

Al-Abbas Sugar Mills Ltd.

Cost Auditors' Report

For the year ended September 30, 2014

SIDDIQI & COMPANY *Cost & Management Accountants*

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COST AUDITORS' REPORT 2013-2014 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

Ali Jehangir Siddiqui

Asma Aves Cochinwala

Darakshan Ghani

Duraid Qureshi

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

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.

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 Karachi Stock Exchange. The principal activities of the company under following business segments / divisions comprise of:

S.#	Divisions	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 sales of calcium carbide and ferro alloys. Generation and sales of electricity.
4)	Tank Terminal	: Providing bulk storage facility

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 undertaking are as under:

- | | | | |
|----|-------------------------------|---|---|
| 1) | Sugar / Ethanol | : | Mirwah Gorchani, Distt. Mirpurkhas, Sindh. |
| 2) | Chemical and Alloys and Power | : | Main National Highway, Dhabeji, 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

COST AUDITORS' REPORT

We, **SIDDIQI & COMPANY, Cost & Management Accountants** having been appointed to conduct an audit of cost accounts 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, 2014, 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 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 statement of capacity utilization and stock-in-trade are in agreement with the books of account 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 are not subject to cost audit.

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

SIDDIQI & COMPANY
Cost & Management Accountants

Karachi:

1. CAPACITY - (Sugar Segment)

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

	2014	2013
	Tonne	
– Licensed / installed capacity (Year 2014: Duration of season 124 days x 7,500 tonne per day) (Year 2013: Duration of season 92 days x 7,500 tonne per day)	930,000	690,000
– Capacity utilized	621,679	503,179
– Percentage of capacity utilized	67%	73%

(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 under the circumstances. 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 company is using an ERP Oracle Financials for sugar industry, whereby the cost accounts are integrated with financial accounting records allowing all the accounting entries for cost of production, at various levels, to be incorporated in the financial books of accounts. Company's weighment bridge is fully computerized which facilitates the incorporation of cane purchased in the books of accounts at the time of weighment. The software was assessed as adequate to determine correctly the cost of the production of the company.

The company kept adequate records to ascertain the cost of sugar produced and sold. The records have been transformed according to the format prescribed in the Sugar Industry (Cost Accounting Records) Order, 2001. All the cost components are recorded department wise / cost centre wise.

3. PRODUCTION - (Sugar Segment)

Qty. in Tonne

	Installed Capacity		Production		% of Installed	
	Y E A R S					
	2014	2013	2014	2013	2014	2013
(a) Main Product:						
– White Sugar Bagged	93,000	69,000	63,650	52,727	68	76
By Product:						
– Molasses	46,500	34,500	28,660	22,838	62	66
– Bagasse	297,600	220,800	196,911	158,778	66	72
– V. Filter Cake	27,900	20,700	18,650	15,095	67	73

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**

	2014		2013		2012	
	Quantity (Tonne)	Rupees in '000	Quantity (Tonne)	Rupees in '000	Quantity (Tonne)	Rupees in '000
Cost of Sugarcane (See Annexure - III)	621,679	2,787,166	503,179	2,404,163	402,317	1,649,429
Process Material (See Annexure - V)	-	25,326	-	14,699	-	12,056

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

Standard Tonne	Sugar			% Increase / (Decrease) as compared to Standard		
	2014 Tonne	2013 Tonne	2012 Tonne	2014	2013	2012

- Sugar Cane	10.00	9.77	9.54	10.19	(2.33)	(4.57)	1.91
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Standard: 10.00 tonne sugar cane = 1 tonne sugar

Year 2014: 9.77 tonne sugar cane =1 tonne sugar

Year 2013: 9.54 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)			
	2014	2013	2012	As compared to 2013		As compared to 2012	
	Rs. in '000	Rs. in '000	Rs. in '000	Rs. in '000	%	Rs. in '000	%
(i) Direct labour cost on production	148,554	132,231	102,559	16,323	12	45,995	45
(ii) Indirect labour cost on production	25,567	23,134	25,516	2,433	11	51	0
(iii) Employees' cost on administration	28,767	31,476	33,842	(2,709)	(9)	(5,075)	(15)
(iv) Employees' cost on selling and distribution	-	-	-	-	-	-	-
(v) Total employees cost (i to iv)	202,888	186,841	161,917	16,047	9	40,971	25
(vi) Bonus to workers and employees <i>(Already included in above total salaries & wages)</i>	22,023	17,896	11,215	4,127	23	10,808	96
(vii) Other employees cost	-	-	-	-	-	-	-

- There was increase in total salaries & wages due to increase in volume of production and partly normal increments as compared to last year.

Rupees in '000

(b) Salaries and perquisites of chief executive and directors

Remuneration
Perquisites
Total Rupees – 2014
Total Rupees – 2013
Number of Persons – 2014
Number of Persons – 2013

	Chief Executive	Directors	Total
Remuneration	9,818	5,455	15,273
Perquisites	5,807	1,817	7,624
Total Rupees – 2014	15,625	7,272	22,897
Total Rupees – 2013	14,597	7,016	21,613
Number of Persons – 2014	1	1	2
Number of Persons – 2013	1	1	2

- In addition to the above perquisites, the Chief Executive and Directors 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
763 men x 111 days (worked)	84,693	94,612	90
763 men x 124 days (available)			

(d) Average number of production workers employed

2014	2013	% Increase/(Decrease)
763	712	7%

(e) Direct labour cost per ton

				Increase / (Decrease)			
	2014	2013	2012	As compared to 2013		As compared to 2012	
					%		%
Sugar (Tonne)	63,650	52,727	39,479	10,923	21	24,171	61
Direct Labour (Rs. in '000)	148,554	132,231	102,559	16,323	12	45,995	45
Direct Labour Cost (Rs. per Tonne)	2,334	2,508	2,598	(174)	(7)	(264)	(10)

(f) Brief explanations for variances

- Per tonne direct labour cost decreased due to increase in 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)**

63,650		52,727	
2014		2013	
Rs.in '000	Per Ton	Rs. in '000	Per Ton
66,225	1,040	91,323	1,732

Stores and spares parts consumed

- Average per tonne cost of stores & spares decreased due to increase in volume of production and reduction in consumption of stores and spares as compared to last year.

(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 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. 22.805 million (Year 2013: 21.852 million) which is equivalent to 14% (Year 2013: 13%) 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:

	2014 Rs.in '000	2013 Rs.in '000
(i) Cost of Sales	44,991	46,813
(ii) Admin. & General	5,291	5,753
Total	50,282	52,566

(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**

	2014	2013	2012
	Rs.in '000	Rs.in '000	Rs.in '000
(i) Factory	33,524	31,130	25,590
(ii) Administration	70,385	70,053	71,679
(iii) Selling & distribution	38,077	10,997	120,763
(iv) Financial	125,711	138,840	163,748
	<u>267,697</u>	<u>251,020</u>	<u>381,780</u>

(i) Factory Overheads				% Increase / (Decrease)			
	2014	2013	2012	As compared to 2013		As compared to 2012	
	Rs.in '000	Rs. in '000	Rs. in '000	Rupees	%	Rupees	%
Printing & stationery	119	142	222	(23)	(16)	(103)	(46)
Communication charges	477	349	514	128	37	(37)	(7)
Insurance expenses	8,986	7,580	7,627	1,406	19	1,359	18
Travelling & conveyance	3,228	3,245	846	(17)	(1)	2,382	282
Fees and Subscriptions	430	1,056	610	(626)	(59)	(180)	(30)
Entertainment	4,274	3,593	3,708	681	19	566	15
Vehicle running expenses	5,308	5,534	4,678	(226)	(4)	630	13
Security charges	9,163	7,908	5,486	1,255	16	3,677	67
Newspaper and periodicals	59	34	56	25	74	3	5
Miscellaneous expenses	1,480	1,689	1,843	(209)	(12)	(363)	(20)
	<u>33,524</u>	<u>31,130</u>	<u>25,590</u>	<u>2,394</u>	<u>8</u>	<u>7,934</u>	<u>31</u>

- There was increase in factory overheads mainly on account of communication charges, insurance, entertainment, security and newspaper expenses as compared to last year.

(ii) Administration Overheads				% Increase / (Decrease)			
	2014	2013	2012	As compared to 2013		As compared to 2012	
	Rs.in '000	Rs. in '000	Rs. in '000	Rupees	%	Rupees	%
Salaries, allow & benefits	28,767	31,476	33,842	(2,709)	(9)	(5,075)	(15)
Rent, rates & taxes	3,067	3,506	3,180	(439)	(13)	(113)	(4)
Communication charges	1,908	1,987	2,236	(79)	(4)	(328)	(15)
Travelling & conveyance	540	1,006	2,304	(466)	(46)	(1,764)	(77)
Printing & stationery	1,471	927	600	544	59	871	145
Entertainment	1,051	1,273	1,278	(222)	(17)	(227)	(18)
Vehicle running expenses	7,570	7,299	7,397	271	4	173	2
Repairs & maintenance	1,230	1,492	2,072	(262)	(18)	(842)	(41)
Insurance	1,943	1,692	1,660	251	15	283	17
Fees and subscription	3,480	2,832	2,713	648	23	767	28
Legal & professional charges	6,419	5,398	3,910	1,021	19	2,509	64
Auditors' remuneration	839	759	783	80	11	56	7
Charity & donation	501	451	1,177	50	11	(676)	(57)
Newspaper & periodicals	42	44	24	(2)	(5)	18	75
Utilities	2,590	2,267	2,098	323	14	492	23
Depreciation	5,291	5,753	4,689	(462)	(8)	602	13
Security expenses	920	545	431	375	69	489	113
Miscellaneous	2,756	1,346	1,285	1,410	105	1,471	114
	<u>70,385</u>	<u>70,053</u>	<u>71,679</u>	<u>332</u>	<u>0</u>	<u>(1,294)</u>	<u>(2)</u>

- Overall there was no significant variance in administration overheads as compared to last year except increase in printing & stationery, legal & professional, security and miscellaneous expenses as compared to last two years.

(iii) Selling Overheads				% Increase / (Decrease)			
	2014	2013	2012	As compared to 2013		As compared to 2012	
	Rs.in '000	Rs. in '000	Rs. in '000	Rupees	%	Rupees	%
Sugar bags handling exp	8,697	7,973	6,362	724	9	2,335	37
Export transportation & others	26,599	246	13,308	26,353	10,713	13,291	100
Marking fees	2,781	2,778	3,361	3	0	(580)	(17)
Service & local transportation	-	-	97,732	-	-	(97,732)	(100)
	38,077	10,997	120,763	27,080	246	(82,686)	(68)

- There was increase in selling overheads mainly on account of loading / unloading and export transportation expenses as compared to last two years.

(iv) Financial Expenses				% Increase / (Decrease)			
	2014	2013	2012	As compared to 2013		As compared to 2012	
	Rs.in '000	Rs. in '000	Rs. in '000	Rupees	%	Rupees	%
Mark-up on:							
Long term financing	7,954	28,414	53,339	(20,460)	(72)	(45,385)	(85)
Short term borrowings	112,915	105,071	105,603	7,844	7	7,312	7
Interest on WPPF fund	6	-	-	6	100	6	100
Bank charges & guarantee	4,836	5,355	4,806	(519)	(10)	30	1
	125,711	138,840	163,748	(13,129)	(9)	(38,037)	(23)

- There was decrease in financial overheads mainly on account of decrease in markup on long term finances 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)			
	2014	2013	2012	As compared to 2013		As compared to 2012	
					%		%
Sugar (Tonne)	63,650	52,727	39,479	10,923	21	24,171	61
Packing material cost (Rs. in '000)	34,321	27,839	28,596	6,482	23	5,725	20
Per tonne cost (Rs. in '000)	539	528	724	11	2	(185)	(26)

- Overall packing material cost increased mainly due to increase in volume of production and partly due to increase in cost of packing material as compared to last year.

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	
2014	2013	2014	2013	2014	2013

-----Rs. in '000-----						
Cost of Production	2,783,083	2,393,122	2,358,763	2,299,417	5,141,846	4,692,539
Inventory adjustment (Finished goods):						
– Opening	526,717	587,477	159,645	428,031	686,362	1,015,508
– Closing	(815,234)	(526,717)	(273,201)	(159,645)	(1,088,435)	(686,362)
	(288,517)	60,760	(113,556)	268,386	(402,073)	329,146
Cost of sales	2,494,566	2,453,882	2,245,207	2,567,803	4,739,773	5,021,685

**11.1 Sugar Cost of Production Per Ton
Production (Tonne)**

2014	2013
63,650	52,727

2014		2013		Increase / (Decrease)	
Rs. in '000	Rupees/Ton	Rs. in '000	Rupees/Ton	Rupees/Ton	%
2,783,083	43,725	2,393,122	45,387	(1,662)	(4)

Cost of Production - White Sugar
(See Annexure-1 at item 20)

- There was decrease in per tonne cost of production mainly on account of increase in volume of production as compared to last year.

11.2 Ethanol

	2014 Rs. in '000	2013 Rs. in '000
Cost of raw material consumed	2,173,249	2,001,851
Stores and spare parts consumed	56,892	55,122
Packing materials	94	4,321
Salaries, wages and other benefits	33,656	30,708
Fuel, electricity and water charges	60,675	177,780
Repairs and maintenance	6,931	10,724
Other manufacturing expenses	22,601	20,480
Depreciation	34,370	36,607
	<u>2,388,468</u>	<u>2,337,593</u>
Work in process		
– Opening	-	-
– Closing	-	-
	<u>-</u>	<u>-</u>
	<u>2,388,468</u>	<u>2,337,593</u>
Less:		
– Sale of fusel oil, CO2 gas and electricity income - net	(29,705)	(38,176)
	<u>2,358,763</u>	<u>2,299,417</u>

12. SALES (Segment Wise)

(a) Net Sales Realization

	Sugar		Ethanol		Total	
	2014	2013	2014	2013	2014	2013
-----Rs. in '000-----						
Local	2,286,672	1,812,061	180,206	107,703	2,466,878	1,919,764
Export	494,806	968,368	2,719,041	3,044,346	3,213,847	4,012,714
	2,781,478	2,780,429	2,899,247	3,152,049	5,680,725	5,932,478
Less:						
Sales tax	(37)	(6,923)	(23,022)	(10,470)	(23,059)	(17,393)
Special excise duty	-	(2,063)	-	-	-	(2,063)
Federal excise duty	(136,926)	(63,322)	-	-	(136,926)	(63,322)
	(136,963)	(72,308)	(23,022)	(10,470)	(159,985)	(82,778)
Net sales realization	2,644,515	2,708,121	2,876,225	3,141,579	5,520,740	5,849,700

(b) Sugar Sales Per Tonne

		2014			2013		
		Local	Export	Total	Local	Export	Total
Sugar	(Qty in tonne)	46,349	10,252	56,601	34,380	18,960	53,340
Sales value	(Rs. in '000)	2,286,672	494,806	2,781,478	1,812,061	968,368	2,780,429
Less: Sales tax & excise duty	(Rs. in '000)	(136,963)	-	(136,963)	(72,308)	-	(72,308)
Net Sales Realization	(Rs. in '000)	2,149,709	494,806	2,644,515	1,739,753	968,368	2,708,121
Sugar sales per tonne	(Rs. in '000)	46,381	48,264	46,722	50,604	51,074	50,771

(c) The export sales was made to.....during the year under review.

13. PROFITABILITY / (LOSS)

Segment / Division wise	Note	2014 Rs. in '000	2013 Rs. in '000
– Sugar	13.1	(2,404)	50,686
– Ethanol	13.2	370,074	310,822
– Net profit from storage tank terminal	13.3	59,852	9,716
– Net loss from chemical, alloys and	13.4		
Power segment & fixed expenses due suspension		(39,403)	(40,226)
Total Profit before taxation		388,119	330,998

13.1 Sugar

	Note	2014		2013	
		Qty in Ton	Rs. in '000	Qty in Ton	Rs. in '000
– Local	13.1.1	46,349	1,922	34,380	26,918
– Export	13.1.2	10,252	(4,326)	18,960	23,768
Total		56,601	(2,404)	53,340	50,686

- The company incurred loss before tax of Rs. 2.404 million as against profit of Rs. 50.687 million in the last year.

13.1.1 LOCAL

Sales of sugar (Tonne)

2014	2013
46,349	34,380

	2014		2013		Increase / (Decrease)	
	Rs. in '000	Rupees/Ton	Rs. in '000	Rupees/Ton	Rupees/Ton	%
Net sales	2,149,709	46,381	1,739,753	50,604	(4,223)	(8)
Less: Cost of sales	(2,042,731)	(44,073)	(1,581,636)	(46,005)	1,932	(4)
Gross profit / (loss)	106,978	2,308	158,117	4,599	(2,291)	(99)
Less:						
Selling expenses	(11,478)	(248)	(7,088)	(206)	(41)	20
Admin. Expenses	(57,636)	(1,244)	(45,152)	(1,313)	70	(5)
Financial charges	(102,941)	(2,221)	(89,489)	(2,603)	382	(15)
Other charges	(2,077)	(45)	(2,665)	(78)	33	(42)
Other income	69,078	1,490	13,194	384	1,107	(288)
	(105,055)	(2,267)	(131,199)	(3,816)	1,550	(41)
Profit / (loss) before tax	1,922	41	26,918	783	(741)	(95)

13.1.2 EXPORT

Sales of sugar (Tonne)

	2014		2013			
	10,252		18,960			
	2014		2013		Increase / (Decrease)	
	Rs. in '000	Rupees/Ton	Rs. in '000	Rupees/Ton	Rupees/Ton	%
Net sales	494,806	48,264	968,368	51,074	(2,810)	(6)
Less: Cost of sales	(451,835)	(44,073)	(872,246)	(46,005)	1,932	(4)
Gross profit / (loss)	42,971	4,192	96,122	5,070	(878)	(17)
Less:						
Selling expenses	(26,599)	(2,595)	(3,909)	(206)	(2,388)	1,158
Admin. Expenses	(12,749)	(1,244)	(24,901)	(1,313)	70	(5)
Financial charges	(22,770)	(2,221)	(49,351)	(2,603)	382	(15)
Other charges	(460)	(45)	(1,469)	(78)	33	(42)
Other income	15,279	1,490	7,277	384	1,107	288
	(47,298)	(4,613)	(72,354)	(3,816)	(797)	21
Profit / (loss) before tax	(4,326)	(422)	23,768	1,254	(1,676)	(134)

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

	2014	2013
	Rs. in '000	Rs. in '000
Gross sales	2,876,225	3,141,579
Less: Cost of sales	(2,245,207)	(2,567,803)
Gross profit	631,018	573,776
Less:		
Distribution cost	(106,599)	(110,326)
Administrative expenses	(46,589)	(46,205)
Other operating expenses	(29,322)	(29,142)
Finance cost	(121,462)	(85,416)
Other income	43,028	8,135
	(260,944)	(262,954)
Profit / (loss) before tax	370,074	310,822

13.3 Net Profit from Storage Tank Terminal

Storage service income

Inter-segment services

Less: Direct expenses

Profit / (loss) before tax

Storage service income	94,146	35,103
Inter-segment services	17,100	15,945
	111,246	51,048
Less: Direct expenses	51,394	41,332
Profit / (loss) before tax	59,852	9,716

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

Plant lease income

Scrap sales

Less: Fixed expenses due to suspension

Chemical and alloys

Power

Profit / (loss) before tax

Plant lease income	4,800	11,400
Scrap sales	85	4,024
	4,885	15,424
Less: Fixed expenses due to suspension		
Chemical and alloys	23,842	36,062
Power	20,446	19,588
	44,288	55,650
Profit / (loss) before tax	(39,403)	(40,226)

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, 2014. 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 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

Karachi :

RECONCILIATION OF COST OF SALES
between
Cost Accounts & Financial Accounts
For the year ended September 30, 2014

COST OF SALES	2014 Rs. in '000
Cost of sales sugar segment as per cost accounts (Annexure-I)	2,494,566
Add: Cost of sales Ethanol segment	2,245,207
Total Cost of sales as per audited financial accounts	<u><u>4,739,773</u></u>

Cost accounts are in agreement with audited financial accounts of the company for the year ended September 30, 2014.

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, 2014 as compared with September 30, 2013

CANE CRUSHING CAPACITY

Season / Year	Licensed and Installed Capacity			Actual Capacity Utilization			Capacity Utilization
	Sugar Segment			Sugar Segment			
	No. of Days	Tons Per Day	Crushing Tons	No. of Days	Tons Per Day	Crushing Tons	%
Year 2013-2014	124	7,500	930,000	111	5,601	621,679	67%
Year 2012-2013	92	7,500	690,000	90	5,591	503,179	73%

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, 2014 as compared with September 30, 2013

	2013-2014		2012-2013	
	Qty. in Tonne	Rs. in `000	Qty. in Tonne	Rs. in `000
	Sugar Segment		Sugar Segment	
1. Work in Process				
– Sugar-in-process	83	3,485	133	5,823
2. Finished Goods				
– White Sugar	18,498	815,234	11,449	526,717
3. GRAND TOTAL (1 + 2)		818,719		532,540

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, 2014

Schedule - I

S.#	Particulars	2013-2014	2012-2013
1.	(a) Cane Crushed:		
	Date Started	01-11-2013	28-11-2012
	Date Finished	04-03-2014	27-02-2013
	Duration of run days	124	92
	Total No. of days of actual crushing	111	90
	Total No. of hours of actual crushing	2,663	2,150
	Total No. of hours lost	564	89
	Total cane milled (Tonne)	621,679	503,179
	Converted Maunds	15,541,964	12,579,464
	Total mixed juice obtained (Tonne)	718,434	595,336
	(b) Gur Melted:	—	—
2.	Juice & Added Water:		
	Average mixed juice % cane	115.564	118.315
	Average water added % cane	47.238	49.754
3.	Sugar Made:		
	Total Sugar bagged of all grade (100) kg.	—	—
	Total Sugar bagged of all grade (50) kg.	1,273,000	1,054,540
	Sugar bagged (M. Tons)	63,650	52,727
	Sugar in Process (M. Tons)	83.232	133.235
4.	Molasses Extracted:		
	Total molasses sent out (M. Tons)	28,660	22,838
	Molasses in Process (M. Tons)	3.659	6.626
5.	Recovery Percent:		
	Average recovery of marketable white sugar % cane	10.230	10.480
	Average production of final molasses % cane	4.610	4.539
6.	By Products:		
	Bagasse % cane	31.674	31.555
	V. Filter Cake % cane	3.000	3.000
7.	Clarification Process : (Specify)		
	— Defecation, Melt, Phosphitation		

Chief Financial Office

Chief Executive

Karachi:

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Cost of Production and Sale of White Bagged Sugar

For the year ended September 30, 2014

ANNEXURE - I

Quantitative Data - Bagged Sugar		2013-2014	2012-2013
Opening Stock	(Tonne)	11,449	12,062
Production	(Tonne)	63,650	52,727
Total Qty. available for sale	(Tonne)	75,099	64,789
Closing Stock	(Tonne)	18,498	11,449
Sales	(Tonne)	56,601	53,340

S. No.	Particulars	2013-2014		2012-2013	
		Amount (Rs. in '000)	Cost per Ton	Amount (Rs. in '000)	Cost per Ton
1.	Raw Materials:				
	(a) Sugar Cane (Annexure - III)	2,787,166	43,789	2,404,163	45,596
	(b) Beet (Annexure - IV)	-	-	-	-
	(c) Gur	-	-	-	-
	(d) Raw Sugar	-	-	-	-
	(e) Process Material (Annexure - V)	23,696	372	14,482	275
2.	Salaries / wages benefits (Annexure - VI)	119,968	1,885	105,042	1,992
3.	Consumable Stores	40,899	643	76,624	1,453
4.	Repairs & Maintenance	6,945	109	12,062	229
5.	Utilities: Steam (Annexure - VII)	24,712	388	25,611	486
6.	Electric Power (Annexure - VIII)	32,026	503	33,747	640
7.	Water & Gas	976	15	2,863	54
8.	Insurance	-	-	-	-
9.	Depreciation	23,395	368	24,343	462
10.	Other Factory Overheads (Annexure - IX)	32,810	515	30,467	578
11.	Total Cost	3,092,593	48,587	2,729,404	51,765
12.	Add : Opening Stock of W.I.P.	5,823	-	5,584	-
13.	Less : Closing Stock of W.I.P.	(3,485)	-	(5,823)	-
14.	Total Cost of Goods Manufactured	3,094,931	48,624	2,729,165	51,760
15.	Less : Realisable Value of By-Products:				
	– Transfer price of Molasses	(254,585)	(4,000)	(179,225)	(3,399)
	– Sale of Molasses - net	(4)	(0)	(1,134)	(22)
	– Transfer price of Bagasse (Consumed) Annex-VII	(60,674)	(953)	(175,582)	(3,330)
	– Stock adjustment of Bagasse in hand - net	(7,441)	(117)	(5,151)	(98)
	– Sale of Bagasse - net	(23,465)	(369)	(2,790)	(53)
16.	Net cost of Goods Manufactured	2,748,762	43,186	2,365,283	44,859
17.	Add : Packing Material & Handling	34,321	539	27,839	528
18.	Net Cost of Bagged Sugar	2,783,083	43,725	2,393,122	45,387
19.	Add : Excise Duty / Sales Tax	-	-	-	-
20.	Total Cost of Bagged Sugar	2,783,083	43,725	2,393,122	45,387
21.	Add : Opening Stock of Sugar	526,717	-	587,477	-
22.	Less : Closing Stock of Sugar	(815,234)	-	(526,717)	-
23.	Cost of Sales	2,494,566	44,073	2,453,882	46,005
24.	Administrative Expenses (Annexure - X)	70,385	1,244	70,053	1,313
25.	Selling & Distribution Expenses (Annexure - XI)	38,077	673	10,997	206
26.	Financial Expenses	125,711	2,221	138,840	2,603
27.	Other Charges / (Income)	(81,820)	(1,446)	(16,337)	(306)
	TOTAL COST OF MAKE & SALE	2,646,919	46,765	2,657,435	49,821

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Cost of Sugar Cane Produced

For the year ended September 30, 2014

ANNEXURE - II

S. No.	Particulars	2013-2014		2012-2013	
		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, 2014

ANNEXURE - III

S. No.	Particulars	2013-2014			2012-2013		
		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	621,679	4,300	2,673,218	503,179	4,300	2,163,668
2.	Additional cane price to growers	621,679	54	33,432	503,179	164	82,536
3.	Quality Premium	-	-	-	503,179	223	111,959
4.	Loading / Unloading charges	621,679	2	1,353	503,179	2	894
5.	Cane Development Expenses:						
	a) Salaries & Wages of Supply & Development Staff	621,679	0	4	503,179	1	324
	b) Sugar Cane Development Research	621,679	3	2,104	503,179	0	178
	c) Sugar Cane Subsidy						
	d) Other expenditure						
6.	Taxes & Levies:						
	a) Cane Cess / Purchase Tax / L.C. Charges						
	b) Market Committee Fee	621,679	10	6,217	503,179	10	5,032
	c) Road Cess	621,679	6	3,886	503,179	6	3,145
	d) Octroi and Freight handling						
	e) Others						
7.	Transportation Charges:						
	a) Delivery expenses						
	b) Transport cost	621,679	59	36,706	503,179	15	7,566
	c) Others						
8.	Other Expenditure at Cane Collection Centers:						
	a) Salaries and Wages (Annexure - VI)	621,679	46	28,586	503,179	54	27,189
	b) Stores						
	c) Repairs & Maintenance	621,679	0	15	503,179	0	91
	d) Other factory overheads (Annexure - IX)	621,679	1	390	503,179	1	362
	e) Sector Office expenses	621,679	2	1,255	503,179	2	1,219
9.	Total Cost of 'SUGAR CANE' transferred to production processe (Annexure - I)	621,679	4,483	2,787,166	503,179	4,778	2,404,163

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Cost of Beet Consumed

For the year ended September 30, 2014

ANNEXURE - IV

S. No.	Particulars	2013-2014			2012-2013		
		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, 2014

ANNEXURE - V

S. No.	Particulars	2013-2014		2012-2013	
		Amount (Rs. in '000)	Cost per Tonne	Amount (Rs. in '000)	Cost per Tonne
	Total Sugar Produced (Tonne)	63,650		52,727	
	1. Chemicals, Lubricants & Process:				
1.	Unslaked Lime	4,567	72	3,070	58
2.	Phosporic Acid	2,732	43	1,722	33
3.	Chemquest	1,200	19	1,000	19
4.	Talofloc Wax	7,756	122	5,926	112
5.	Polyelectrolyt Accofloc	625	10	416	8
6.	Talo Float	197	3	151	3
7.	Caustic Soda	1,345	21	822	16
8.	Soda Ash	17	0	6	0
9.	Lead sub Accatate	116	2	239	5
10.	Tri Sodium Phosphate	-	-	8	0
11.	Chemrite	30	0	-	-
12.	Bleaching Powder	357	6	284	5
13.	Formaline	8	0	18	0
14.	Rock Salt	259	4	527	10
15.	Softno Treat	192	3	190	4
16.	Sewing Thread	504	8	-	-
17.	Cleaning Brushes	163	3	28	1
18.	Others	5,258	83	292	6
	TOTAL	25,326	398	14,699	279

2. ALLOCATED TO:

	2014 Rupees	2013 Rupees
(a) Electric Generation (Annexure - VIII)	946	24
(b) Steam Generation (Annexure - VII)	684	193
(c) Production Process (Annexure - I)	23,696	14,482
TOTAL	25,326	14,699

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Cost of Salaries, Wages & Benefits

For the year ended September 30, 2014

ANNEXURE - VI

S. No.	Particulars	2013-2014		2012-2013	
		Amount (Rs. in '000)	Cost per Tonne	Amount (Rs. in '000)	Cost per Tonne
	Total Sugar Produced (Tonne)	63,650		52,727	
	COST				
	1. Salaries / Wages:				
(i)	Officers and permanent staff	111,294	1,749	106,491	2,020
(ii)	Seasonal staff	3,877	61	3,297	63
(iii)	Daily rated and contract labour	52,617	827	43,437	824
(iv)	Bonuses	22,023	346	17,896	339
	2. Benefits				
(i)	Medical expenses	222	3	634	12
(ii)	Canteen expenses	386	6	190	4
(iii)	Welfare, Recreation	-	-	12	0
(iv)	Transport and travelling	-	-	-	-
(v)	Education Cess / expenses	209	3	30	1
(vi)	Group Insurance / Workmen	-	-	-	-
(vii)	Provident Fund	-	-	-	-
(viii)	Gratuity / Pension / Retirement benefits	3,681	58	6,035	114
(ix)	Others	8,579	135	8,819	167
(x)	TOTAL	202,888	3,188	186,841	3,544

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

2014 Rupees	2013 Rupees
18,113	16,318
7,454	6,816
28,586	27,189
119,968	105,042
28,767	31,476
-	-
-	-
<u>202,888</u>	<u>186,841</u>

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Cost of Steam Generated / Consumed

For the year ended September 30, 2014

ANNEXURE - VII

S. No.	Particulars	Unit	2013-2014	2012-2013
	Type of Steam Boiler used		Water Tube Boiler	
	Boiler No. 1 & 2 & 3	Tonne / Hour		
1.	No. of days worked	Days	124	92
2.	Installed capacity	Tonne / Hour	1,445,400	1,445,400
3.	Utilised capacity	Tonne / Hour	431,904	452,232
4.	Production :			
	a) High Pressure Steam	Tonne	431,904	452,232
	b) Medium Pressure Steam			
	c) Low Pressure Steam			
	d) Less : transit losses	Tonne	(12,957)	(13,567)
	e) Total	Tonne	418,947	438,665
5.	Percentage of Capacity Utilization (3 / 2 x 100)		30%	31%

S. No.	Particulars	2013-2014			2012-2013		
		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	418,947	144.83	60,674	438,665	400.50	175,686
	(ii) Purchased	-	-	-	438,665	4.77	2,094
	(b) Pith						
	(c) Coal purchased						
	(e) Furnace Oil	418,947	2.34	980	438,665	5.78	2,537
	(e) Fire wood	418,947	0.05	21	438,665	1.82	797
	(f) Gas						
	(g) Other fuels, if any						
3.	Quantity of waste heat from the plant, if any						
4.	Consumable Stores						
	- Process Material (Annexure - V)	418,947	1.63	684	438,665	0.44	193
5.	Direct Salaries, Wages & Benefits						
	(As per Annexure - VI)	418,947	17.79	7,454	438,665	15.54	6,816
6.	Repairs & maintenance	418,947	3.78	1,584	438,665	5.03	2,207
7.	Other direct expenses						
	- Factory Overheads (Annexure - IX)	418,947	0.77	324	438,665	0.69	301
8.	Baggase handling charges	418,947	11.13	4,663	438,665	7.66	3,362
9.	Depreciation	418,947	39.74	16,647	438,665	39.49	17,321
	Total Cost of Steam Raised	418,947	222.06	93,031	438,665	481.72	211,314
10.	Less : Out side sold						
	Total Cost of Steam for Self Consumption	418,947	222.06	93,031	438,665	481.72	211,314
	Add : Cost of Steam Purchased						
11.	Total Cost of Steam Consumed	418,947	222.06	93,031	438,665	481.72	211,314
12.	ALLOCATION						
	Total of item 12 allocated to:						
	(i) White bagged sugar (Annexure - I)	385,431		85,386	421,118		203,391
	(ii) Electric power house (Annexure - VIII)	33,516		7,645	17,547		7,923
	(iii) Others: (a) Staff Colony						
	(b) Office building etc.						
	TOTAL	418,947	222.06	93,031	438,665	481.72	211,314

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, 2014

ANNEXURE - VIII

S. No.	Particulars	2013-2014	2012-2013
1.	Installed capacity (kwh)	65,700,000	65,700,000
2.	No. of units generated from steam (KWH)	17,726,000	21,675,020
3.	No. of units purchased (KWH)	14,682	70,894
4.	Total (2 + 3)	17,740,682	21,745,914
5.	Consumption in power house including other losses	310,462	380,554
6.	Net units consumed (4 – 5)	17,430,220	21,365,360
7.	Percentage of Consumption and losses to total units available = 5/4 x 100	1.75%	1.75%
8.	Percentage of power generated to installed capacity	27%	33%

S. No.	Particulars	2013-2014			2012-2013		
		Qty. in KWH	Rate Per Unit	Amount (Rs. in '000)	Qty. in KWH	Rate Per Unit	Amount (Rs. in '000)
1.	Steam (Annexure - VII)	17,430,220	0.44	7,645	21,365,360	0.37	7,923
2.	Consumable Stores						
	- Process Material (Annexure - V)	17,430,220	0.05	946	21,365,360	0.00	24
3.	Direct Salaries, Wages & Benefits (As per Annexure - VI)	17,430,220	1.04	18,113	21,365,360	0.76	16,318
4.	Other Direct expenses						
5.	Repairs & Maintenance	17,430,220	0.02	373	21,365,360	0.20	4,333
6.	Other expenses						
7.	Depreciation	17,430,220	0.28	4,949	21,365,360	0.24	5,149
	Total	17,430,220	1.84	32,026	21,365,360	1.58	33,747
8.	Less :						
	(a) Credit for Exhaust Steam used in process etc.						
	(b) Other credits, if any						
9.	Cost of Power Generated	17,430,220	1.84	32,026	21,365,360	1.58	33,747
10.	Less : Cost of Power Sold						
11.	Add : Cost of Power purchased						
12.	Total Net Cost of power consumed	17,430,220	1.84	32,026	21,365,360	1.58	33,747
13.	Cost per unit average						
	ALLOCATION						
	Total at item 12 allocated to:						
	(i) White bagged sugar (Annexure - I)	17,430,220	1.84	32,026	21,365,360	1.58	33,747
	(ii) Self consumption						
	(iii) Others						
	(a) Staff colony / Office building						
	(b) Other (specify)						
14.	TOTAL (i + ii + iii)	17,430,220	1.84	32,026	21,365,360	1.58	33,747

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Other Factory Overheads

For the year ended September 30, 2014

ANNEXURE - IX

S. No.	Particulars	2013-2014		2012-2013	
		Amount (Rs. in '000)	Cost per Tonne	Amount (Rs. in '000)	Cost per Tonne
1.	Total Sugar Produced (Tonne)	63,650		52,727	
2.	COST:				
1.	Rent, rates & taxes	-	-	-	-
2.	Printing & stationery	119	2	142	3
3.	Communication charges	477	7	349	7
4.	Insurance expenses	8,986	141	7,580	144
5.	Travelling & conveyance	3,228	51	3,245	62
6.	Fees and Subscriptions	430	7	1,056	20
7.	Entertainment	4,274	67	3,593	68
8.	Vehicle running expenses	5,308	83	5,534	105
9.	Security charges	9,163	144	7,908	150
10.	Newspaper and periodicals	59	1	34	1
11.	Miscellaneous expenses	1,480	23	1,689	32
12.	TOTAL	33,524	527	31,130	590
	ALLOCATED TO :				
	(i) White bagged sugar (Annexure - I)	32,810	515	30,467	578
	(ii) Raw material - cane (Annexure - III)	390	6	362	7
	(iii) Steam generation (Annexure - VII)	324	5	301	6
	(iv) Others:				
	(a) Staff colony	-	-	-	-
	(b) Office building etc.	-	-	-	-
	Total as per Item 12 above	33,524	527	31,130	590

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Administration Expenses

For the year ended September 30, 2014

ANNEXURE - X

S. No.	Particulars	2013-2014		2012-2013	
		Amount (Rs. in '000)	Cost per Tonne	Amount (Rs. in '000)	Cost per Tonne
1.	Total Sugar Sold (Tonne)	56,601		53,340	
2.	COST:				
	(i) Salaries, allowances & benefits (Annexure - VI)	28,767	508	31,476	590
	(ii) Rent, rates & taxes	3,067	54	3,506	66
	(iii) Insurance	1,943	34	1,692	32
	(iv) Utilities	2,590	46	2,267	43
	(v) Printing & stationery	1,471	26	927	17
	(vi) Communication charges	1,908	34	1,987	37
	(vii) Repairs & maintenance	1,230	22	1,492	28
	(viii) Travelling & conveyance	540	10	1,006	19
	(ix) Fees and subscription	3,480	61	2,832	53
	(x) Entertainment	1,051	19	1,273	24
	(xi) Legal & professional charges	6,419	113	5,398	101
	(xii) Auditors' remuneration	839	15	759	14
	(xiii) Vehicle running expenses	7,570	134	7,299	137
	(xiv) Charity & donations	501	9	451	8
	(xv) Newspaper and periodicals	42	1	44	1
	(xvi) Security charges	920	16	545	10
	(xvii) Depreciation	5,291	93	5,753	108
	(xviii) Miscellaneous	2,756	49	1,346	25
	TOTAL	70,385	1,244	70,053	1,313

Chief Financial Officer

Chief Executive

AL-ABBAS SUGAR MILLS LIMITED

Statement Showing Selling Expenses

For the year ended September 30, 2014

ANNEXURE - XI

S. No.	Particulars	2013-2014		2012-2013	
		Amount (Rs. in '000)	Cost per Tonne	Amount (Rs. in '000)	Cost per Tonne
1.	Total Sugar Sold (Tonne)	56,601		53,340	
2.	COST:				
	(i) Salaries, allowances & benefits (Annexure - VI)	-	-	-	-
	(ii) Sugar bags handling expenses	8,697	154	7,973	149
	(iii) Export transportation and others	26,599	470	246	5
	(iv) Marking fees	2,781	49	2,778	52
	(v) Other expenses	-	-	-	-
	TOTAL	38,077	673	10,997	206

Chief Financial Officer

Chief Executive