTAL:					
9- Selling & Distribution Expenses					

10. Total cost including selling and distribution expenses: a) Salaries and wages b) Commission to Selling agents c) Freight and transport charges d) Loading & unloading charges. e) Others (to be specified) f) share of administration overheads					
11. Interest					
12. Annual Bonus to employees					
13. Provision for statutory gratuity					
14. Other expenses not included in cost (to be specified) .					
15. Less- Other incomes not considered in cost (items to be specified)					
16. Total, expenses excluding excise duty for quantity sold within the Country.					
17. Sales realisation for Tyre Yarn/Cord/Fabric excluding excise duty for quantity sold within the country					
18. Margin					

Notes:-

1. Delete items not applicable for any one product.
2. Separate cost statements shall be maintained for each quality of tyre yarn like super I and super II as well as for different qualities of tyre cord and fabrics manufactured and sold.

- 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 II.
- 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 realisation shall be shown separately for each type of Viscose Tyre Yam/Cord/ Fabrics sold against item to this Proforma.
- 7.Separate cost statements under Proforma (suitably modified) shall be maintained in respect of Tyre Yarn/Cord/Fabric exported where in expenses incurred on exports and incentives earned thereon shall be shown.
- 8.If tyre yarn is got converted into fibre by outside parties, necessary records relating to conversion cost shall be maintained and the cost incurred indicated under item '5' of this Proforma.
- 9.Adjustment of work-in-progress shall be made wherever applicable.

1	2	3	4	5	6	7	8
1. Raw Materials consumed							
2. Process Material consumed							
3. Packing Materials							
4. Direct salaries and 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. Adjustment for difference between opening and closing balances of work-in-progress							
Total							
13. Less :Credits for recoveries: (i) By-products (ii) Spinning Wastes (iii) Others							
Total							
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)							
Total							
21. Less :Other incomes not considered in cost (items to specified)							
Total							
22. Total excluding excise duty							
23. Deduct export benefits, if any							
24. Net Sales realization (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 H

Name of the Company_____

Name and address of the Rayon Factory--_____

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

Name of the Unit e.g.

Viscose staple fibre, Filament yarn, Tyre. yarn/cord/
fabrics/acetate yam/fibre, steam generation, power generation,
water treatment etc. (following information has to be furnished
separately in respect of each of the above units).

Reasons of loss of Production	Production Losses	Production Losses installed capacity (percentage)	Remarks
1. Routine plant maintenance (Please indicate nature of maintenance)			
2.Unforseen break-down of plant & machinery			
3.Shortage of raw materials			
4.Power failure			
5.Strike,lock-out			
6.Any other reasons			

yarn of different deniers: (i) (ii) (iii) (iv) (v)										
4.Viscose tyre yarn/cord of different (i) (ii) (iii) (iv)										
5. Carbon di-sulphide										
6. Sulphuric acid.										
7. Caustic soda										
8.Glauber salt										
9.Sodium sulphate										
10.Raw cotton linters										
11.Acetate yarn										
12.Acetate fibre										
13.Acetate acid										
14.Acetone										
15.Bleached cotton										
16.Cellulose acetate										
17.Others										

Note:1. The items of finished stock shall be shown in as much details as practicable.

2.Values shall exclude excise duty wherever applicable.

"SCHEDULE III **⁸
[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 Rayon Grade Pulp, Tyre Grade Pulp, Caustic Soda and other materials required for the production of rayon products. If the company have its own plantation to produce Rayon Grade Pulp and/or Tyre Grade Pulp, detailed records indicating the break up of raw materials consumed for its production and conversion cost shall be maintained in such details so as to enable the ascertainment of the cost of Rayon Grade Pulp and/or Tyre Grade Pulp. The records shall also indicate the proportion of different kind of pulps used from different sources for the manufacturing of different rayon products. 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.

(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/chemicals such as Charcoal, Titanium dioxide, Carbon-di-sulphide, sodium sulphide, sulphuric acid, liquid chlorine, cotton linters, zinc, dyes and other items used in the manufacture of the Rayon Grade Pulp or rayon 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. The basis on which the quantities and cost of issues and consumption of process materials produced by the company are calculated, shall be indicated in the cost records and followed consistently.

(3) Where the company produces these process materials, 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. In case, any process chemical/intermediate like Caustic Soda or Sulphuric Acid, etc., for which Cost Accounting Records Rules have been prescribed, is manufactured/produced by the

⁸ **inserted vide GSR 694(E) dated 31.8.2000 – Applicable for each of the financial year commencing on or after 1st April,2001.

company, proper cost records shall be maintained as per those rules so as to arrive at the cost of such items. These inputs will be transferred at cost price only.

(4) The proper records shall be maintained indicating the quantity as well as value of the by products recovered in different processes and having significant value of the cost of input of material. In the case of certain by-products like Glauber Salt recovered, which cannot be reused in the process and are sold or disposed of without further processing, the realization 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 cost incurred thereon shall be maintained in detail. The net realization, if any, shall be adjusted against the major process relating to such by-product. The basis adopted for determining cost of the by-products shall be on equitable and reasonable basis and applied consistently. Records indicating the actual sales realization 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.

(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 or 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. The total waste in terms of cellulose content of pulp made up from waste in different departments shall also be recorded separately to enable control of such losses. 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) 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 and D of Schedule III annexed to these rules. The records may be maintained to book these expenses cost-centrewise or departmentwise like Viscose preparation, spinbath preparation, spinning, after treatment, conversion into final packing, etc., with reference to activities related to production of rayon products. 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 utilized for other products of the company also, the basis of apportionment of such expenses to any type of rayon products and to the other products shall be on equitable and reasonable basis and clearly indicated in the records 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 rayon 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 rayon products shall be maintained. The cost of steam apportioned to the cost centres or department concerned shall be on equitable and reasonable basis and applied consistently. Where steam is raised and supplied by any other unit of the company to the rayon plant, the cost of steam so supplied shall be charged to the rayon plant on actual cost basis.

(3) Power: - For power purchased, proper records shall be maintained for the units and cost of power consumed for the production of rayon 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 rayon 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 rayon 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 rayon 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) 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 charged to rayon products on equitable and reasonable basis and applied consistently.

(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 charged to rayon products on equitable and reasonable basis and applied consistently.

(6) 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 rayon products.

(7) 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 utilized 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 and spare parts representing items which have not moved for over 24 months.

(2) The expenditure on major repair work from which benefit is likely to accrue for more than one financial year shall be allocated over the period expected to benefit on equitable and reasonable basis and applied consistently. Such costs shall be shown separately and method of accounting with the basis of 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 rayon 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.

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 analyzed, classified and grouped according to functions, namely, works, administration, selling and distribution.

(2) Where the company is manufacturing products other than the rayon products, 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 Rayon 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. The 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 OR 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 product 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 rayon 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 rayon 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 rayon 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 rayon 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 utilized for other products of the company, the basis of apportionment to rayon products and to other products shall be equitable 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, which shall be followed 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/statements.

12. EXPENSES OR INCENTIVES ON EXPORTS:

The proper records showing the expenses incurred on the export sales, if any, of the rayon products shall be separately maintained so that the cost of export sales can be determined correctly. Separate cost statement shall be prepared for rayon 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 rayon 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 rayon 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 rayon products in Proformae A, B, C and D.

(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 showing production, issues for sales and balances of different types of the product under reference 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. 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 analyzed 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 utilized shall be maintained for production of rayon products and shortfall suitably analyzed. Suitable records for computation of idle time of machines shall also be maintained and analyzed.

(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 Rayon products and other products and other activities. Fresh investments on fixed assets that have not contributed to the production of rayon 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 rayon product is used for captive consumption, proper records shall be maintained showing the quantity and cost of each item of rayon 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 separately.

[21 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, or are under common control with, the reporting enterprise (this includes holding companies, subsidiaries and fellow subsidiaries);
- (b) Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of Which the reporting enterprise is an associate or a joint venture;
- (c) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives Them control or significant influence over the enterprise, and relatives of any such individual;
- (d) Key management personnel and relatives of such personnel; and
- (e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise.

However, the following shall not be deemed as "related party relationships":

- (a) Two companies simply because they have a Director in common, notwithstanding paragraph (d) or (e) above (Unless the Director is able to affect the policies of both companies in their mutual dealings);
- (b) A single customer, supplier, franchiser, distributor, or general agent with whom an enterprise transacts a Significant volume of business merely by virtue of the resulting economic dependence; and
- (c) The parties listed below, in the course of their normal dealings with an enterprise by virtue only of those dealings (although they may circumscribe the freedom of action of the enterprise or participate in its decision Making process);
 - (i) Providers of finance;

- (ii) Trade unions;
- (iii) Public utilities;
- (iv) Government departments and government agencies including government sponsored bodies.

Explanation: -For the purpose of these Rules,

(a) "Related party relationship" mean parties who are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions;

(b) "Related party transaction" means a transfer of resources or obligations between related parties, whether or not a price is charged;

(c) "Control" means

(i) Ownership, directly or indirectly, of more than one-half of the voting power of an enterprise; or

(ii) Control of the composition of the Board of Directors in the case of a company or of the Composition of the corresponding governing body in case of any other enterprise; or

(iii) a substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the enterprise.

(d) "Significant influence" means participation in the financial or operating policy decisions of an enterprise, but not control of those policies;

(e) "Associate," means an enterprise in which an investing reporting party has significant influence and which is neither a subsidiary nor a joint venture of that party;

(t) "Joint venture" means a contractual arrangement whereby two or more parties undertake an economic activity, which is subject to joint control;

(g) "Joint Control" means the contractually agreed sharing of power to govern the financial and operating policies of an economic activity So as to obtain benefits from it;

(h) "Key management personnel" mean those persons who have the authority and responsibility for planning, directing and controlling the activities of the reporting enterprise;

(i) "Relative"-in relation to an individual, means the spouse, son, daughter, brother, sister, father and mother who may connected by blood relationship;. I

(j) "Holding company" means a holding company within the meaning of Section 4 of the Companies Act, 1956 (1 Of 1956);

(k) "Subsidiary" means a subsidiary company within the meaning of Section 4 of the Companies Act, 1956 (1 of 1956);

(l) "Fellow subsidiary" means a company is said to be a fellow subsidiary of another company if both are Subsidiaries of the same holding company;

(m) "State-controlled enterprise" means an enterprise which is under the control of the central Government or a State Government."]*

PROFORMA `A`

Name of the company -----

Name and address of the factory-----

Statement showing the cost of Utility like Power, Steam, Air-conditioning, Water, Compressed Air, 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 is manufactured by the company, is sold, proper credit should be given in the cost of generation of that utility.

Proforma `B`

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 Rayon product produced/manufactured during the year/period _____

Denier/Type/Quality of the product _____

A. Quantitative Information:

Serial number	Particulars	In MTs	
		Current Year	Previous Year
1.	Installed capacity		
2.	Quantity produced		
3.	Capacity utilization		
4.	Quantity sold (a) Domestic (b) Export		
5.	Total dry cellulose content of wood pulp		
6.	Total dry cellulose content of output		
7.	Waste percentage		
8.	Closing stock (finished goods)		
9.	Opening stock (finished goods)		

B. Cost Information:

Serial number	Particulars	Quantity	Rate	Amount	Per MT	
			(Rupees)	(Rupees in lacs)	Current Year (Rupees)	Previous Year (Rupees)
1.	Material cost (itemwise covering 80% of value) (a) Rayon pulp: (i) Own manufactured (ii) Purchased (iii) Imported (b) Process material/chemicals (specify) (c) Others (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)Air-Conditioning (e)Compressed Air (f)Others (specify) (g)Total(a to f)					
4.	Cones					
5.	Consumable stores and spares					
6.	Depreciation					
7.	Repairs and Maintenance					
8.	Royalty					
9.	Research and Development					
10.	Quality control					
11.	Other factory overhead					
12.	Administrative Overhead (a)Salaries and wages (b)Others (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					
19.	Less : Captive consumption					

20.	Packing Cost (a) Materials (b) Others					
21.	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)					
22.	Cost of sales					
23.	Interest					
24.	Annual bonus to employees Minimum Statutory Bonus Other than Statutory Bonus					
25.	Statutory Gratuity including provisions					
26.	Contribution to superannuation scheme					
27.	Total cost excluding excise duty					
28.	Total sales realization Less : (i)excise duty (ii)export incentives					
29.	Margin(28 – 27)					

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

Note 2.- Separate proforma shall be prepared for the quantity sold within 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 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 in lacs)	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 (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)			

Proforma `D`

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 Rayon 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

Serial number	Particulars	Total actual expenses	Share applicable to other activities	Share applicable to Rayon activity No.1	I Share applicable to Rayon activity No.2
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 (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 (c) Materials (d) 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.”

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New Delhi
F.No.52/8/CAB-99

Footnote:

The principal notification was published vide G.S.R. number 606, dated the 20th April, 1976 and subsequently amended vide –

1. GSR 788, dated the 3rd June, 1977
2. GSR 34, dated the 5th January, 1983
3. GSR 557, dated the 22nd July, 1989
4. GSR 317(E), dated the 24th March, 1993
5. GSR 441(E), dated the 3rd August 1998.
6. GSR 694(E) dated 31st August, 2000
7. GSR 723(E) dated 28th September,2001