

Al-Abbas Sugar Mills Ltd.

Cost Auditors' Report

For the year ended September 30, 2016

SIDDIQI & COMPANY *Cost & Management Accountants*

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COST AUDITORS' REPORT 2015-2016 AL-ABBAS SUGAR MILLS LIMITED

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Section - 1

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01. Corporate Information

Board of Directors

Chairman

Muhammad Iqbal Usman

Chief Executive

Shunaid Qureshi

Executive Director

Asim Ghani

Directors

Asma Aves Cochinwala

Darakshan Ghani

Duraid Qureshi

Irfan Nasir Cheema

Sayyed Rafay Akber Rashdi

Suleman Lalani

Company Secretary and Chief Financial Officer

Zuhair Abbas

Statutory Auditors

Haroon Zakaria & Co.

Chartered Accountants

Cost Auditors

SIDDIQI & COMPANY

Cost & Management Accountants

Audit Committee

Sayyed Rafay Akber Rashdi – Chairman

Asma Aves Cochinwala – Member

Darakshan Ghani – Member

Duraid Qureshi – Member

Tariq Iqbal – Secretary

Registered Office

*2nd Floor, Pardesi House, Survey No. 2/1, R.Y. 16,
Old Queens Road, Karachi-74000.*

Sugar Factory

Mirwah Gorchani, Distt. Mirpurkhas, Sindh

02. The Company & Manufacturing Process

1) The Company:

The company was incorporated in Pakistan on 02 May, 1991 as Public Limited Company under the Companies Ordinance, 1984. Its shares are quoted on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited). The principal activity and its allied activities include the following:

S.#	Divisions	Principal Activities
1)	Sugar	: Manufacturing and sale of sugar
2)	Ethanol (Note 1.1)	: Processing and sale of industrial ethanol
3)	Chemical and alloys and Power (Note 1.2)	: Manufacturing and sales of calcium carbide and ferro alloys. Generation and sales of electricity.
4)	Tank Terminal	: Providing bulk storage facility
1.1	The company has also entered into agreement for supply of CO2 gas as its ethanol division. The same is not a reportable segment as per criteria defined in IFRS-8.	
1.2	The production facilities of chemical, alloys and power segment have been suspended in view of present business conditions and the matter of its recommendation will be reviewed when these conditions are improved.	

2) Capacity:

Installed sugar cane crushing capacity is 7,500 MT per day.

3) Production Process:

The process consists of the following departments:-

- i) Sugar Cane Procurement
- ii) Cane Cutting and Shredding
- iii) Milling (Juice Extraction)
- iv) Purification (Addition of Lime, Sulphur, Phosphoric Acid)
- v) Clarification
- vi) Multiple Effect Evaporation
- vii) Crystallization
- viii) Centrifuge
- ix) Drying on Hoppers
- x) Packing (Polypropylene bags of 50 Kg each are used in packing)

4) Clarification Process:

Defecation, Melt and Phosphitation.

5) Registered Office:

At 2nd Floor, Pardesi House, Survey No. 2/1, R.Y. 16, Old Queens Road, Karachi.

6) Factories / Storage Locations:

The company's location of undertakings are as under:

- | | | | |
|----|-------------------------------|---|---|
| 1) | Sugar / Ethanol | : | Mirwah Gorchani, Distt. Mirpurkhas, Sindh. |
| 2) | Chemical and Alloys and Power | : | Main National Highway, Dhabeji, Thatta, Sindh. |
| 3) | Tank Terminal | : | Oil Installation Area, Kermari, Karachi, Sindh. |

Cost Auditors' Report

Section - 2

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Statement of Capacity Utilization

Statement of Stock-in-Trade

SIDDIQI & COMPANY

Cost & Management Accountants

COST AUDITORS' REPORT

We, **SIDDIQI & COMPANY, Cost & Management Accountants** having been appointed to conduct an audit of cost accounts of **Sugar Segment** of **AL-ABBAS SUGAR MILLS LIMITED**, have examined the books of account and the statements prescribed under clause (e) of sub-section (1) of section 230 of the Companies Ordinance, 1984 and the other relevant record for the year ended September 30, 2016, and report that-

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of this audit.
2. In our opinion:
 - (a) proper cost accounting records of sugar segment as required by clause (e) of sub-section (1) of section 230 of the Companies Ordinance, 1984 (XLVII of 1984), and as required by these rules, have been kept by the company;
 - (b) proper returns, statements and schedules for the purpose of audit of cost accounts relating to branches were not required as the Company has no branches in or outside Pakistan;
 - (c) the said books and records give the information required by the rules in the manner so required; and
3. In our opinion and, subject to best of our information-
 - (a) The annexed statements of capacity utilization and stock-in-trade are in agreement with the books of account of Sugar Segment as the principal activity of the company and exhibit true and fair view of the Company's affairs; and
 - (b) Cost accounting records have been properly kept so as to give a true and fair view of the cost of production, processing, manufacturing and marketing of the under mentioned products of the company, namely,
 - (i) Main Product:
 - White Sugar
 - (ii) By Products:
 - Molasses
 - Bagasse
 - (iii) Other activities:
 - Ethanol
 - Chemical and alloys and Power
 - Tank Terminal

However, the products other than sugar and electric power generation are not subject to cost audit.

The matters contained in the ANNEXED Forms are part of this report.

SIDDIQI & COMPANY

Cost & Management Accountants

Engagement Partner: Mustafa Hussain Siddiqui, FCMA

Karachi:

1. CAPACITY - (Sugar Segment)

(a) The licensed / installed cane crushing capacity and its utilization is given as follows:

– Licensed / installed capacity (Year 2016: Duration of season 93 days x 7,500 tonne per day) (Year 2015: Duration of season 106 days x 7,500 tonne per day)	2016	2015
	Tonne	
	697,500	795,000
– Capacity utilized	560,786	564,555
– Percentage of capacity utilized	80%	71%

(b) The principal activities of the company under following business segments / divisions comprise of:

S.#	Division / Segment	Principal Activities
1)	Sugar	Manufacturing and sale of sugar.
2)	Ethanol	Processing and sale of industrial ethanol.
3)	Chemical and alloys and Power	Manufacturing and sale of calcium carbide and ferro alloys. Generation and sale of Electricity.
4)	Tank Terminal	Providing bulk storage facility.

2. COST ACCOUNTING SYSTEM

– The actual cost incurred by the company is charged to various cost centers / units on actual basis and the cost of service department is allocated on the basis considered appropriate. The net realizable value of molasses transferred to distillery unit and bagasse consumed in boiler house or sold is deducted from the cost of sugar manufactured as a reduction in overall cost of production.

The cost accounting system of the company is adequate and enables to determine correctly the cost of sugar produce.

3. PRODUCTION - (Sugar Segment)

(a)	Installed Capacity	Production				% of Installed	
		Y E A R S					
		2016	2015	2016	2015	2016	2015
– Main Product:							
– White Sugar Bagged	69,750	79,500	58,730	60,534	84	76	
– By Product:							
– Molasses	34,875	39,750	26,434	25,574	76	64	
– Bagasse	223,200	254,400	174,410	178,055	78	70	
– V. Filter Cake	20,925	23,850	16,824	16,937	80	71	

Standard Recovery: (Molasses @ 5%, Bagasse @ 32% and V.Filter Cake @ 3%)

(b) The main reason for under-utilisation of capacity was the non-availability of sugar cane in sufficient quantity.

(c) There is no addition to the production capacity during the year under review or in the last two years.

4. RAW MATERIAL - (Sugar Segment)

(a) Major Raw Materials Consumed

	2016		2015		2014	
	Quantity (Tonne)	Rupees in '000	Quantity (Tonne)	Rupees in '000	Quantity (Tonne)	Rupees in '000
Cost of Sugarcane (See Annexure - III)	560,786	2,666,765	564,555	2,454,804	621,679	2,787,166
Process Material (See Annexure - V)	-	24,480	-	24,186	-	25,326

(b) Major Raw Materials consumption per unit of production compared with standard requirements.

Standard Tonne	Sugar			% Increase / (Decrease) as compared to Standard		
	2016 Tonne	2015 Tonne	2014 Tonne	2016	2015	2014

–	Sugar Cane	10.00	9.55	9.33	9.77	(4.51)	(6.74)	(2.33)
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Standard: 10.00 tonne sugar cane = 1 tonne sugar

Year 2016: 9.55 tonne sugar cane =1 tonne sugar

Year 2015: 9.33 tonne sugar cane =1 tonne sugar

Year 2014: 9.77 tonne sugar cane =1 tonne sugar

(c) Explanation of Variances

- Sugar cane yield depends upon the quality of sugar cane; and the quality varies with the periods / days of maturity of the crop. Low yield of sugar cane and low recovery of sucrose from sugar cane in upper sindh is due to climatic conditions.

(d) Method of Accounting

- Sugar cane is purchased from local growers on the basic price fixed by Government / negotiated price and it is crushed immediately to extract the juice by processing. Other chemicals are purchased from the market.
- The company prepares a purchase indent after weighing the quantities of sugarcane received which are instantly recorded in Cane Purchase Receipts (CPRs). These CPRs constitute the record of sugarcane based for computation of cost of sugarcane consumed. The quantities of sugarcane received are issued to production floor.

5. SALARIES, WAGES & BENEFITS - (Sugar Segment)

(a) Total salaries, wages and benefits paid for all categories of employees

				Increase / (Decrease)			
	2016	2015	2014	As compared to 2015		As compared to 2014	
	Rs. in '000	Rs. in '000	Rs. in '000	Rs. in '000	%	Rs. in '000	%
(i) Direct labour cost on production	183,188	163,162	148,554	20,026	12	34,634	23
(ii) Indirect labour cost on production	30,383	29,257	25,567	1,126	4	4,816	19
(iii) Employees' cost on administration	33,760	32,637	28,767	1,123	3	4,993	17
(iv) Employees' cost on selling and distribution	-	-	-	-	-	-	-
(v) Total employees cost (i to iv)	247,331	225,056	202,888	22,275	10	44,443	22
(vi) Bonus to workers and employees <i>(Already included in above total salaries & wages)</i>	26,241	22,025	22,023	4,216	19	4,218	19
(vii) Other employees cost	-	-	-	-	-	-	-

- There was increase in total salaries & wages due to annual increments as compared to last two year.

Rupees in '000

(b) Salaries and perquisites of chief executive and directors

Remuneration
Perquisites
Total Rupees – 2016
Total Rupees – 2015
Number of Persons – 2016
Number of Persons – 2015

	Chief Executive	Directors	Total
Remuneration	9,818	5,455	15,273
Perquisites	4,481	2,006	6,487
Total Rupees – 2016	14,299	7,461	21,760
Total Rupees – 2015	14,901	7,041	21,942
Number of Persons – 2016	1	1	2
Number of Persons – 2015	1	1	2

- In addition to the above perquisites, the Chief Executive and a Director are provided with free use of company's maintained cars for business and personal use.

(c) Total men-days of direct labour

	Worked	Available	% Worked
796 men x 88 days (worked)	70,048	74,028	95
796 men x 93 days (available)			

(d) Average number of production workers employed

2016	2015	% Increase/(Decrease)
796	766	4%

(e) Direct labour cost per ton

				Increase / (Decrease)			
	2016	2015	2014	As compared to 2015		As compared to 2014	
					%		%
Sugar (Tonne)	58,730	60,534	63,650	(1,804)	(3)	(4,920)	(8)
Direct Labour (Rs. in '000)	183,188	163,162	148,554	20,026	12	34,634	23
Direct Labour Cost (Rs. per Tonne)	3,119	2,695	2,334	424	16	785	34

(f) Brief explanations for variances

- Per tonne direct labour cost increased due to annual increments and partly decreased volume of production as compared to last two years.

(g) Comments on Incentives Scheme

- It is the policy of the company to pay bonus on every production of 10,000 M.Tonne.
- The company operates an approved funded gratuity scheme for all its employees who have completed the qualifying period under the scheme.

6. STORES AND SPARE PARTS - (Sugar Segment)

(a) The expenditure per unit of output on stores, etc.

Production (Tonne)

58,730		60,534	
2016		2015	
Rs.in '000	Per Ton	Rs. in '000	Per Ton
90,879	1,547	74,900	1,237

Stores and spares parts consumed

- Average per tonne cost of stores & spares increased due to maintenance and partly inflationary trend in prices of stores items.

(b) System of stores accounting

- The company operates an ERP Oracle Financials for receipts and issuance of stores and spares items. All receipts are being recorded through stores receipt report (SRR), which is being prepared only after acceptance of stores items through material inspection report (MIR) by the department initiating purchase of that item. Whereas all stores issues are being recorded on duly approved store issue receipt (SIR) and charged to respective departments in accordance with the accounting policy i.e. moving average cost. Almost all purchases except in case of emergency or minor items are being carried out by the head office on receipt of store purchase requisition (SPR) duly signed by authorized officer of concerned department. All inventory items are being valued at lower of moving average cost and the same is being adopted consistently. Thus the company is maintaining proper record for receipt and issuance of stores items and valuation of stores items.

(c) Proportion of closing inventory of stores representing items which have not moved for over 24 months.

- The provision for slow moving items and obsolescence of inventory is made for Rs. 29.938 million (Year 2015: 29.938 million) which is equivalent to 17% (Year 2015: 18%) of total stores & spares.

7. DEPRECIATION - (Sugar Segment)

(a) Method of depreciation

- These are stated at cost less accumulated depreciation and impairment losses, if any, except for land, which is stated at cost. Depreciation is charged, on a systematic basis over the useful life of the asset, on reducing balance method, which reflects the patterns in which the asset's economic benefits are consumed by the company. Assets residual value and useful lives are reviewed and adjusted appropriately at each financial year end. Depreciation on addition is charged from the month in which the assets are put to use while no depreciation is charged in the month of which the assets are disposed off. No amortization is provided on leasehold land since the leases are renewable at the option of the lessee at nominal cost and their realizable values are expected to be higher than respective carrying values.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss account during the financial year in which they are incurred.

Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal. Gains or losses on disposals, if any, are included in profit and loss account.

(b) Basis of allocation of depreciation on common assets to the different departments.

- Depreciation on sugar segment assets is allocated as under:

	2016 Rs.in '000	2015 Rs.in '000
(i) Cost of Sales	39,671	42,239
(ii) Admin. & General	4,830	4,688
Total	44,501	46,927

(c) Basis of charging depreciation to cost of products

- The depreciation is allocated to cost of production on the value of assets employed.

8. OVERHEADS - (Sugar Segment)

(a) Total amounts of the overheads

	2016	2015	2014
	Rs.in '000	Rs.in '000	Rs.in '000
(i) Factory	32,521	32,579	33,524
(ii) Administration	68,777	65,671	70,432
(iii) Selling & distribution	11,318	10,803	38,077
(iv) Financial	52,928	65,894	125,711
	<u>165,544</u>	<u>174,947</u>	<u>267,744</u>

(i) Factory Overheads	2016	2015	2014	% Increase / (Decrease)			
				As compared to 2015		As compared to 2014	
				Rupees	%	Rupees	%
Printing & stationery	151	177	119	(26)	(15)	32	27
Communication charges	733	658	477	75	11	256	54
Insurance expenses	8,284	9,919	8,986	(1,635)	(16)	(702)	(8)
Travelling & conveyance	564	624	3,228	(60)	(10)	(2,664)	(83)
Fees and Subscriptions	563	452	430	111	25	133	31
Entertainment	4,069	4,121	4,274	(52)	(1)	(205)	(5)
Vehicle running expenses	5,560	5,908	5,308	(348)	(6)	252	5
Security charges	9,213	9,127	9,163	86	1	50	1
Newspaper and periodicals	58	55	59	3	5	(1)	(2)
Miscellaneous expenses	3,326	1,538	1,480	1,788	116	1,846	125
	<u>32,521</u>	<u>32,579</u>	<u>33,524</u>	<u>(58)</u>	<u>(0)</u>	<u>(1,003)</u>	<u>(3)</u>

– There was no significant variance in factory overheads as compared to last two years.

(ii) Administration Overheads	2016	2015	2014	% Increase / (Decrease)			
				As compared to 2015		As compared to 2014	
				Rupees	%	Rupees	%
Salaries, allow & benefits	33,760	32,637	28,767	1,123	3	4,993	17
Rent, rates & taxes	3,389	3,192	3,067	197	6	322	10
Communication charges	2,030	1,874	1,908	156	8	122	6
Travelling & conveyance	1,376	1,044	540	332	32	836	155
Printing & stationery	634	616	1,471	18	3	(837)	(57)
Entertainment	939	1,102	1,051	(163)	(15)	(112)	(11)
Vehicle running expenses	5,577	4,907	7,570	670	14	(1,993)	(26)
Repairs & maintenance	1,694	1,612	1,230	82	5	464	38
Insurance	1,735	1,401	1,943	334	24	(208)	(11)
Fees and subscription	3,683	3,720	3,480	(37)	(1)	203	6
Legal & professional charges	2,956	2,994	6,419	(38)	(1)	(3,463)	(54)
Auditors' remuneration	950	854	839	96	11	111	13
Charity & donation	500	675	501	(175)	(26)	(1)	(0)
Newspaper & periodicals	61	43	42	18	42	19	45
Utilities	2,320	1,937	2,590	383	20	(270)	(10)
Depreciation	4,830	4,688	5,338	142	3	(508)	(10)
Security expenses	820	953	920	(133)	(14)	(100)	(11)
Miscellaneous	1,523	1,422	2,756	101	7	(1,233)	(45)
	<u>68,777</u>	<u>65,671</u>	<u>70,432</u>	<u>3,106</u>	<u>5</u>	<u>(1,655)</u>	<u>(2)</u>

– Administration overheads increased mainly on account of travelling & conveyance, Insurance, newspaper & periodicals, utilities and miscellaneous as compared to last year.

(iii) Selling Overheads				% Increase / (Decrease)			
	2016	2015	2014	As compared to 2015		As compared to 2014	
	Rs.in '000	Rs. in '000	Rs. in '000	Rupees	%	Rupees	%
Sugar bags handling exp	7,526	7,162	8,697	364	5	(1,171)	(13)
Export transportation & others	-	384	26,599	(384)	(100)	(26,599)	(100)
Marking fees	3,662	3,257	2,781	405	12	881	32
Local transportation	130	-	-	130	100	130	100
	11,318	10,803	38,077	515	5	(26,759)	(70)

- There was increase in selling overheads mainly on account of marking fee & local transportation as compared to last year.

(iv) Financial Expenses				% Increase / (Decrease)			
	2016	2015	2014	As compared to 2015		As compared to 2014	
	Rs.in '000	Rs. in '000	Rs. in '000	Rupees	%	Rupees	%
Mark-up on:							
Long term financing	-	2,396	7,954	(2,396)	(100)	(7,954)	(100)
Short term borrowings	48,038	58,240	112,915	(10,202)	(18)	(64,877)	(57)
Interest on WPPF fund	1,520	2,989	6	(1,469)	(49)	1,514	100
Bank charges & guarantee	3,370	2,269	4,836	1,101	49	(1,466)	(30)
	52,928	65,894	125,711	(12,966)	(20)	(72,783)	(58)

- There was decrease in financial overheads mainly on account of decrease in markup on long term finances and short term borrowings as compared to last two years.

(b) Brief explanation for variance

- Comments on variances have already been given under the respective heads of account as shown above.

(c) Basis of allocation of overheads

- The overheads are charged to cost of production.

(d) Cost of Packing (Empty polypropylene bags)				Increase / (Decrease)			
	2016	2015	2014	As compared to 2015		As compared to 2014	
					%		%
Sugar (Tonne)	58,730	60,534	63,650	(1,804)	(3)	(4,920)	(8)
Packing material cost (Rs. in '000)	21,907	31,146	34,321	(9,239)	(30)	(12,414)	(36)
Per tonne cost	373	515	539	(142)	(28)	(166)	(31)

- Per tonne cost of packing material decreased due to market price trend.

9. ROYALTY / TECHNICAL AID PAYMENTS

- NOT APPLICABLE

10. ABNORMAL NON-RECURRING FEATURES

(a) Features affecting production

- None except insufficient availability of sugar cane during the crushing season.

(b) Special expenses

= N O N E =

11. COST OF PRODUCTION / SALES
(Segment Wise)

Sugar (Note 11.1)		Ethanol (Note 11.2)		Total	
2016	2015	2016	2015	2016	2015

Cost of Production 2,752,309 2,500,042 2,063,695 2,149,958 4,816,004 4,650,000

Inventory adjustment (Finished goods):

– Opening	603,164	815,234	92,777	273,201	695,941	1,088,435
– Closing	(256,097)	(603,164)	(225,658)	(92,777)	(481,755)	(695,941)
	347,067	212,070	(132,881)	180,424	214,186	392,494

Cost of sales 3,099,376 2,712,112 1,930,814 2,330,382 5,030,190 5,042,494

11.1 Sugar Cost of Production Per Ton
Production (Tonne)

2016	2015
58,730	60,534

2016		2015		Increase / (Decrease)	
Rs. in '000	Rupees/Ton	Rs. in '000	Rupees/Ton	Rupees/Ton	%

Cost of Production - White Sugar
(See Annexure-1 at item 20) 2,752,309 46,864 2,500,042 41,300 5,564 13

- There was increase in per tonne cost of production mainly on account of increase in cane price and partly low volume of production as compared to last year.

11.2 Ethanol

	2016 Rs. in '000	2015 Rs. in '000
Cost of raw material consumed	1,807,794	1,911,181
Stores and spare parts consumed	85,679	65,989
Packing materials	15,826	-
Salaries, wages and other benefits	45,638	39,244
Fuel, electricity and water charges	81,835	98,961
Repairs and maintenance	5,249	4,560
Other manufacturing expenses	20,894	22,294
Depreciation	33,897	36,409
	<u>2,096,812</u>	<u>2,178,638</u>
Work in process		
– Opening	-	-
– Closing	-	-
	<u>-</u>	<u>-</u>
	<u>2,096,812</u>	<u>2,178,638</u>
Less:		
– Sale of fuel oil, CO2 gas and electricity income - net	(33,117)	(28,680)
	<u>2,063,695</u>	<u>2,149,958</u>

12. SALES
(Segment Wise)

(a) Net Sales Realization

	Sugar		Ethanol		Total	
	2016	2015	2016	2015	2016	2015
-----Rs. in '000-----						
Local	3,662,417	3,197,454	172,847	153,280	3,835,264	3,350,734
Export	-	59,543	2,261,260	2,712,234	2,261,260	2,771,777
	3,662,417	3,256,997	2,434,107	2,865,514	6,096,524	6,122,511
Less:						
Sales tax	-	-	(25,256)	(18,365)	(25,256)	(18,365)
Federal excise duty	(277,417)	(236,848)	-	-	(277,417)	(236,848)
	(277,417)	(236,848)	(25,256)	(18,365)	(302,673)	(255,213)
Net sales realization	3,385,000	3,020,149	2,408,851	2,847,149	5,793,851	5,867,298

(b) Sugar Sales Per Tonne

		2016			2015		
		Local	Export	Total	Local	Export	Total
Sugar	(Qty in tonne)	67,529	-	67,529	63,353	1,300	64,653
Sales value	(Rs. in '000)	3,662,417	-	3,662,417	3,197,454	59,543	3,256,997
Less: Federal excise duty	(Rs. in '000)	(277,417)	-	(277,417)	(236,848)	-	(236,848)
Net Sales Realization	(Rs. in '000)	3,385,000	-	3,385,000	2,960,606	59,543	3,020,149
Sugar sales per tonne	(Rs. in '000)	50,127	-	50,127	46,732	45,802	46,713

(c) There was no export sales during the year under review.

13. PROFITABILITY / (LOSS)

Segment / Division wise	Note	2016	2015
		Rs. in '000	Rs. in '000
- Sugar	13.1	178,126	227,752
- Ethanol	13.2	282,471	308,813
- Net profit from storage tank terminal	13.3	91,661	86,989
- Net loss from chemical, alloys and Power segment & fixed expenses due to closure	13.4	(53,601)	(58,344)
- Advance tax written off		-	(11,611)
- Liability against workers welfare fund written back		25,913	-
Total Profit before taxation		524,570	553,599

13.1 Sugar

	Note	2016		2015	
		Qty in Ton	Rs. in '000	Qty in Ton	Rs. in '000
- Local	13.1.1	67,529	178,126	63,353	224,523
- Export	13.1.2	-	-	1,300	3,229
Total		67,529	178,126	64,653	227,752

- The company earned profit before tax from sugar segment of Rs. 178.126 million as against profit of Rs. 227.752 million in the last year.

13.1.1 LOCAL

Sales of sugar (Tonne)

	2016		2015		Increase / (Decrease)	
	Rs. in '000	Rupees/Ton	Rs. in '000	Rupees/Ton	Rupees/Ton	%
Net sales	3,385,000	50,127	2,960,606	46,732	3,395	7
Less: Cost of sales	(3,099,376)	(45,897)	(2,657,579)	(41,949)	(3,948)	9
Gross profit / (loss)	285,624	4,230	303,027	4,783	(554)	(13)
Less:						
Selling expenses	(11,318)	(168)	(10,419)	(164)	(3)	2
Admin. Expenses	(68,777)	(1,018)	(64,351)	(1,016)	(3)	0
Financial charges	(52,928)	(784)	(64,569)	(1,019)	235	(23)
Other charges	(10,500)	(155)	(17,772)	(281)	125	(45)
Other income	36,025	533	78,607	1,241	(707)	57
	(107,498)	(1,592)	(78,504)	(1,239)	(353)	28
Profit / (loss) before tax	178,126	2,638	224,523	3,544	(906)	(26)

13.1.2 EXPORT

Sales of sugar (Tonne)

2016	2015
0	1,300

	2016		2015		Increase / (Decrease)	
	Rs. in '000	Rupees/Ton	Rs. in '000	Rupees/Ton	Rupees/Ton	%
Net sales	-	-	59,543	45,802	(45,802)	(100)
Less: Cost of sales	-	-	(54,533)	(41,949)	41,949	(100)
Gross profit / (loss)	-	-	5,010	3,854	(3,854)	(100)
Less:						
Selling expenses	-	-	(384)	(295)	295	(100)
Admin. Expenses	-	-	(1,320)	(1,016)	1,016	(100)
Financial charges	-	-	(1,325)	(1,019)	1,019	(100)
Other charges	-	-	(365)	(281)	281	(100)
Other income	-	-	1,613	1,241	(1,241)	(100)
	-	-	(1,781)	(1,370)	1,370	(100)
Profit / (loss) before tax	-	-	3,229	2,483	(2,483)	(100)

13.2 Ethanol

Gross sales

Less: Cost of sales

Gross profit

Less:

 Distribution cost

 Administrative expenses

 Other operating expenses

 Finance cost

 Other income

Profit / (loss) before tax

	2016 Rs. in '000	2015 Rs. in '000
Gross sales	2,408,851	2,847,149
Less: Cost of sales	(1,930,814)	(2,330,382)
Gross profit	478,037	516,767
Less:		
Distribution cost	(104,641)	(103,447)
Administrative expenses	(45,492)	(43,303)
Other operating expenses	(16,385)	(49,452)
Finance cost	(32,462)	(59,189)
Other income	3,414	47,437
	(195,566)	(207,954)
Profit / (loss) before tax	282,471	308,813

13.3 Net Profit from Storage Tank Terminal

Storage service income

Inter-segment services

Less: Direct expenses

Profit / (loss) before tax

Storage service income	126,641	120,289
Inter-segment services	17,100	17,100
	143,741	137,389
Less: Direct expenses	52,080	50,400
Profit / (loss) before tax	91,661	86,989

13.4 Net Loss from Chemical, Alloys and Power Segment and Fixed Expenses due to closure

Plant lease income

Scrap sales

Less: Fixed expenses due to suspension

 Chemical and alloys

 Power

Profit / (loss) before tax

Plant lease income	-	-
Scrap sales	-	-
	-	-
Less: Fixed expenses due to suspension		
Chemical and alloys	30,374	34,226
Power	23,227	24,118
	53,601	58,344
Profit / (loss) before tax	(53,601)	(58,344)

14. COST AUDITORS' OBSERVATIONS AND CONCLUSIONS

(a) Matters which appear to him to be clearly wrong in principle or apparently unjustifiable.

= N O N E =

(b) Cases where the company funds have been used in a negligent or inefficient manner.

= N O N E =

(c) Factors which could have been controlled but have not been done resulting in increase in the cost of production.

- Availability of sugar cane remains the limiting factor in production which is beyond the control of management.

(d) (i) The Adequacy or otherwise of Budgetary Control System, if any, in vogue in the company.

- The Company prepares annual budget for planning purpose.

(ii) The scope and performance of Internal Audit, if any.

- A full fledged internal audit department has been established by the company. The audit findings are reported to the top management and corrective measures are adopted wherever necessary.

(e) Suggestions for improvements in performance.

(i) rectification of general imbalance in production facilities

- The mill is running smoothly with the existing facilities.

(ii) fuller utilisation of installed capacity

- Fuller utilisation of installed capacity rests on availability of sufficient sugar cane.

(iii) Comments on areas offering scope for

(a) Cost reduction

- Cost reduction may be achieved by operating the plant at maximum capacity to achieve savings in overhead cost.

(b) Increased productivity

- Same observations as at para (ii) item 14(e) above.

(c) Key limiting factors causing production bottle necks

- Non-availability of sugar cane in sufficient quantity is limiting factors in the production.

(d) Improved inventory policies

- Present inventory policies are satisfactory.

(e) Energy conservancy

- Bagasse is the cheapest source of fuel, which is being used to the maximum extent.

(iv) State of technology, whether modern or obsolete.

- Modern technology having defecation, re-melt and phosphitation process.

(v) Plant, whether new or second hand when installed.

- The plant was new when installed in 1993.

15. RECONCILIATIONS WITH FINANCIAL STATEMENTS

After the auditor appointed under section 252 of Companies Ordinance, 1984, submits his report, the cost auditor shall submit a supplementary report on reconciliation with financial accounts, to the directors before the date fixed for holding the annual general meeting of the company.

- Cost accounts are in agreement with audited financial accounts of the company for the year ended Sept. 30, 2016. A statement showing cost of sales as per cost accounts duly reconciled with audited financial accounts is annexed herewith.

16. COST STATEMENTS

- Copies of all cost statements on the formats prescribed by Securities and Exchange Commission of Pakistan under clause (e) of sub-section (1) of section 230 of the Companies Ordinance, 1984, duly authenticated by the Chief Executive and Chief Financial Officer of the company, and verified by us are appended to the report.

17. MISCELLANEOUS

- Figures have been rounded off to nearest thousand. Previous year's figures have been re-arranged and regrouped where necessary to facilitate comparison.

SIDDIQI & COMPANY
Cost & Management Accountants
Engagement Partner: Mustafa Hussain Siddiqui, FCMA

Karachi :

RECONCILIATION OF COST OF SALES
between
Cost Accounts & Financial Accounts
For the year ended September 30, 2016

COST OF SALES	2016 Rs. in '000
Cost of sales sugar segment as per cost accounts (Annexure-I)	3,099,376
Add: Cost of sales Ethanol segment	1,930,814
Total Cost of sales as per audited financial accounts	<u><u>5,030,190</u></u>

Cost accounts are in agreement with audited financial accounts of the company for the year ended September 30, 2016.

AL-ABBAS SUGAR MILLS LIMITED

STATEMENT OF CAPACITY UTILIZATION
under Rule 4(1)(a) of Companies (Audit of Cost Accounts), Rule 1998
As at September 30, 2016 as compared with September 30, 2015

CANE CRUSHING CAPACITY

Season / Year	Licensed and Installed Capacity			Actual Capacity Utilization			Capacity Utilization
	Sugar Segment			Sugar Segment			
	No. of Days Season Operated	Tons Per Day	Crushing Tons	No. of Crushing Days	Tons Per Day	Crushing Tons	%
Year 2015-2016	93	7,500	697,500	88	6,373	560,786	80%
Year 2014-2015	106	7,500	795,000	92	6,136	564,555	71%

Source: Form RT-4

REASONS FOR SHORTFALL:

- The actual production is lower than installed capacity on account of short availability of sugar cane during the year.

Chief Financial Officer

Chief Executive

Karachi:

AL-ABBAS SUGAR MILLS LIMITED

STATEMENT OF STOCK IN TRADE under Rule 4(1)(b) of Companies (Audit of Cost Accounts), Rule 1998 As at September 30, 2016 as compared with September 30, 2015

	2015-2016		2014-2015	
	Qty. in Tonne	Rs. in `000	Qty. in Tonne	Rs. in `000
	Sugar Segment		Sugar Segment	
1. Work in Process				
– Sugar-in-process	68	2,972	83	3,312
2. Finished Goods				
– White Sugar	5,580	256,097	14,379	603,164
3. Bagasse		3,300		4,095
4. GRAND TOTAL (1 + 2 + 3)		262,369		610,571

Notes:-

1. In terms of clause 3(2) of Companies (Audit of Cost Accounts) Rules, 1998 (SRO: 846/(1)/98) dt. July 24, 1998, the Cost Auditors were appointed by the directors with the prior approval of Securities & Exchange Commission of Pakistan within sixty days of the close of financial year of the company.
2. In view of the above mentioned constrains appointing the Cost Auditors after the close of the financial year; the cost auditors were not present on the date of physical stock taking as of the close of the financial year. Under these circumstances, the physical stock taking carried out and as shown in the financial accounts were relied upon for the purpose of the above mentioned statement of stock in trade [under clause (4)(1)(b) of Companies (Audit of Cost Accounts) Rules, 1998].

Chief Financial Officer

Chief Executive

Karachi:

Section - 3

Cost Accounting Records

1. Production Data	<i>Schedule</i> 1
	<i>Annexures</i>
2. Cost of Production and Sale of White Bagged Sugar	I
3. Sugar Cane Produced	II
4. Cost of Sugar Cane Crushed	III
5. Cost of Beet Consumed	IV
6. Cost of Process Material Consumed	V
7. Cost of Salaries, Wages & Benefits	VI
8. Cost of Steam / Generated Consumed	VII
9. Cost of Electric Power Purchased / Generated and Consumed	VIII
10. Other Factory Overheads	IX
11. Administrative Expenses	X
12. Selling Expenses	XI

AL-ABBAS SUGAR MILLS LIMITED

Production Data

For the year ended September 30, 2016

Schedule - I

S.#	Particulars	2015-2016	2014-2015
1.	(a) Cane Crushed:		
	Date Started	23-11-2015	08-12-2014
	Date Finished	23-02-2016	23-03-2015
	Duration of run days	93	106
	Total No. of days of actual crushing	88	92
	Total No. of hours of actual crushing	2,114	2,210
	Total No. of hours lost	91	304
	Total cane milled (Tonne)	560,786	564,555
	Converted Maunds	14,019,650	14,113,875
	Total mixed juice obtained (Tonne)	625,788	660,714
	(b) Gur Melted:	–	–
2.	Juice & Added Water:		
	Average mixed juice % cane	111.591	117.033
	Average water added % cane	42.692	48.572
3.	Sugar Made:		
	Total Sugar bagged of all grade (100) kg.	–	–
	Total Sugar bagged of all grade (50) kg.	1,174,600	1,210,680
	Sugar bagged (M. Tons)	58,730	60,534
	Sugar in Process (M. Tons)	68.170	83.104
4.	Molasses Extracted:		
	Total molasses sent out (M. Tons)	26,434	25,574
	Molasses in Process (M. Tons)	2.942	3.225
5.	Recovery Percent:		
	Average recovery of marketable white sugar % cane	10.470	10.722
	Average production of final molasses % cane	4.714	4.530
6.	By Products:		
	Bagasse % cane	31.101	31.539
	V. Filter Cake % cane	3.000	3.000
7.	Clarification Process : (Specify)		
	– Defecation, Melt, Phosphitation		

Chief Financial Office

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Cost of Production and Sale of White Bagged Sugar

For the year ended September 30, 2016

ANNEXURE - I

Quantitative Data - Bagged Sugar		2015-2016	2014-2015
Opening Stock	(Tonne)	14,379	18,498
Production	(Tonne)	58,730	60,534
Total Qty. available for sale	(Tonne)	73,109	79,032
Closing Stock	(Tonne)	5,580	14,379
Sales	(Tonne)	67,529	64,653

S. No.	Particulars	2015-2016		2014-2015	
		Amount (Rs. in '000)	Cost per Ton	Amount (Rs. in '000)	Cost per Ton
1.	Raw Materials:				
	(a) Sugar Cane (Annexure - III)	2,666,765	45,407	2,454,804	40,552
	(b) Beet (Annexure - IV)	-	-	-	-
	(c) Gur	-	-	-	-
	(d) Raw Sugar	-	-	-	-
	(e) Process Material (Annexure - V)	22,400	381	22,427	370
2.	Salaries / wages benefits (Annexure - VI)	149,368	2,543	131,654	2,175
3.	Consumable Stores	66,399	1,131	50,714	838
4.	Repairs & Maintenance	5,010	85	2,023	33
5.	Utilities: Steam (Annexure - VII)	16,461	280	17,656	292
6.	Electric Power (Annexure - VIII)	48,765	830	47,150	779
7.	Water & Gas	79	1	-	-
8.	Insurance	-	-	-	-
9.	Depreciation	20,629	351	21,964	363
10.	Other Factory Overheads (Annexure - IX)	31,220	532	31,276	517
11.	Total Cost	3,027,096	51,543	2,779,668	45,919
12.	Add : Opening Stock of W.I.P.	3,312	-	3,485	-
13.	Less : Closing Stock of W.I.P.	(2,972)	-	(3,312)	-
14.	Total Cost of Goods Manufactured	3,027,436	51,548	2,779,841	45,922
15.	Less : Realisable Value of By-Products:				
	– Transfer price of Molasses	(200,410)	(3,412)	(193,338)	(3,194)
	– Sale of Molasses - net	-	-	-	-
	– Transfer price of Bagasse (Consumed) Annex-VII	(81,360)	(1,385)	(98,764)	(1,632)
	– Stock adjustment of Bagasse in hand - net	795	14	10,063	166
	– Sale of Bagasse - net	(16,059)	(273)	(28,906)	(478)
16.	Net cost of Goods Manufactured	2,730,402	46,491	2,468,896	40,785
17.	Add : Packing Material & Handling	21,907	373	31,146	515
18.	Net Cost of Bagged Sugar	2,752,309	46,864	2,500,042	41,300
19.	Add : Excise Duty / Sales Tax	-	-	-	-
20.	Total Cost of Bagged Sugar	2,752,309	46,864	2,500,042	41,300
21.	Add : Opening Stock of Sugar	603,164	-	815,234	-
22.	Less : Closing Stock of Sugar	(256,097)	-	(603,164)	-
23.	Cost of Sales	3,099,376	45,897	2,712,112	41,949
24.	Administrative Expenses (Annexure - X)	68,777	1,018	65,671	1,016
25.	Selling & Distribution Expenses (Annexure - XI)	11,318	168	10,803	167
26.	Financial Expenses	52,928	784	65,894	1,019
27.	Other Charges / (Income)	(25,525)	(378)	(62,083)	(960)
	TOTAL COST OF MAKE & SALE	3,206,874	47,489	2,792,397	43,191

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Cost of Sugar Cane Produced

For the year ended September 30, 2016

ANNEXURE - II

S. No.	Particulars	2015-2016		2014-2015	
		Quantity	Amount (Rs. in '000)	Quantity	Amount (Rs. in '000)
1.	Seeds and Other Inputs				
	Seed				
	Fertilizers, herbicides etc.				
	Insecticides				
	Abiana / Water Charges				
	Total Cost of Inputs				
2.	Labour Cost				
	Land preparation				
	Plantation				
	Maintenance of cane crop / ratoons				
	Operation of tractors				
	Harvesting				
	Total Labour Cost				
2.	Other Cost				
	Fuel for tractors operation				
	Maintenance and over haul of tractors				
	Insurance				
	Interest expenses				
	Depreciation of equipments				
	Rent of agriculture equipments (if any)				
	Total other costs				
	Total Cost of own production (1 + 2 + 3)				
	Sales value at controlled price				
	Profit / Loss on own production				

NOT APPLICABLE

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Cost of Sugar Cane Crushed

For the year ended September 30, 2016

ANNEXURE - III

S. No.	Particulars	2015-2016			2014-2015		
		Qty. Tonne	Cost per Tonne	Amount (Rs. in '000)	Qty. Tonne	Cost per Tonne	Amount (Rs. in '000)
1.	Total Sugar Cane purchased at Govt. Rate Sugar Cane produced from own farm (Annexure - II) Less : Loss in Transit Sugar Cane received at Factory Gate	560,786	4,300	2,411,380	564,555	4,250	2,399,360
2.	Additional cane price to growers	560,786	297	166,434	564,555	0	61
3.	Quality Premium						
4.	Loading / Unloading charges	560,786	2	1,095	564,555	2	1,214
5.	Cane Development Expenses:						
	a) Salaries & Wages of Supply & Development Staff	560,786	0	38	564,555	0	11
	b) Sugar Cane Development Research	560,786	5	3,069	564,555	4	2,310
	c) Sugar Cane Subsidy						
	d) Other expenditure						
6.	Taxes & Levies:						
	a) Cane Cess / Purchase Tax / L.C. Charges						
	b) Market Committee Fee	560,786	10	5,608	564,555	10	5,646
	c) Road Cess	560,786	6	3,505	564,555	4	1,995
	d) Octroi and Freight handling						
	e) Others						
7.	Transportation Charges:						
	a) Delivery expenses						
	b) Transport cost	560,786	70	39,229	564,555	18	10,200
	c) Others						
8.	Other Expenditure at Cane Collection Centers:						
	a) Salaries and Wages (Annexure - VI)	560,786	60	33,820	564,555	56	31,508
	b) Stores						
	c) Repairs & Maintenance	560,786	0	178	564,555	0	244
	d) Other factory overheads (Annexure - IX)	560,786	2	976	564,555	2	977
	e) Sector Office expenses	560,786	3	1,433	564,555	2	1,278
9.	Total Cost of 'SUGAR CANE' transferred to production processe (Annexure - I)	560,786	4,755	2,666,765	564,555	4,348	2,454,804

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Cost of Beet Consumed

For the year ended September 30, 2016

ANNEXURE - IV

S. No.	Particulars	2015-2016			2014-2015		
		Qty. Tonne	Cost per Tonne	Amount (Rs. in '000)	Qty. Tonne	Cost per Tonne	Amount (Rs. in '000)
1.	Total beet purchased at Govt. fixed rate Less : Loss in transit Beet received at factory gate						
2.	Commission paid						
3.	Loading / Unloading						
4.	Beet development expenses a) Salaries & Wages of Supply & Development Staff b) Sugar Development Research c) Supply Staff & transportation expenses d) Other expenditure						
5.	Taxes & Levies (if any): a) Purchase Tax b) Market Committee Fee c) Road Cess d) Octroi and Freight handling e) Other levies						
7.	Transportation Charges: a) Delivery expenses / travelling from purchases centre to mill gate b) Transport subsidy c) Others						
8.	Other Expenditure at Beet Collection Centers: a) Salaries and Wages b) Stores c) Repairs & Maintenance d) Others						
9.	Total Cost of 'BEET' transferred to production processe (Annexure - I)						

NOT APPLICABLE

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Cost of Process Material Consumed

For the year ended September 30, 2016

ANNEXURE - V

S. No.	Particulars	2015-2016		2014-2015	
		Amount (Rs. in '000)	Cost per Tonne	Amount (Rs. in '000)	Cost per Tonne
	Total Sugar Produced (Tonne)	58,730		60,534	
	1. Chemicals, Lubricants & Process:				
1.	Unslaked Lime	3,802	65	3,594	59
2.	Phosporic Acid	1,379	23	2,132	35
3.	Chemquest	1,062	18	996	16
4.	Talofloc Wax	5,905	101	7,103	117
5.	Polyelectrolyt Accofloc	764	13	656	11
6.	Talo Float	154	3	170	3
7.	Caustic Soda	1,366	23	1,284	21
8.	Soda Ash	-	-	1	0
9.	Lead sub Accatate	-	-	40	1
10.	Tri Sodium Phosphate	5	0	5	0
11.	Chemrite	118	2	60	1
12.	Bleaching Powder	300	5	444	7
13.	Formaline	16	0	20	0
14.	Rock Salt	405	7	247	4
15.	Softno Treat	147	3	140	2
16.	Sewing Thread	-	-	418	7
17.	Cleaning Brushes	-	-	120	2
18.	FRS - W2 Carbo UA Chemical	2,079	35	1,477	24
19.	Hydrochloric Acid	217	4	116	2
20.	Others	6,761	115	5,163	85
	TOTAL	24,480	417	24,186	400

2. ALLOCATED TO:

	2016 Rupees	2015 Rupees
(a) Electric Generation (Annexure - VIII)	1,208	1,021
(b) Steam Generation (Annexure - VII)	872	738
(c) Production Process (Annexure - I)	22,400	22,427
TOTAL	24,480	24,186

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Cost of Salaries, Wages & Benefits

For the year ended September 30, 2016

ANNEXURE - VI

S. No.	Particulars	2015-2016		2014-2015	
		Amount (Rs. in '000)	Cost per Tonne	Amount (Rs. in '000)	Cost per Tonne
	Total Sugar Produced (Tonne)	58,730		60,534	
	COST				
	1. Salaries / Wages:				
(i)	Officers and permanent staff	134,948	2,298	119,075	1,967
(ii)	Seasonal staff	4,238	72	3,116	51
(iii)	Daily rated and contract labour	68,113	1,160	65,975	1,090
(iv)	Bonuses	26,241	447	22,025	364
	2. Benefits				
(i)	Medical expenses	143	2	115	2
(ii)	Canteen expenses	-	-	365	6
(iii)	Welfare, Recreation	4	0	4	0
(iv)	Transport and travelling	-	-	-	-
(v)	Education Cess / expenses	118	2	29	0
(vi)	Group Insurance / Workmen	-	-	-	-
(vii)	Provident Fund	-	-	-	-
(viii)	Gratuity / Pension / Retirement benefits	5,659	96	4,718	78
(ix)	Others	7,867	134	9,634	159
(x)	TOTAL	247,331	4,211	225,056	3,718

Allocated to:

(a)	Electricity Generation (Annexure - VIII)
(b)	Steam Generation (Annexure - VII)
(c)	Raw material - cane (Annexure - III)
(d)	Production process - (Annexure-I)
(e)	Administration expenses - (Annexure - X)
(f)	Selling & distribution expenses - (Annexure - XI)
(g)	Any other, if any
	TOTAL

2016 Rupees	2015 Rupees
22,202	20,255
8,181	9,002
33,820	31,508
149,368	131,654
33,760	32,637
-	-
-	-
247,331	225,056

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Cost of Steam Generated / Consumed

For the year ended September 30, 2016

ANNEXURE - VII

S. No.	Particulars	Unit	2015-2016		2014-2015	
	Type of Steam Boiler used		Water Tube Boiler			
	Boiler No. 1 & 2 & 3 = (60 + 60 + 45 = 165)	Tonne / Hour	165		165	
1.	No. of days worked	Days	93		106	
2.	Installed capacity	Tonne	642,600		651,600	
3.	Utilised capacity	Tonne	472,484		474,144	
4.	Production :					
	a) High Pressure Steam					
	b) Medium Pressure Steam	Tonne	472,484		474,144	
	c) Low Pressure Steam					
	d) Less : transit losses	Tonne	(14,175)		(14,224)	
	e) Total	Tonne	458,309		459,920	
5.	Percentage of Capacity Utilization (3 / 2 x 100)		74%		73%	

S. No.	Particulars	2015-2016			2014-2015		
		Quantity in Tonne	Cost per Tonne	Amount (Rs. in '000)	Quantity in Tonne	Cost per Tonne	Amount (Rs. in '000)
1.	Water Charges						
2.	Fuels:						
	(a) Bagasse:						
	(i) Own - Realizable value	458,309	177.52	81,360	459,920	214.74	98,764
	(ii) Purchased						
	(b) Pith						
	(c) Coal purchased	458,309	0.00	2	-	-	-
	(e) Furnace Oil	458,309	1.83	837	459,920	2.52	1,161
	(e) Fire wood	458,309	1.82	834	459,920	1.03	473
	(f) Gas						
	(g) Other fuels, if any						
3.	Quantity of waste heat from the plant, if any						
4.	Consumable Stores						
	- Process Material (Annexure - V)	458,309	1.90	872	459,920	1.60	738
5.	Direct Salaries, Wages & Benefits						
	(As per Annexure - VI)	458,309	17.85	8,181	459,920	19.57	9,002
6.	Repairs & maintenance	458,309	6.70	3,072	459,920	9.20	4,232
7.	Other direct expenses						
	- Factory Overheads (Annexure - IX)	458,309	0.71	325	459,920	0.71	326
8.	Baggase handling charges	458,309	11.98	5,492	459,920	11.36	5,223
9.	Depreciation	458,309	32.03	14,678	459,920	33.98	15,629
	Total Cost of Steam Raised	458,309	252.35	115,653	459,920	294.72	135,548
10.	Less : Out side sold						
	Total Cost of Steam for Self Consumption	458,309	252.35	115,653	459,920	294.72	135,548
	Add : Cost of Steam Purchased						
11.	Total Cost of Steam Consumed	458,309	252.35	115,653	459,920	294.72	135,548
	Less: Realizeable value of bagasse (Annex - I)			(81,360)			(98,764)
		458,309	74.83	34,293	459,920	79.98	36,784
12.	ALLOCATION						
	Total of item 12 allocated to:						
	(i) White bagged sugar (Annex - I)	219,988		16,461	220,762		17,656
	(ii) Electric power house (Annex - VIII)	238,321		17,832	239,158		19,128
	(iii) Others: (a) Staff Colony						
	(b) Office building etc.						
	TOTAL	458,309	74.83	34,293	459,920	79.98	36,784

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Cost of Electric Power Purchased / Generated & Consumed

For the year ended September 30, 2016

ANNEXURE - VIII

S. No.	Particulars	2015-2016	2014-2015
1.	Installed capacity (KWH)	7,500	7,500
	No. of units as per installed capacity (kwh)	28,944,000	29,244,000
2.	No. of units generated from steam (KWH)	21,411,340	21,726,898
3.	No. of units generated from diesel (KWH)	46,467	39,332
4.	No. of units purchased (KWH)	21,840	20,726
5.	Total (2 + 3 + 4)	21,479,647	21,786,956
6.	Consumption in power house including other losses	1,073,982	1,089,348
7.	Net units consumed (5 – 6)	20,405,665	20,697,608
8.	Percentage of Consumption and losses to total units available = 6/5 x 100	5%	5%
9.	Percentage of power generated to installed capacity	74%	74%

S. No.	Particulars	2015-2016			2014-2015		
		Qty. in KWH	Rate Per Unit	Amount (Rs. in '000)	Qty. in KWH	Rate Per Unit	Amount (Rs. in '000)
1.	Steam (Annexure - VII)	20,383,825	0.87	17,832	20,676,882	0.93	19,128
2.	Consumable Stores						
	- Process Material (Annexure - V)	20,383,825	0.06	1,208	20,676,882	0.05	1,021
3.	Direct Salaries, Wages & Benefits (As per Annexure - VI)	20,383,825	1.09	22,202	20,676,882	0.98	20,255
4.	Other Direct expenses - Diesel	20,383,825	0.08	1,541	20,676,882	0.05	1,008
5.	Repairs & Maintenance	20,383,825	0.04	753	20,676,882	0.02	495
6.	Other expenses						
7.	Depreciation	20,383,825	0.21	4,364	20,676,882	0.22	4,646
	Total	20,383,825	2.35	47,900	20,676,882	2.25	46,553
8.	Less :						
	(a) Credit for Exhaust Steam used in process etc.						
	(b) Other credits, if any						
9.	Cost of Power Generated	20,383,825	2.35	47,900	20,676,882	2.25	46,553
10.	Less : Cost of Power Sold						
11.	Add : Cost of Power purchased	21,840	39.61	865	20,726	28.80	597
12.	Total Net Cost of power consumed	20,405,665	2.39	48,765	20,697,608	2.28	47,150
13.	Cost per unit average						
	ALLOCATION						
	Total at item 12 allocated to:						
	(i) White bagged sugar (Annexure - I)	20,405,665	2.39	48,765	20,697,608	2.28	47,150
	(ii) Self consumption						
	(iii) Others						
	(a) Staff colony / Office building						
	(b) Other (specify)						
14.	TOTAL (i + ii + iii)	20,405,665	2.39	48,765	20,697,608	2.28	47,150

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Other Factory Overheads

For the year ended September 30, 2016

ANNEXURE - IX

S. No.	Particulars	2015-2016		2014-2015	
		Amount (Rs. in '000)	Cost per Tonne	Amount (Rs. in '000)	Cost per Tonne
1.	Total Sugar Produced (Tonne)	58,730		60,534	
2.	COST:				
1.	Rent, rates & taxes	-	-	-	-
2.	Printing & stationery	151	3	177	3
3.	Communication charges	733	12	658	11
4.	Insurance expenses	8,284	141	9,919	164
5.	Travelling & conveyance	564	10	624	10
6.	Fees and Subscriptions	563	10	452	7
7.	Entertainment	4,069	69	4,121	68
8.	Vehicle running expenses	5,560	95	5,908	98
9.	Security charges	9,213	157	9,127	151
10.	Newspaper and periodicals	58	1	55	1
11.	Miscellaneous expenses	3,326	57	1,538	25
12.	TOTAL	32,521	554	32,579	538
ALLOCATED TO :					
	(i) White bagged sugar (Annexure - I)	31,220	532	31,276	517
	(ii) Raw material - cane (Annexure - III)	976	17	977	16
	(iii) Steam generation (Annexure - VII)	325	6	326	5
	(iv) Others:				
	(a) Staff colony	-	-	-	-
	(b) Office building etc.	-	-	-	-
	Total as per Item 12 above	32,521	554	32,579	538

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Administration Expenses

For the year ended September 30, 2016

ANNEXURE - X

S. No.	Particulars	2015-2016		2014-2015	
		Amount (Rs. in '000)	Cost per Tonne	Amount (Rs. in '000)	Cost per Tonne
1.	Total Sugar Sold (Tonne)	67,529		64,653	
2.	COST:				
	(i) Salaries, allowances & benefits (Annexure - VI)	33,760	500	32,637	505
	(ii) Rent, rates & taxes	3,389	50	3,192	49
	(iii) Insurance	1,735	26	1,401	22
	(iv) Utilities	2,320	34	1,937	30
	(v) Printing & stationery	634	9	616	10
	(vi) Communication charges	2,030	30	1,874	29
	(vii) Repairs & maintenance	1,694	25	1,612	25
	(viii) Travelling & conveyance	1,376	20	1,044	16
	(ix) Fees and subscription	3,683	55	3,720	58
	(x) Entertainment	939	14	1,102	17
	(xi) Legal & professional charges	2,956	44	2,994	46
	(xii) Auditors' remuneration	950	14	854	13
	(xiii) Vehicle running expenses	5,577	83	4,907	76
	(xiv) Charity & donations	500	7	675	10
	(xv) Newspaper and periodicals	61	1	43	1
	(xvi) Security charges	820	12	953	15
	(xvii) Depreciation	4,830	72	4,688	73
	(xviii) Miscellaneous	1,523	23	1,422	22
	TOTAL	68,777	1,018	65,671	1,016

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Selling Expenses

For the year ended September 30, 2016

ANNEXURE - XI

S. No.	Particulars	2015-2016		2014-2015	
		Amount (Rs. in '000)	Cost per Tonne	Amount (Rs. in '000)	Cost per Tonne
1.	Total Sugar Sold (Tonne)	67,529		64,653	
2.	COST:				
	(i) Salaries, allowances & benefits (Annexure - VI)	-	-	-	-
	(ii) Sugar bags handling expenses	7,526	111	7,162	111
	(iii) Export transportation and others	-	-	384	6
	(iv) Marking fees	3,662	54	3,257	50
	(v) Other expenses - Local transportation	130	2	-	-
	TOTAL	11,318	168	10,803	167

Chief Financial Officer

Chief Executive