

**COST ACCOUNTING RECORDS (ELECTRICITY INDUSTRY)
RULES, 2001**

CONTENTS

1. Short title and commencement
2. Application
3. Maintenance of records
4. Penalty

**COST ACCOUNTING RECORDS (ELECTRICITY INDUSTRY)
RULES, 2001**

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 (1 of 1956), the Central Government hereby makes the following rules, namely:-

1. Short title and commencement :-

(1) These rules may be called the (Cost Accounting Records (Electricity Industry) Rules, 2001.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Application :-

These rules shall apply to every company engaged in any of the following activities, namely :-

(1) Generation of electricity from:-

(a) thermal power

(b) gas turbine

(c) hydro-electric power

(d) atomic power

(e) solar power

(f) wind power

(g) any other source of energy;

(2) Transmission and bulk supply of electricity;

(3) Distribution and retail supply of electricity :

Provided that these rules shall not apply to a company,-

(a) the aggregate value of the machinery and plant installed wherein, as on the last date of the preceding financial year, does not exceed the limits as specified for a small scale industrial undertaking under the provisions of Industries (Development and Regulation) Act, 1951 (65 of 1951); and

(b) the aggregate value of the turnover made by the company from sale or supply of all its products or activities during the preceding financial year does not exceed ten crores of rupees.

3. Maintenance of records :-

(1) Every company to which these rules apply shall, in respect of each of its financial year commencing on or after the commencement of these rules, ¹[keep books of accounts] relating to utilisation of materials, labour and other items of cost in so far as they are applicable to any of the activities referred to in rule 2. The books of account, so maintained, shall contain, inter-alia, the ² [the particulars of records specified in the Schedule] annexed to these rules and Proformae A, B C, D, E and F mentioned in the said Schedule :

Provided that if the said company is manufacturing any other product(s) or is engaged in other activities in addition to generation, transmission, distribution and supply of electricity, the particulars relating to utilisation of materials, labour and other items of cost in so far as they are applicable to such other products or activities shall not be included in the cost of the activities referred to in rule 2.

(2) The books of account referred to in sub-rule (1) shall be kept on a regular basis in such a manner as to make it possible to calculate the cost of each activity referred to in rule 2 for every financial year from the particulars entered therein. Every such book of account and the proformae specified in the said Schedule, shall be completed not later than ninety days from the close of the financial year of the company to which it relates.

(3) The statistical and other records shall be maintained in

accordance with the provisions of the Schedule to these rules in such a manner as to enable the company to exercise, as far as possible, control over the various operations and costs with a view to achieve optimum economies in cost. These records shall also provide the necessary data required by the Cost Auditor to suitably report on all the points referred to in the Cost Audit (Report) Rules, 1996 as amended from time to time.

(4) It shall be the duty of every person, referred to in sub-section (6) and (7) of section 209 of the companies Act, 1956 (1 of 1956), to take all reasonable steps to secure compliance by the company with the provisions of sub-rules (1), (2) and (3) of this rule in the same manner as he is liable to maintain accounts required under sub-section (1) of section 209 of the said Act,

Substituted by Notification No. GSR387(E) dated 27.06.2006 for the words "keep proper books of account".

Substituted by Notification No. GSR387(E) dated 27.06.2006 for the words "the particulars specified in the Schedule".

4. Penalty :-