

COST ACCOUNTING RECORDS (JUTE GOODS) RULES, 1975

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COST ACCOUNTING RECORDS (JUTE GOODS) RULES, 1975

¹1. Published in the Gazette of India, Extraordinary, Pt.II, Sec. 3(1), dated 29th December, 1975 (w.e.f. 1st January, 1976). In exercise of the powers conferred by sub-section (1) of Section 642, read with Cl. (d) of sub-section (1) of Sec. 209 of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following rules, namely :-

1. Short title and commencement :-

(a) Raw Materials.-

(i) Raw Jute : Proper records shall be maintained showing quantity and cost of all the various categories of raw jute quality-wise as per mill grading with corresponding market classification, such as, Tossa Top, Tossa L.G., Tossa S. G., Tossa S. Mid., Tossa Mid., Tossa Bot., Tossa B. Bot., Tossa X. Bot., White Top, White S. Mid, White Mid., White Bot, White B. Bot, White X.Bot, MestaTop, Mesta S, Mid,¹[Proforma "B"]. The rate charged for raw jute consumed for the manufacture of different counts of yarn required for jute goods like sacking, hessian, carpet backing, sale yarn, twine or for any other product shall be disclosed in the cost records. The value of jute consumption shall be determined with reference to the actual quantities of different qualities of raw jute used for the manufacture of the various count of yarn. If the rate adopted for arriving at the value of consumption is different from the actual cost, the value shall be so adjusted as to bring it to the actual cost at least before the end of the financial year.

(ii) Batch cost of raw jute.-Proper records showing the quality-wise quantities and cost thereof of the raw jute consumed in the production of different qualities and counts of yarn such as 8 Ib. Hessian Warp, 9 Ib. Hessian weft, 10 Ib. sacking warp shall be maintained in ¹[Proforma "D"]. Details of the quantities of line cuttings, hessian cuttings, waste yarn, caddies, etc., used in the manufacture of coarse yarn like sacking weft shall be maintained in ¹[Proforma "D"] either on the basis of actuals if available or on the basis of standard for the relevant count. The overall total quantity and cost of different batches of jute, cuttings, waste materials, etc., used in the manufacture of jute goods produced during the year as per summary of ¹[Proforma "D"] shall be reconciled with the total quantity and cost of jute consumed as per ¹[Proforma "B" and "C"] of Schedule II. Where standards are adopted, the variances shall be adjusted by broad classification of raw jute groups used for each .quality of yarn under ¹[Proforma "D"]. Such raw jute groups shall be at least three-fold, namely, high, medium and low. Where standards for computation of raw jute consumption a n d value are adopted, basis for such standard out-turn percentages of different qualities of raw jute shall be maintained.

(b) Direct Materials-

(i) Batching emulsions.-Proper record shall be maintained to show the receipts, issues and balances both in quantities and cost of each item of direct materials such as batching oil, soap, and other

emulsifying materials used for softening of different qualities of raw jute. The cost shall include all direct charges incurred up to the works, wherever specifically incurred. The issues shall be identified properly with the departments and cost centres. As for batches and individual products, if standards are adopted, the variances shall be adjusted on equitable and consistent basis.

(ii) Cotton Selvedge.-Proper records shall be maintained showing receipts, issues and balances both in the quantities and cost of selvedge yarn duly identifying the issues with the department, cost centres and the individual specifications of products like sacking, hessian and carpet backing. The cost shall include all direct charges incurred up to the works, wherever specifically incurred. If standards are adopted, the variances shall be adjusted on equitable and consistent basis.

(iii) Starch.-Proper records shall be maintained showing receipts, issues and balances both in quantity and cost of T.S. powder or any other items of starch. The cost

(c) Lubricating oil.-Proper records shall be maintained to show receipts, issues and balances both in quantity and cost of each item of lubricating oil used by the jute factory. The issues shall be properly identified with the departments and cost centres and absorbed on individual product costs on machine hours, spindle hours, loom hours or on any other more appropriate basis.

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

(i) Proper records shall be maintained to show the receipts, issues and balances both in quantities and cost of each item of consumable stores, small tools and machinery spares. The cost shown shall include all direct charges incurred up to 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 issues of consumable stores, small tools and machinery spares shall be charged to the relevant heads of account, such as, production, repairs and maintenance of plant and machinery, repairs to building duly identified with the departments and cost centres. These expenses pertaining to each department and cost centre shall be absorbed in individual product cost on the

basis of machine hours, spindle and loom hours or on any other more appropriate basis.

(e) Wastages, spoilages, rejections, losses and gain in weight of materials.- Proper records shall be maintained showing the quantity and cost of wastages, spoilages, rejections and losses of raw jute, other direct materials, lubricating oil, consumable stores, small tools and machinery spares whether in transit, storage or during manufacture, or for any other reasons. 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, in determining the cost of the product under reference shall be indicated in the cost records, A separate overall wastage and gain in weight statement showing the net loss or gain in weight of the finished jute products on an overall basis shall also be maintained as indicated in ¹[Annexure II] to this Schedule. Separate records in quantity and cost shall be maintained for the recovery and consumption of line cuttings, caddies, thread waste and other waste materials as in ¹[Proforma "C"] of Sch. II. Separate records showing the loss between winding and weaving and weaving and packing shall also be maintained under ¹ [Profonna "A"]. The method followed for adjustment of the cost of these items shall be consistent and be stated in the cost records.

2 \Application

[. -They shall to every company engaged in the production, processing or manufacture of jute goods excepting those companies falling under the category of small scale industrial undertakings. ² [Explanation.-For the purposes of this rule, the expression "small scale industrial undertaking" means a company-

(a) the aggregate value of the machinery and plant installed wherein does not exceed sixty lakh rupees as on the last day of the preceding financial year, and for this purpose the value of any machinery or plant shall be,-

(i) in the case of any machinery or plant owned by the company the cost thereof to the company; and

(ii) in the case of any machinery or plant held by the company on lease or by hire purchase, the cost thereof as in the case of owner of such machinery or plant; 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.]

1. Subs. by G.S.R. 555, dated 22nd July, 1989 (w.e.f. 5th August, 1989).
2. Subs. by G.S.R. 314(E), dated 24th March, 1993 (w.e.f. 24th March, 1994).

3. Definition :-

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

4 \ Maintenance of records

...-

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

Provided that if the said company is manufacturing any other products or engaged in other activities in addition to jute goods, 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 such jute goods.

1 [(2) The books of account referred to in sub-ruled) shall be kept on a regular basis so as to make it possible to calculate the cost of production and cost of sale of the jute goods at regular intervals, say quarterly during the financial year (hereinafter referred to as the relevant period) as well as for the financial year as a whole, from the particulars entered therein and every such book of accounts and the proforma specified in Sch. II shall be completed within ninety days from the end of the financial year of the company to which they relate.]

(3) It shall be the duty of every person referred to in sub-section (6) and sub-section (7) of Sec. 209 of the Companies Act, 1956 (1 of 1956), to take all reasonable steps to secure compliance by the company with the provisions of sub-rules (1) and (2) in the same manner as they are liable to maintain financial accounts required under sub-section (1) of Section 209 of the said Act.

1. Subs. by G.S.R. 42, dated 5th January, 1983 (w.e.f. 8th

January, 1983).

5. Penalty :-

Proper records showing the expenditure incurred by the workshop/foundry under different heads shall be maintained. Similar records on repairs and maintenance by the various departments and cost centres shall be maintained. The records shall also indicate the basis of charging the workshop expenses to different departments and cost centres. The expenditure so allocated shall be charged to the individual products on machine hours, spindle hours, loom hours or on any other more appropriate basis. Expenditure on major repair works from which benefit is likely to accrue for more than one financial year shall be shown separately in the cost records indicating the method of its accounting in determining the cost of the various jute goods manufactured during the relevant period. Expenditure incurred on works of a 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/foundry of the jute goods factory for other units of the company and vice versa shall be charged on a reasonable basis and applied consistently.

5 \ Penalty

. .-If a company contravenes the provisions of the company and every officer thereof who is in default, including the persons referred to in sub-rule (3) of that rule ¹ [shall,, subject to the provisions of Sec. 209 of the Companies Act, 1956 (1 of 1956), be punishable] with fine which may extend to five hundred rupees and, where the contravention is a continuing one. with a further fine which may extend to fifty rupees for every day after the first during which such contravention continues.

1. Subs by G.S.R. 793, dated 3rd June, 1977(w.e.f. 25th June, 1977).

SCHEDULE 1

SCHEDULE I

1. Materials :-

(a) Raw Materials.-

(i) Raw Jute : Proper records shall be maintained showing quantity and cost of all the various categories of raw jute quality-wise as per mill grading with corresponding market classification, such as, Tossa Top, Tossa L.G., Tossa S. G., Tossa S. Mid., Tossa Mid., Tossa Bot., Tossa B. Bot., Tossa X. Bot., White Top, White S. Mid, White Mid., White Bot, White B. Bot, White X.Bot, MestaTop,

Mesta S, Mid, ¹[Proforma "B"]. The rate charged for raw jute consumed for the manufacture of different counts of yarn required for jute goods like sacking, hessian, carpet backing, sale yarn, twine or for any other product shall be disclosed in the cost records. The value of jute consumption shall be determined with reference to the actual quantities of different qualities of raw jute used for the manufacture of the various count of yarn. If the rate adopted for arriving at the value of consumption is different from the actual cost, the value shall be so adjusted as to bring it to the actual cost at least before the end of the financial year.

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(ii) Cotton Selvedge.-Proper records shall be maintained showing receipts, issues and balances both in the quantities and cost of selvedge yarn duly identifying the issues with the department, cost centres and the individual specifications of products like sacking, hessian and carpet backing. The cost shall include all direct charges incurred up to the works, wherever specifically incurred. If standards are adopted, the variances shall be adjusted on equitable and consistent basis.

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(c) Lubricating oil.-Proper records shall be maintained to show receipts, issues and balances both in quantity and cost of each item of lubricating oil used by the jute factory. The issues shall be properly identified with the departments and cost centres and absorbed on individual product costs on machine hours, spindle hours, loom hours or on any other more appropriate basis.

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

(i) Proper records shall be maintained to show the receipts, issues and balances both in quantities and cost of each item of consumable stores, small tools and machinery spares. The cost shown shall include all direct charges incurred up to 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 issues of consumable stores, small tools and machinery spares shall be charged to the relevant heads of account, such as, production, repairs and maintenance of plant and machinery, repairs to building duly identified with the departments and cost centres. These expenses pertaining to each department and cost centre shall be absorbed in individual product cost on the basis of machine hours, spindle and loom hours or on any other more appropriate basis.

(e) Wastages, spoilages, rejections, losses and gain in weight of materials.- Proper records shall be maintained showing the quantity and cost of wastages, spoilages, rejections and losses of raw jute, other direct materials, lubricating oil, consumable stores, small tools

and machinery spares whether in transit, storage or during manufacture, or for any other reasons. 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, in determining the cost of the product under reference shall be indicated in the cost records, A separate overall wastage and gain in weight statement showing the net loss or gain in weight of the finished jute products on an overall basis shall also be maintained as indicated in ¹[Annexure II] to this Schedule. Separate records in quantity and cost shall be maintained for the recovery and consumption of line cuttings, caddies, thread waste and other waste materials as in ¹[Proforma "C"] of Sch. II. Separate records showing the loss between winding and weaving and weaving and packing shall also be maintained under ¹ [Profonna "A"]. The method followed for adjustment of the cost of these items shall be consistent and be stated in the cost records.

1. Subs. by G.S.R. 42, dated 5th January, 1983 (w.e.f. 8th January, 1983).

2. Salaries and wages :-

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

(i) piece-rate wages earned;

(ii) incentive wages earned, either individually or collectively as production bonus or under any other scheme based on output;

(iii) overtime wages earned;

(iv) earnings of labour engaged on casual work.

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

(c) 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.

(d) Direct and indirect wages including fringe benefits allocated to

cost centres (except piece-rate wages) shall be generally be absorbed in individual product cost on the basis of machine hours, spindle hours, loom hours or on any other more appropriate basis. The piece-rate wages including the fringe benefits thereof shall be absorbed on the basis of the corresponding output such as yardage, bales, number of bags tonnes as the case may be.

3. Service Department Expenses :-

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

4. Utilities :-

(a) Steam.-Where steam is raised by the jute factory of the company, proper records showing the quantity and cost of steam raised and consumed for the production of jute goods shall be maintained, in such detail as may enable the company to furnish the necessary particulars in ¹ [Annexure I] to this Schedule. The cost of steam consumed by the jute factory and other units of the company shall be calculated on a reasonable basis and applied consistently. Where steam is raised and supplied by any other unit of the company the jute factory, the cost of steam so supplied shall be charged to the jute goods activity on a reasonable basis and applied consistently. Steam cost shall be charged to the individual products on a reasonable basis and applied consistently. (b) Power.-Proper records shall be maintained to show the quantity and cost of power purchased. Where power is also generated by the company adequate records shall be maintained to show the cost of power generated in a similar proforma as for steam. The records shall also show the consumption of power by the various departments and cost centres. The cost of power should be allocated to the cost centres on reasonable basis, and further be absorbed to the individual products on a reasonable basis, such as, machine hours, spindle hours, loom hours and applied consistently.

1. Subs. by G.S.R. 42, dated 5th January, 1983 (w.e.f. 8th January, 1983).

5. Workshop/Foundry/Repairs and Maintenance :-

Proper records showing the expenditure incurred by the workshop/foundry under different heads shall be maintained. Similar records on repairs and maintenance by the various departments and cost centres shall be maintained. The records

shall also indicate the basis of charging the workshop expenses to different departments and cost centres. The expenditure so allocated shall be charged to the individual products on machine hours, spindle hours, loom hours or on any other more appropriate basis. Expenditure on major repair works from which benefit is likely to accrue for more than one financial year shall be shown separately in the cost records indicating the method of its accounting in determining the cost of the various jute goods manufactured during the relevant period. Expenditure incurred on works of a 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/foundry of the jute goods factory for other units of the company and vice versa shall be charged 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 assets including installation charges, if any, the date of its acquisition, the date of its installation and the rate of depreciation. In respect of those assets, the original cost of acquisition of which cannot be ascertained without an unreasonable expenditure or delay, the valuation shown in the books on the first day of the financial year beginning on or after the commencement of these rules shall be taken as the opening balance.

(b) The basis on which depreciation is calculated and allocated to the various departments and cost centres and to the products shall be clearly indicated in the records. As far as possible depreciation shall be absorbed in the cost of individual products on the basis of the respective machine hours, spindle hours and loom hours. Depreciation chargeable to the different departments and cost centres shall not be less than the amount of depreciation chargeable in accordance with the provisions of sub-section (2) of Sec. 205 of the Companies Act, 1956 (1 of 1956), and shall relate to plant, machinery and other fixed assets utilised in such departments and cost centres. In case the amount of depreciation charged in the cost in any financial year is higher than the amount of depreciation chargeable under the aforesaid provisions of the Companies Act, the amount so charged in excess and the incidence of such excess depreciation on the unit cost of production of the

individual jute products manufactured shall be indicated clearly in the cost records. The cumulative depreciation charged in the cost records against any individual item of asset shall not, however, exceed the original cost of the respective asset.

7. Overheads :-

Proper records shall be maintained showing the various items of expenses comprising the overheads. These expenses shall be analysed, classified and grouped into works, administration and selling and distribution overheads. The methods followed for the absorption of the overheads in the cost of the products shall be indicated in the cost records. As far as possible works and administration overheads shall be charged to the individual jute goods on machine hours, spindle hours, loom hours, piecewages, yardage, bales or other units, as the case may be. Where the company is engaged in the manufacture of any other products in addition to jute goods, the records shall clearly indicate the basis followed for apportionment of the common overheads including head office expenses of the company to the jute goods activity, other activities and capital works. The basis followed for apportionment of the overheads shall be equitable. Details of selling and distribution expenses and share thereof applicable to jute goods activity and allocation to individual jute goods shall be maintained in such a manner as to enable the company to fill up the particulars in ¹ [Annexure VII to this Schedule and Proforma "K" and Proforma "M"] of Sch. II. The allocation to individual products shall be equitable and followed consistently. Records showing the expenses incurred on export of jute goods, if any, shall be separately maintained, so that the cost of export sales can be determined correctly. The expenses incurred on exports as well as any export incentives earned shall be reflected in the cost statements relating to export sales.

1. Subs. by G.S.R. 42, dated 5th January, 1983 (w.e.f. 8th January, 1983).

8. Packing :-

Proper records shall be maintained showing the quantity and cost of various packing materials, such as, hoops, buckles, pins, pack-sheets, paper card board core, discs, polythene sheets used for packing each individual jute goods to enable filling up of ¹ [Annexure VI to this Schedule and Proforma "J" of Sch. II]. Records shall also be maintained showing wages and other expenses

incurred in respect of different modes of packing like baling, rolling and other forms of packing of various jute goods for arriving at the cost of different packs. Where such expenses are incurred in common, the basis of apportionment of expenses between different jute products shall be clearly indicated in the cost records and applied consistently. Separate records of special expenses, if any, incurred on a particular export packing shall also be kept and exhibited in the relevant cost statements for such export.

1. Subs. by G.S.R. 42, dated 5th January, 1983 (w.e.f. 8th January, 1983).

9. Additional Expenditure On Special Orders :-

Expenses incurred for special cropping and mangling, extra calendering, dyeing, branding shall be indicated separately and charged to the respective products.

10. Jute Goods Transferred For Captive Consumption :-

Proper records shall be maintained showing the quantity and cost of each item of jute goods 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 records. Self-consumption of one category of jute goods used for conversion into another category of jute goods, such as, hessian used for manufacture of tapestry or carpets shall be charged at actual cost and the final cost reflected in ¹[Proforma "L" and "M") or the relevant final jute goods. If any jute goods are utilised by the company for the manufacture of any other goods not covered by these rules (e.g., linoleum), the quantity, rate and value of such self-consumption shall be indicated separately in ¹ [Proforma "M"] of Sch. II." Self-consumption of finished jute goods by the company for other uses, such as, jute bags used for packing cement shall also be shown separately in Proforma 'E' indicating the quantity, rate and value thereof.

1. Subs. by G.S.R. 42, dated 5th January, 1983 (w.e.f. 8th January, 1983).

11. Work-in-Progress and Finished Goods Stock :-

The method followed for determining the cost of work-in-progress and finished goods stock shall be indicated in the cost records so as to reveal the cost elements that have been taken into account in such computation. The method adopted shall be followed consistently.

12. Cost Statements :-

(a) Cost statements shall be maintained showing (i) the losses at various stages of production of jute goods in proforma A' (ii) the total cost of raw jute used for the production of jute goods in proforma B, and (iii) total cutting, thread waste and caddies recovered in the process of manufacture and used for production of jute goods in Proforma C of Sch. II.

(b) Cost statements shall be maintained showing the batch cost and composition of raw jute used, in Proforma 'D' and a statement showing reconciliation between actual jute consumption and the total jute consumption shall be maintained as per proforma 'E' specified in Sch. II. A summary of batch costs of raw jute consumed as per Proforma E shall also be maintained in Proforma F of Sch. II.

(c) Cost statements in detail showing the conversion cost of each operation/process under spinning, weaving, bag-making, packing and selling shall be maintained in Annexures III, IV, V, VI and VII or in forms as near thereto as practicable in order to fill in Proforma G, H, I, J and K specified in Sch. II.

(d) Cost statements showing the cost of production shall be maintained in respect of all types of jute goods by sizes, specifications and descriptions in proforma L and that showing the cost of sale in Proforma 'M' of Sch. II or in a form as near thereto as practicable. Separate statements shall be maintained by the mill showing description, quantity, sale proceeds of all jute exported by them specification-wise.

(e) In case it is not possible to make such data for all fabrics, bags and other jute products, the cost of production, the cost sales and margin shall be maintained in respect of those jute goods which are predominantly produced and which form 5 per cent. or more of the annual production and represent the different jute goods like sacking, hessian, carpet backing, sale twine, decorative fabrics, etc. If the mills do not have individual product forming 5 per cent. or more, cost statements in respect of major items of jute shall be submitted. The data in both cases on an overall basis shall cover not less than 75 per cent. of the total production/sales during the period for each category of jute goods. The cost data regarding the rest of jute fabrics produced and sold shall be given in total as Proforma N specified in Sch. II. The quantity of production may be

given in terms of either contract or actual weight of production in a consistent manner. Separate cost statements shall be maintained in respect of special jute products like laminated bags, carpets felt, bleached and dyed jute fabrics, if any, manufactured by the company.]

13. Reconciliation of Cost and Financial Accounts :-

The cost records shall be reconciled periodically with the financial books of accounts so as to ensure accuracy. Variations, if any, shall be clearly indicated and explained. The period for which such reconciliation is effected shall not exceed the period of the financial year of the company. The reconciliation shall be done in such a manner that the profitability of the product under reference can be correctly adjudged and reconciled with the overall profits of the company. A statement showing the total expenses incurred by the company, income received by it and the share applicable to jute goods shall be maintained in ¹ [Proforma 'O'] duly reconciled with the financial accounts.

1. Subs. by G. S. R. 42, dated 5th January 1983 (w.e.f. 8th January, 1983).

14. Adjustment of Cost Variances :-

Where the company maintains cost records on any basis other than actuals, such as standard costing, the records shall indicate the procedures followed by the company in working out the cost of the 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 ¹ [Annexures III, IV, V and Profomia 'L'] of Sch. II. The reasons for the variances shall be detailed in the cost records.

1. Subs. by G. S. R. 42, dated 5th January 1983 (w.e.f. 8th January, 1983).

15. Records of Physical Verification :-

Records of physical verification shall be maintained in respect of all items held in stock such as raw jute, direct materials, packing materials, consumable stores, lubricating oils, machinery spares, 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 product shall be indicated in the records.

16. 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 Sec. 370(1-B) of the Companies Act, 1956 (1 of 1956), or a company in which a director of the company is also a director in such companies and vice versa, records shall be maintained showing contracts entered into, agreements or understandings reached particularly in respect of,- (a) purchases and sales of raw jute and finished goods and fixed assets; (b) utilisation of plant facilities; (c) supply of utilities; and (d) administrative, technical, management 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.

17. Statistical Records :-

Data, such as, contracts entered into for purchase of raw jute and sale of finished goods shall be maintained in detail indicating separately forward purchases and sales. These records shall also indicate the extent of completion and mode of completion of each contract for purchase and sale at any specific time. Data regarding plant utilisation indicating the reasons for stoppages and under-utilisation of installed capacity under classified headings shall also be kept. Detailed records regarding the manner of control exercised by the company in respect of spinning efficiency and loom efficiency, rejections and wastages in process shall also be maintained. Such records as will enable the company to identify capital employed separately for jute goods shall be kept. Fresh investments on fixed assets that have not contributed to the production during the relevant period shall also be indicated in the records. Statistical and other detailed production records maintained in compliance with the provisions of this schedule and Sch. II shall be such as to enable the company to exercise, as far as possible, control over the various operations and costs and to ensure optimum utilisation of the installed capacities with a view to achieve maximum economies in costs. The records shall provide the necessary data required by the cost auditor to suitably report on all the points referred to in Cost Audit (Report) Rules, 1968, as amended from time to time. The data maintained in the cost records shall be reconciled with the periodical returns submitted by the company to the excise and other authorities.

SCHEDULE II