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**AL ABBAS SUGAR  
MILLS LIMITED**

Cost of Audit Report  
For the year ended September 30, 2013

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## **COST AUDITORS' REPORT**

We, M/s. Haroon Zakaria & Company, Chartered Accountants, having been appointed to conduct an audit of cost accounts of **M/S. 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, 2013 and report that:

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.

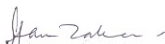
In our opinion:

- 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

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 a 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 Sugar.

The matter contained in the **Annexures** form part of this report.

  
**Haroon Zakaria & Company**  
Chartered Accountants

**Place:** Karachi  
**Dated:** 28 JAN 2014

## PARTICULARS TO BE INCLUDED IN COST AUDITOR'S REPORT

### 1. CAPACITY

- a) The following table shows the installed capacity per day and normal capacity calculated on the basis of number of working days and actual recovery percentage: -

Particulars	2013	2012	2011
Installed capacity per day (M.Tons)	7,500	7,500	7,500
No. of days worked	92	93	138
Total capacity based on the number of days worked (M.Tons.)	690,000	697,500	1,035,000
Cane milled (M. Tons.)	503,179	402,317	594,000
Capacity utilized by the mill per day (M. Tons.)	5,469	4,326	4,304

- b) The price of sugarcane is fixed at Rs.172 (2012 : Rs.154) (2011 : Rs.127) per 40 kg by the Government, but the company has paid over and above the fixed rate including quality premium and transportation charges.

c) **Other activities**

In addition to manufacturing of white refined sugar and its by-product i.e. molasses and baggase, the company is also engaged in the production of industrial alcohol, calcium carbide and Ferro alloys and power generation.

### 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 baggase 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 product 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

a) Production of each type of product is as under:

Particulars	(M.Tons)		
	2013	2012	2011
Sugar from sugarcane	52,727	39,479	60,395
Molasses - by product	22,838	19,724	28,950
Bagasse - by product	158,778	130,097	187,033

b) Installed capacity

	2013	2012	2011
Installed capacity (M.Tons) (based on cane crushed per day and actual recovery percentage)	72,312	68,564	105,270
Actual recovery percentage	10.48%	9.83%	10.17%
Actual production (M.tons)	52,727	39,479	60,395
Capacity utilization (%age)	72.92%	57.58%	57.37%

c) Addition to production capacity

There has been no addition in production capacity in current year and in previous year.

### 4. RAW MATERIAL

a) Detail of raw materials and its cost components is given hereunder: -

S. No	Particulars	2013		
		Quantity M.tons	Rate M.Ton	Amount (Rs. 000's)
1	Sugarcane purchased	503,179	4,300.00	2,163,668
2	Quality premium	-	222.50	111,959
3	Additional price to growers (excess of Government fixed price)	-	164.03	82,536
4	Subsidy on transportation	-	15.04	7,566
5	Other cost	-	21.45	10,792
	<b>Total as per cost of sales</b>	<b>503,179</b>	<b>4,723.02</b>	<b>2,376,521</b>

S. No	Particulars	2012		
		Quantity M.tons	Rate M.Ton	Amount (Rs. 000's)
1	Sugarcane purchased	402,317	3,850.39	1,549,077
2	Quality premium	-	141.25	56,827
3	Additional price to growers ( excess of Government fixed price)	-	11.93	4,800
4	Other cost	-	39.15	15,751
	<b>Total as per cost of sales</b>	<b>402,317</b>	<b>4,042.72</b>	<b>1,626,455</b>

S. No	Particulars	2011		
		Quantity M.tons	Rate M.Ton	Amount (Rs. 000's)
1	Sugarcane purchased	594,000	3,177.53	1,887,451
2	Quality premium	-	183.81	109,185
3	Additional price to growers ( excess of Government fixed price)	-	1,909.96	1,134,517
4	Other cost	-	159.46	94,717
6	Raw sugar	3,597	60,142.24	216,332
7	Refined suger	6,700	64,515.67	432,255
	<b>Total as per cost of sales</b>	<b>604,297</b>	<b>6,411.51</b>	<b>3,874,457</b>

- b) Comparison of consumption of major raw material per M.Ton of production with standard consumption is produced as under:

	2013	2012	2011
Actual recovery percentage	10.48%	9.83%	10.17%
Actual raw material consumed per M.Ton	9.543	10.191	9.835
Standard raw material consumed per M.Ton	N/A	N/A	N/A

There are certain limitations attached with sugar industry due to which standard could not be maintained. These limitations include, quality of sugarcane from different areas give different yield, recovery from fresh sugarcane is more than old sugar cane, timing of cane crushing, distance between the cane field and the mill.

- c) **Variances in percentage**

	Compared current with	
	2012	2011
Actual raw material consumed per M. Ton of production. Favourable	6.35%	2.97%

The variances are due to difference in recovery of juice from sugarcane, in different periods. These ratios correspond with the yield ratio or recovery of sugar from raw material as given in section 3 (b) of our report, i.e. higher the recovery of sugar, lower the raw material consumed per M.Ton of sugar produced.

- d) 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 AND OTHER BENEFITS

- a) Total wages and salaries paid to employees are as follows: -

S. No.	Category	Rupees in thousands		
		2013	2012	2011
i	Direct labour cost on production	45,398	39,477	42,836
ii	Indirect employees' cost on production	83,253	71,357	67,816
iii	Bonus to workers and employees	17,896	11,215	14,059
iv	Other Employees cost	8,818	6,026	3,681
	<b>Total as per cost of sales</b>	<b>155,365</b>	<b>128,075</b>	<b>128,392</b>
v	Employees' cost on Administration	31,476	33,842	26,468
	<b>Total employees cost</b>	<b>186,841</b>	<b>161,917</b>	<b>154,860</b>

- b) Remuneration of Chief Executive Officer and Executive Directors amounting to Rs.11.490 million (2012: Rs.10.08 million) (2011: Rs. 7.500 million) has been charged to administrative expenses.

- c) Total mans days of direct labour available and actually worked: -

Particulars	2013	2012	2011
Days available	65,504	62,310	111,504
Days worked	63,791	52,930	81,608

- d) The number of workers employed for the year 2013 were 712 (2012 : 670) (2011 : 808).

- e) Direct labour cost per M.Ton of output is Rs.1,200.41 (2012 : Rs.1,284.02) (2011 : Rs.942.05) which has been worked out as follows: -

	Rupees in thousands		
	2013	2012	2011
Direct labour cost on production.	45,398	39,477	42,836
Bonus to workers and employees.	17,896	11,215	14,059
<b>Total direct labour cost</b>	<b>63,294</b>	<b>50,692</b>	<b>56,895</b>
Sugar produced from sugarcane - (M.Tons)	52,727	39,479	60,395
<b>Labour cost (Rupees per M.Ton)</b>	<b>1,200.41</b>	<b>1,284.02</b>	<b>942.05</b>

- f) Variance in item (e) above is as under:

Decrease in per ton direct labour cost as compared to 2012 is due to increase in sugar production. However increase in per ton direct labour cost as compared to 2011 is due to increase in minimum wages rate, annual increment and labour incentives together with the decrease of sugar production.

- g) Comments on incentive scheme:

The company has paid 6 bonuses (2012: 4 bonuses) (2011 : 7 bonuses) during the year. It is the policy of the company to pay bonus on every production of 10,000 M.Ton. Last bonus is paid either in full or in proportionate depending upon the production.

Its contribution towards production could not be determined because utilization of production capacity is dependent on the availability of sugarcane.

Bonus to workers has increased due to increase in production of sugar.

## 6. STORES, SPARES AND LOOSE TOOLS

- a) Expenditure per unit of output on stores:

	2013	2012	2011
Stores and spares (Rs.000's)	76,624	67,477	53,892
Process material as per Annexure - 5 (Rs.000's)	14,699	12,056	18,493
Stores and spares as per financials (Rs.000's)	91,323	79,534	72,385
Total production (M.Tons)	52,727	39,479	60,395
Expense per M.Ton of sugar (Rs.)	1,732.00	2,014.58	1,198.53

Decrease in expense per M.Ton is due to increase in production of sugar.

- b) The company operates an ERP Oracle Financials for receipt 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) The computerized record maintained by the company enables it to calculate value of stores and spares items in hand at the closing date. The value of obsolete stores as on September 30, 2013 amounts to Rs.21.852 (2012: Rs.21.002) (2011: Rs.21.002 million).

## 7. DEPRECIATION

- a) Depreciation is charged on a systematic basis over the useful life of the asset by applying the reducing balance method at the rates ranging from 5% to 30%. Depreciation on additions is charged from the month in which the assets are put to use while no depreciation is charged in the month in which the assets are disposed off.
- b) Depreciation of common assets is allocated to cost of sales and administrative expenses on the basis of use of assets.
- c) The depreciation is charged to the cost of various products to the extent that they relate to their manufacturing. Breakup of depreciation charged to cost of sugar is as follows: -

Description	Amount	
	2013	2012
Main factory Building	10,072	8,055
Plant, machinery and equipment	36,741	39,196
Tools and tackles	-	136
Total	46,813	47,387

## 8. OVERHEADS

- a) Total amounts of overheads and their head-wise break-up, other than those mentioned separately elsewhere, are as follows: -

### i) Factory overheads:

COST CENTRE	2013	2012	2011	Increase / (Decrease)			
				Compared with 2012		Compared with 2011	
				%	Amount in '000	%	Amount in '000
Rupees in thousand							
Repairs and maintenance	18,693	16,865	14,757	11%	1,828	27%	3,936
Water, fuel and power	138,123	100,965	128,213	37%	37,158	8%	9,910
Security services	7,908	5,486	3,163	44%	2,422	150%	4,745
Printing and stationery	142	222	215	(36%)	(80)	(34%)	(73)
Vehicle running expenses	5,534	4,678	3,386	18%	856	63%	2,148
Insurance expenses	7,580	7,627	6,777	(1%)	(47)	12%	803
Traveling and conveyance	3,245	846	2,149	283%	2,399	51%	1,096
Communication charges	349	514	506	(32%)	(165)	(31%)	(157)
Fees and subscription	1,056	610	271	73%	446	290%	785
Newspaper and periodicals	34	56	49	(40%)	(22)	(31%)	(15)
Entertainment	3,593	3,708	2,453	(3%)	(115)	46%	1,140
Miscellaneous expenses	1,689	1,843	1,578	(8%)	(154)	7%	111
Total	187,946	143,421	163,517		44,525		24,429

### (b) Reasons for significant variances in factory overheads: (compared with 2012):

- Repair and Maintenance:** Increase is attributable due to general inflationary effect.
- Water Fuel and Power:** The crushing of sugarcane and production of sugar increased as compared to previous year resulting more consumption of fuel and power.
- Security Service:** Increase is due to normal increase in salaries of security person together with the increase in deployment of security personnel due to law and order situation.
- Vehicle Running:** The running and maintenance cost has increased substantially due to increase in fuel prices.
- Travelling:** Due to increase in travelling fares and more foreign travelling for business purpose.
- Fee and Subscription:** The fee was paid for various certification pertaining to the export of sugar. Increase due to increase in export of sugar.
- Communication charges:** Decrease in communication charges due to no new broadband connection and tight control over communication charges.
- Printing and stationery:** The magnitude of favourable variance is immaterial and due to efficient utilization of resources by management.
- Newspaper and periodicals:** The magnitude of favourable variance is immaterial and due to efficient utilization of resources by management.

### Reasons for significant variances in factory overheads (compared with 2011):

- Repair and Maintenance:** Increase is attributable due to construction of Sim nala for effective drainage of rain water.
- Security Service:** Increase is due to normal increase in salaries together with the increase in deployment of security personnel.
- Vehicle running expense:** Increase in vehicle expenses during the year was due to increase in fuel expenses & due to excess maintenance cost of old vehicles.
- Insurance:** Increase is due to sum insured and purchase of new insurance policies.
- Travelling:** Due to increase in travelling fares and increase in foreign travelling.
- Communication charges:** Decrease in communication charges is due to no new broad band connection and tight control over communication charges.
- Fee and Subscription:** The fee was paid for various certification pertaining to the export of sugar. Increase due to increase in export of sugar.



(8) **Entertainment:** Visit of contractors and their technical staff for survey purpose. Furthermore increased visitors for Projects which caused increase in entertainment expense during the year

(9) **Miscellaneous expenses:** Increased due to increase in accommodation charges for casual and seasonal worker during the crushing season.

ii) Administration overheads:

COST CENTRE	2013	2012	2011	Increase / (Decrease)			
				Compared with 2012		Compared with 2011	
				%	Amount in '000	%	Amount in '000
				Rupees in thousand			
Salaries, allowances and other benefits	31,476	33,842	26,468	(7%)	(2,366)	19%	5,008
Rent, rates and taxes	3,506	3,180	4,197	10%	326	(16%)	(691)
Communication charges	1,987	2,236	1,088	(11%)	(249)	83%	899
Traveling and conveyance	1,006	2,304	975	(56%)	(1,298)	3%	31
Printing and stationery	927	600	570	55%	327	63%	357
Entertainment	1,273	1,278	1,338	(0%)	(5)	(5%)	(65)
Vehicle running expenses	7,299	7,397	5,261	(1%)	(98)	39%	2,038
Repairs and maintenance	1,492	2,072	1,890	(28%)	(580)	(21%)	(398)
Insurance	1,692	1,660	1,084	2%	32	56%	608
Fees and subscription	2,831	2,713	1,947	4%	118	45%	884
Legal and professional charges	5,398	3,910	1,539	38%	1,488	251%	3,859
Auditors' remuneration	759	783	666	(3%)	(24)	14%	93
Charity and donations	451	1,177	278	(62%)	(726)	62%	173
Newspaper and periodicals	44	24	27	83%	20	0.63	17
Utilities	2,267	2,098	1,798	8%	169	26%	469
Depreciation	5,753	4,689	4,526	23%	1,064	27%	1,227
Amortization expense	1	367	5,078	(100%)	(366)	100%	(5,077)
Miscellaneous expenses	1,891	1,349	839	40%	542	125%	1,052
Total	70,053	71,679	59,569		(1,626)		10,484

Reasons for significant variances in administrative overheads (compared with 2012):

- (1) **Salaries, allowance and other benefits:** Decrease in due to new appointment at higher level management in place of senior staff.
- (2) **Rent rates and taxes:** The unfavourable variance arise on account of general inflationary impact.
- (3) **Travelling:** Decrease due to tight control over foreign travelling of administrative personnel.
- (4) **Printing and Stationery:** Increase was due to increase in paper cost and operating cost of printer during the year.
- (5) **Vehicle running expense:** The magnitude of favourable variance is immaterial and due to tight control over vehicle running expenses.
- (6) **Repairs and maintenance:** The favourable variance is due to disposal of vehicles related to admin department thus reduces repair and maintenance expense and tight control over repair and maintenance expenses.
- (7) **Insurance:** Nominal inflationary increase in insurance expense.
- (8) **Fee and Subscription:** Nominal inflationary increase in fees and subscription.
- (9) **Legal & Professional:** Increased due to increase in Oracle consultancy charges and other membership and retainer fees such as PSMA, lawyers and legal advisors etc.
- (10) **Charity and Donation:** Donation is paid as per management's discretion. In 2012 1 million paid to Fakhr-e-Imdad as donation however in this year various donation paid to hospitals and education centers.
- (11) **Utilities:** Nominal inflationary increase in utilities expenses.
- (12) **Miscellaneous expenses:** Increased due to increase in general expenses such as corporate expense, security charges and etc.

Reasons for significant variances in administrative overheads (compared with 2011):

- (1) **Salaries, allowance and other benefits:** Increase due to general increment in salaries and wages resulting in proportionate impact on Gratuity and leave encashment. Furthermore, the full year impact of increase in salaries of Executive Director and CEO.

- (2) **Rent rates and taxes:** The favorable variance arise on account of sharing of rented premises with 3rd party.
- (3) **Communication charges:** Increased due to surged in rates of broadband connection charges and increase in bandwidth for better connectivity with Site.
- (4) **Travelling:** It includes foreign travelling of CEO and ED for international conference.
- (5) **Vehicle running expense:** Increase in vehicle running expense was due to hike in fuel prices and maintenance cost of old cars.
- (6) **Repairs and maintenance:** Tight control over repair and maintenance expenses and due to old vehicles being sold.
- (7) **Legal & Professional:** Increased due to increase in Oracle consultancy charges and other membership and retainership fees such as PSMA, lawyers and legal advisors etc.
- (8) **Charity and Donation:** During the year, donation was paid to Fakh-e-Imdad Foundation for supporting local educational expenses in the factory vicinity and to others as per management discretion.
- (9) **Utilities:** Increased due to increase in electricity charges.
- (10) **Miscellaneous expenses:** Increased due to increase in corporate related and other general expenses.

iii) Distribution cost

PARTICULAR	2013	2012	2011	Increase / (Decrease)			
				Compared with 2012		Compared with 2011	
				%	Amount in '000	%	Amount in '000
	Rupees in thousand						
Sugar bags handling expenses	7,973	6,362	6,108	25%	1,611	31%	1,865
Marking fees	2,778	3,361	3,202	(17%)	(583)	(13%)	(424)
Sales promotion expenses	-	-	106	0%	-	(100%)	(106)
Service Charges	-	81,604	-	(100%)	(81,604)	0%	-
Local transportation expenses	-	16,128	-	(100%)	(16,128)	0%	-
Export transportation and other expenses	246	13,308	-	(98%)	(13,062)	0%	246
Others	-	-	184	0%	-	(100%)	(184)
Total	10,997	120,763	9,600		(109,766)		1,397

Reasons for significant variances in distribution cost (compared with 2012):

- (1) **Sugar bags handling:** Due to increase in loading/unloading charges.
- (2) **Marking fees:** It represents 0.1% of sale value.
- (3) **Sale promotion:** No sales through broker.
- (4) **Service Charges:** No service charges were paid during the year.
- (5) **Local transportation:** In 2012 the transportation cost incurred due to supplies to government of Pakistan-Ministry of Defence, however in current year no sales to Government of Pakistan.
- (6) **Export transportation:** Reduced due to subsidy on export freight.

Reasons for significant variances in distribution cost (compared with 2011):

- (1) **Sugar bags handling:** During the year, due to increase in production of sugar, special bagging arrangement were made which resulted in increase of bagging expenses.
- (2) **Marking fees:** It represents 0.1% of sale value.
- (3) **Sale promotion:** Decreased due to no sales through broker.
- (4) **Service Charges:** In both years no service charges were incurred.
- (5) **Local transportation:** No supplies were made to Government of Pakistan in both years.
- (6) **Export transportation:** There was no export sales in 2011.
- (7) **Others:** In 2011 some deal were made on CNF basis therefore nominal transportation charges were incurred.

iv)

PARTICULAR	2013	2012	2011	Increase / (Decrease)			
				Compared with 2012		Compared with 2011	
				%	Amount in '000	%	Amount in '000
	Rupees in thousand						
Financial charges	138,840	163,748	272,159	(15.21%)	(24,908)	(48.99%)	(133,319)

Reasons for significant variances in financial charges (compared with 2012):

Due to decrease in borrowings during the year.

Reasons for significant variances in financial charges (compared with 2011):

Due to decrease in borrowings mainly due to low crushing and decrease in rate of mark-up.

## (d) Packing material cost:

Packing material	Cost (Rs. in '000)	Production (M.Tons)	Cost / M. Ton Rs.
Year - September 30, 2013	27,839	52,727	527.98
- September 30, 2012	28,596	39,479	724.33

Reasons for significant variances:

During the year 2012, due to export of sugar and sales to Government of Pakistan special packaging material were used including double bags and inner liner hence it resulted in increase in packing material expenses as compared to this year.

## 9. ROYALTY / TECHNICAL AID PAYMENTS

Royalty/technical aid fees payable for the year:

N/A

Amount chargeable per unit of the product:

N/A

## 10. ABNORMAL NON-RECURRING FEATURES

- a) There were no abnormal features affecting production/cost of production during the year, e.g., strikes, lock-outs, major breakdowns in the plant, substantial power cuts, serious accidents, etc.
- b) All expenses allocated to the white sugar are in ordinary course of business and no special expenses are directly allocated to it.

## 11. COST OF PRODUCTION:

Particulars	2013	2012
Cost of goods manufactured (Rs. '000's) (Refer Annexure - 1)	2,393,122	1,812,044
Production in (M.Tons)	52,727	39,479
Cost per M.Ton (Rupees per M.Tons)	45,387	45,899

## 12. SALES:

## (a) Local sales

Particulars	2013		
	Quantity in M.Ton	Average selling rate Rs./M.Ton	Amount in Rs. ('000's)
Sales of bagged sugar			
Local	34,380	52,707	1,812,061
Total	34,380	52,707	1,812,061
Less:			
Sales tax	-	(201)	(6,923)
FED	-	(1,842)	(63,322)
Special excise duty	-	(60)	(2,063)
	-	(2,103)	(72,308)
Net Sales	34,380	50,604	1,739,753

## (b) Export sales

Particulars	2013		
	Quantity in M.Ton	Average selling rate Rs./M.Ton	Amount in Rs. (000's)
Sales of bagged sugar			
Export	18,960	50,956	966,128
Total	18,960	50,956	966,128
Less:			
Sales tax	-	-	-
FED	-	-	-
Special excise duty	-	-	-
	-	-	-
Net Sales	18,960	50,956	966,128

(a) Local sales

Particulars	2012		
	Quantity in M.Ton	Average selling rate Rs./M.Ton	Amount in Rs. (000's)
Sales of bagged sugar			
Local	51,524	59,984.51	3,090,642
Total	51,524	59,984.51	3,090,642
Less:			
Sales tax	-	(444.25)	(22,889.69)
Federal excise duty	-	(3,792.84)	(195,422.39)
Special excise duty	-	(104.38)	(5,377.88)
	-	(4,341.47)	(223,690)
Net Sales	51,524	55,643.04	2,866,952

(b) Export sales

Particulars	2012		
	Quantity in M.Ton	Average selling rate Rs./M.Ton	Amount in Rs. (000's)
Sales of bagged sugar			
Export	5,236	51,555	269,942
Total	5,236	51,555	269,942
Less:			
Sales tax	-	-	-
Federal excise duty	-	-	-
Special excise duty	-	-	-
	-	-	-
Net Sales	5,236	51,555	269,942

13. PROFITABILITY :

Profitability of sugar is determined as follows;

	2013	2012
Total revenue (Rupees in thousand)	2,705,881	3,136,894
Total cost as per annexure - 1 (Rupees in thousand)	(2,664,270)	(3,130,984)
Profit after taxation (Rupees in thousand)	41,611	5,910
Quantity sold in (M.Tons)	53,340	56,760
Profit after taxation per M.Ton (Rupees)	780.11	104.12

Comments on profitability

Profit during current year is increased by Rupees 677 per M.tons mainly due to increase in recovery percentage of sugar cane.

#### Profitability per machine hour

	2013	2012
Profit after taxation (Rupees in thousand)	41,611	5,910
Productive machine hours	2,150	1,898
<b>Profit after taxation per machine hour (Rupees)</b>	<b>19,353.95</b>	<b>3,113.67</b>

#### Profit maximization of products

Company is principally producing only one product from sugarcane. Had the sugarcane been used to manufacture more than one product than profit maximization of different products would have determined so that disclosure is not applicable in case of company.

#### 14. COST AUDITORS OBSERVATIONS AND CONCLUSIONS

To the best of our knowledge and belief there are no:

- a) Matters, which appears to be clearly wrong in principle or apparently unjustifiable. "None"
- b) Cases where the company's funds have been used in a negligent or inefficient manner. "None"
- c) Factors that could have been controlled, but have not been done resulting in increase in the cost of production.
  - i) We state that the company has maintained budgetary control system. However, standards for recovery of cane could not be maintained due to the fact that cane from different sectors give different yield and yield may also changed due to delivery timing and consumption timing.
  - ii) We also state that the company has setup an effective internal audit function with suitably qualified and experienced personnel who are conversant with the policies and procedures of the company and are involved in the internal audit function on a full time basis.
- d) **Suggestions for improvements in performance:**
  - i) **Rectification of general imbalance in production facilities**

No imbalance is noted as production facilities are located closely.
  - ii) **Fuller utilization of installed capacity**

Fuller utilization of installed capacity is dependent on adequate supply of sugar cane.
  - iii) **Cost reduction, increased productivity, key limiting factors, improved inventory policies and energy conservancy:**
    - **Cost reduction**

The Company's measures for cost reduction were reviewed and found satisfactory.
    - **Increase productivity**

Productivity may be increased by procurement of more sugarcane and processing of raw sugar. Further scientific means should be adopted to determine the quality of sugarcane so as to keep the recovery at maximum level.

- **Key Limiting factors , improved inventory policies and energy conservancy.**

Apart from non availability of sugarcane there are no bottlenecks limiting production, further inventory system is adequate, efficient and energy being utilized at maximum level.

**iv) State of technology and status of**

The company has "Defecation melt phosphate" clarification process which the latest technology used by the industry

The company has installed new machinery resulting in increase in capacity from 5,500 to 7,500 M.Tons per day in the year 2009. Therefore the technology is modern one.

## **15. RECONCILIATION WITH FINANCIAL STATEMENTS**

The Company is maintaining integrated records of cost and financial accounts. The amounts are reconciled with cost records.

## **16. COST STATEMENT**

Cost statements on the formats prescribed by Securities and Exchange Commission under clause (e) of subsection (1) of section 230 of the Companies Ordinance 1984, duly authenticated by the Chief Executive Officer and Chief Financial Officer and verified by the auditors are enclosed with this report.

## **17 GENERAL**

Figures have been rounded off to the nearest thousands rupees.

**GENERAL INFORMATION****A COMPANY INFORMATION:**

- 1 Name of the company: Al-Abbas Sugar Mills Limited
- 2 Date of incorporation: May 2, 1991
- 3 Location of registered office: Pardesi House, Survey No. 2/1, R.Y. 16, Old Queens Road, Karachi-74000
- 4 Location of factory: Mirwah Gorchani, Distt. Mirpurkhas, Sindh
- 5 Products other than sugar being manufactured: Industrial Alcohol, Calcium Carbide, Chemical alloys, power generation.
- 6 Installed cane crushing capacity in tonnes: 7,500 Metric tons per day

**B PRODUCTION DATA**

S No	Particulars	Current Year	Previous Year
1 (a)	<b>CANE CRUSHED:</b>	<b>2012-2013</b>	<b>2011-12</b>
	Date started	28-Nov-12	9-Dec-11
	Date finished	27-Feb-13	10-Mar-12
	Duration of run days	92	93
	Total number of hours in duration	2,239	2,117
	Total numbers of hours of actual crushing	2,150	1,898
	Total numbers of hours lost	89	218
	Total cane milled (tonnes)	503,179	402,317
	Converted mounds	12,579,464	10,057,916
	Total mixed juice obtained (tonnes)	595,336	484,906
(b)	<b>GUR MELTED:</b>	N/A	N/A
2	<b>JUICE &amp; ADDED WATER:</b>		
	Average mixed juice % cane.	118.32	120.53
	Average added water % cane.	49.754	52.866
3	<b>SUGAR MADE:</b>		
	Total sugar bagged of all	-	-
	Grade (100 kg)	1,054,540	789,580
	Grade (50 Kg)	52,727	39,479
	Sugar bagged (tonnes)	-	-
	Raw Sugar	-	-
	Refined Sugar	133	127
	Sugar in process (tonnes)	-	-
4	<b>MOLASSES EXTRACTED:</b>		
	Total molasses sent out (tonnes)	22,838	19,724
	Molasses in process (tonnes)	6.63	6.23
5	<b>RECOVERY PERCENT:</b>		
	Laboratory test % recovery of sugar cane	10.480%	9.830%
	Average recovery of marketable white sugar % cane	10.480%	9.830%
	Average production of final molasses % cane	4.539%	4.902%
6	<b>BY PRODUCTS:</b>		
	Baggase % cane (Calculated) (tonnes)	31.555%	32.337%
	V.F.Cake % cane (tonnes)	3.0000%	3.000%
7	<b>CLARIFICATION PROCESS:</b>		
	Specify the process used by the mill	Defecation melt phosphatation	Defecation melt phosphatation

  
 Chief Financial Officer

  
 Chief Executive Officer



AL-ABRAS SUGAR MILLS LIMITED  
STATEMENT SHOWING COST OF PRODUCTION AND SALE OF WHITE BAGGED SUGAR  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	2013	2012
Quantitative Data – Bagged Sugar (M. Tons)	Current year	Previous year
Opening Stock	12,062	29,343
Production from		
Sugar Cane	52,727	39,479
Closing Stock	(11,449)	(12,062)
Total sales	53,340.00	56,760.00
Sales-Export	18,960	5,236.00
Sales-Local	34,380	51,524.00
Total sales	53,340.00	56,760.00

S. No.	Particulars	Current Year		Previous Year	
		Amount (Rs. in '000)	Cost per ton of sugar (Rs.)	Amount (Rs. in '000)	Cost per ton of sugar (Rs.)
1	2	3	4	5	6.00
		2013		2012	
1	Raw materials:				
(a)	Sugar cane (Annex 3)	2,404,163	45,596.43	1,649,429	41,779.92
(b)	Beet (Annex 4)	-	-	-	-
(c)	Gut	-	-	-	-
(d)	Raw sugar	-	-	-	-
(e)	Refined sugar	-	-	-	-
(f)	Process material (Annex 5)	14,482	274.66	12,023	304.55
2	Salaries/wages and benefits (Annex 6)	105,042	1,992.19	79,882	2,023.41
3	Consumable stores	76,624	1,453.22	67,478	1,709.21
4	Repairs and maintenance	12,062	228.76	13,722	347.58
5	Utilities:				
	Steam (Annex 7)	157,537	2,987.79	125,358	3,175.30
6	Electric power (Annex 8)	33,747	640.03	26,836	679.74
7	Water and gas	2,863	54.30	3,027	76.67
8	Insurance	-	-	-	-
9	Depreciation	24,343	461.68	24,641	624.15
10	Other factory overheads (Annex 9)	30,467	577.83	25,046	634.41
11	<b>Total Cost</b>	<b>2,861,330</b>	<b>54,266.88</b>	<b>2,027,442</b>	<b>51,354.96</b>
12	Add: Opening Stock of W.I.P.	5,584	105.90	19,416	491.81
13	Less: Closing Stock of W.I.P.	(5,823)	110.44	(5,584)	141.44
14	<b>Total Cost of goods manufacturing</b>	<b>2,861,091</b>	<b>54,262.35</b>	<b>2,041,274</b>	<b>51,705.32</b>
15	Less: Realizable value of by-products:				
	Transfer price of molasses	(179,225)	(3,399.11)	(117,129)	(2,966.87)
	Consumption of own baggase	(312,659)	(5,929.77)	(122,444)	(3,101.49)
	Sale of molasses	(1,134)	(21.51)	(9,163)	(334.22)
	Sale of baggase	(2,790)	(52.91)	(9,090)	(230.24)
16	<b>Net Cost of goods manufacturing:</b>	<b>2,365,283</b>	<b>44,859.05</b>	<b>1,783,448</b>	<b>45,174.61</b>
17	Add: Packing material and handling	27,839	527.98	28,596	724.33
18	<b>Net Cost of bagged sugar</b>	<b>2,393,122</b>	<b>45,387.03</b>	<b>1,812,044</b>	<b>45,898.95</b>
19	Add: Excise duty / sales tax	-	-	-	-
20	<b>Total cost of bagged sugar:</b>	<b>2,393,122</b>	<b>45,387.03</b>	<b>1,812,044</b>	<b>45,898.95</b>
21	Add: Opening stock of sugar	587,477	48,704.78	1,547,374	52,734.01
22	Less: Closing stock of sugar	(526,717)	(46,005.50)	(587,477)	(48,704.78)
24	<b>Cost of sales</b>	<b>2,453,882</b>	<b>46,004.54</b>	<b>2,771,941</b>	<b>48,836.18</b>
25	Administrative expenses (Annex 10)	70,053	1,313.33	71,679	1,262.84
26	Selling and distribution expenses (Annex 11)	10,997	206.17	120,763	2,127.60
27	Financial expenses	138,840	2,602.92	163,748	2,884.92
28	Other charges - net	(9,502)	(178.14)	2,853	50.26
	<b>Total cost to make and sell</b>	<b>2,664,270</b>	<b>49,948.82</b>	<b>3,130,984</b>	<b>55,161.81</b>

## Note

- Sales Tax is borne by the buyers, hence the same is not included in the cost.
- Cost per M.Tons of opening and closing stock has been calculated with their respective quantities.

  
Chief Financial Officer

  
Chief Executive Officer

AL-ABBAS SUGAR MILLS LIMITED  
 STATEMENT SHOWING COST OF SUGARCANE PRODUCED  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

S. No	Particulars	Current year		Previous year	
		Quantity	Amount	Quantity	Amount
1	2	3	4	5	6
1	Seeds and Other inputs: Seed Fertilizers, herbicides, etc. Insecticides Abiana / water charges Total cost of inputs				
2	Labor Cost: Land preparation Plantation Maintenance of cane crop/rations Operation of Tractors Harvesting Total Labor Cost				
3	Other Cost Fuel for tractors operation Maintenance and overhaul of Tractors Insurance Interest expenses Depreciation of equipments Rent of agriculture equipments (if any) Total other cost				
	<b>Total Cost of own production (1+2+3)</b>				
	<b>Sales value at controlled price</b>				
	<b>Profit/Loss on own production</b>				


  
 Chief Financial Officer

  
 Chief Executive Officer

AL-ABBAS SUGAR MILLS LIMITED  
STATEMENT SHOWING COST OF SUGARCANE CRUSHED  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

S. No	Particulars	Current year			Previous year		
		Quantity	Rate	Amount	Quantity	Rate	Amount
		M.Tons	Rs/M.Ton	(Rs. In ' 000)	M.Tons	Rs/M.Ton	(Rs. In ' 000)
1	2	3	4	5	6	7	8
		2013			2012		
1	Total sugarcane purchased at Government fixed rate	503,179	4,300.00	2,163,668	402,317	3,850.39	1,549,077
	Sugarcane produced from own farm (Annex 2)	-	-	-	-	-	-
	Less: Loss in transit	-	-	-	-	-	-
	Sugarcane received at factory gate	503,179	4,300.00	2,163,668	402,317	3,850.39	1,549,077
2	Commission	-	-	-	-	-	-
3	Quality premium	-	222.50	111,959	-	141.25	56,827
4	Additional price to growers (excess of government fixed rate).	-	164.03	82,536	-	11.93	4,800
5	Loading/unloading charges	-	1.78	894	-	2.22	893
6	Cane development expenses:	-	-	-	-	-	-
(a)	Salaries and Wages of Supply and Development Staff	-	0.64	324	-	0.68	274
(b)	Sugarcane Development Research	-	0.35	178	-	0.19	76
(c)	Supply staff and transportation expenses	-	-	-	-	-	-
(d)	Other expenditure.(Sector Office Expense)	-	2.42	1,219	-	2.73	1,097
7	Taxes and Levies:	-	-	-	-	-	-
(a)	Cane cess/ purchase tax	-	-	-	-	-	-
(b)	Market committee fee	-	10.00	5,032	-	10.00	4,023
(c)	Road cess	-	6.25	3,145	-	6.25	2,514
(d)	Octroi	-	-	-	-	-	-
(e)	Other levies	-	-	-	-	-	-
8	Transportation Charges:	-	-	-	-	-	-
(a)	Delivery expenses	-	-	-	-	-	-
(b)	Transport cost	-	15.04	7,566	-	17.08	6,873
(c)	Others	-	-	-	-	-	-
9	Other Expenditures at Cane Collection Centers:	-	-	-	-	-	-
(a)	Salaries and Wages. (Annex 6)	-	54.03	27,189	-	56.37	22,677
(b)	Stores	-	-	-	-	-	-
(c)	Repairs and Maintenance	-	0.18	91	-	-	-
(d)	Others. (Annex 9)	-	0.72	362	-	0.74	297
	<b>Total cost of "SUGARCANE" Transferred to production processes (Annex 1)</b>	<b>503,179</b>	<b>4,777.94</b>	<b>2,404,163</b>	<b>402,317</b>	<b>4,099.83</b>	<b>1,649,429</b>

  
Chief Financial Officer

  
Chief Executive Officer

**AL-ABBAS SUGAR MILLS LIMITED**  
**STATEMENT SHOWING COST OF BEET CONSUMED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

S. No	Particulars	Current year			Previous year		
		Quantity M.Tons	Rate Rs/M.Ton	Amount (Rs. In ' 000)	Quantity M.Tons	Rate Rs/M.Ton	Amount (Rs. In ' 000)
1	2	3	4	5	6	7	8
1	Total beet purchased at Government fixed rate						
	Less: Loss in transit						
	Beet received at factory gate						
2	Commission paid						
3	Loading / unloading						
4	Beet development expenses:						
(a)	Salaries and Wages of Supply and Development Staff						
(b)	Sugar Development Research						
(c)	Supply staff and transportation expenses						
(d)	Other expenditure						
5	Taxes and Levies (if any):						
(a)	Purchase tax						
(b)	Market committee fee						
(c)	Road cess						
(d)	Octroi						
(e)	Other levies						
6	Transportation Charges:						
(a)	Delivery expenses / travelling from purchases centre to mill gate						
(b)	Transport subsidy						
(c)	Others						
7	Other Expenditures at Beet Collection Centers:						
(a)	Salaries and Wages						
(b)	Stores						
(c)	Repairs and Maintenance						
(d)	Others						
	<b>Total cost of "BEET" Transferred to production processes (Annex I).</b>						

NA

**Note:**

1. No Beet was produced by the entity.
2. No beet was used for production of White sugar.

  
 Chief Financial Officer

  
 Chief Executive Officer

AL-ABBAS SUGAR MILLS LIMITED  
STATEMENT SHOWING COST OF PROCESS MATERIAL CONSUMED  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

S. No.	Particulars	Current Year		Previous Year	
		Amount (Rs. in '000)	Cost per ton of sugar (Rs.)	Amount (Rs. in '000)	Cost per ton of sugar (Rs.)
		3	4	5	6
1	2	2013		2012	
	<b>Total Sugar Produced (M-Tons)</b>		52,727		39,479
1	Bleaching Powder	284	5.39	278	7.04
2	Formaline	18	0.34	4	0.10
3	Phosphoric Acid Food Grade	1,722	32.66	1,754	44.43
4	Rock Salt	527	9.99	593	15.02
5	Soda Ash	6	0.11	-	-
6	Unslaked Lime	3,070	58.22	2,166	54.86
7	Caustic Soda	822	15.59	703	17.81
8	Lead Sub Acetate	239	4.53	119	3.01
9	Softno Treat 3000 Regular	91	1.73	129	3.27
10	Softno Treat 135 PH Shoot	99	1.88	121	3.05
11	Tri sodium Phosphate	8	0.15	3	0.06
12	Talothoe Wax	5,926	112.39	4,158	105.32
13	Anti foam	-	-	161	4.07
14	POLYELECTROLYT ACCOFLOC A2125	416	7.89	359	9.09
15	Talo Float(Accoa Floe-A110)	151	2.86	151	3.82
16	CHMQUEST SD-40	1,000	18.97	607	15.38
17	CHEMRITE AVS (VISCAID)	-	-	29	0.73
18	Sewing Thread	-	-	365	9.25
19	Cleaning Brushes	28	0.53	176	4.46
20	HYDROCHLORIC ACID	-	-	70	1.76
21	LIQUED CHLORINE	-	-	7	0.17
22	Other	292	5.54	105	2.67
	<b>Total</b>	<b>14,699</b>	<b>278.77</b>	<b>12,056</b>	<b>305.37</b>
	<b>Less allocated to:</b>				
a.	Steam Generation.(Annex 7)	193	3.66	14	0.35
b.	Electricity Generation.(Annex 8)	24	0.45	19	0.48
	<b>Total</b>	<b>217</b>	<b>4.11</b>	<b>33</b>	<b>0.83</b>
	<b>Balance transferred to production process Annexure 1.</b>	<b>14,482</b>	<b>274.66</b>	<b>12,023</b>	<b>304.55</b>

Note:

- 1 It is impracticable to further specify the itemized break up of others.


  
Chief Financial Officer

  
Chief Executive Officer

AL-ABBAS SUGAR MILLS LIMITED  
STATEMENT SHOWING COST OF SALARIES, WAGES AND BENEFITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

S. No	Particulars	Current Year		Previous Year	
		Amount (Rs. in '000)	Cost per ton of sugar (Rs.)	Amount (Rs. in '000)	Cost per ton of sugar (Rs.)
		3	4	5	6
1	2	2013		2012	
	Total Sugar Produced (M-Tons):		52,727		39,479
	Cost				
1	Salaries/Wages:				
(i)	Officers and permanent staff	106,491	2,019.67	95,357	2,415.39
(ii)	Seasonal staff	3,297	62.53	2,389	60.52
(iii)	Daily rated and contract labour	43,437	823.81	36,707	929.79
(iv)	Bonuses	17,896	339.41	11,215	284.08
		171,121	3,245.42	145,668	3,689.78
2	Benefits				
(i)	Medical expenses	634	12.02	632	16.01
(ii)	Canteen expenses	190	3.60	264	6.69
(iii)	Welfare, recreation	12	0.23	-	-
(iv)	Education cess / expenses	30	0.57	75	1.90
(v)	Group insurance / workmen	-	-	-	-
(viii)	Gratuity / pension	6,035	114.46	8,059	204.13
(ix)	Other benefits	8,819	167.26	7,219	182.86
	Total	186,841	3,543.56	161,917	4,101.37
	Less allocated to:				
	Raw material (Annex-3)	27,189	515.66	22,677	574.41
	Steam generation (Annex-7)	6,816	129.27	10,879	275.56
	Electricity generation (Annex-8)	16,318	309.48	14,637	370.75
	Admin expenses (Annex-10)	31,476	596.96	33,842	857.22
		81,799	1,551.37	82,035	2,077.94
	Balance transferred to production process Annexure I.	105,042	1,992.19	79,882	2,023.43

  
Chief Financial Officer

  
Chief Executive Officer

AL-ABBAS SUGAR MILLS LIMITED  
STATEMENT SHOWING COST OF STEAM/GENERATED CONSUMED  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

S. No.	Particulars	Unit	Current year	Previous year	Variance
1	2	3	4	5	6
1	Types of steam boilers used (Water Tube)	Number	3	3	-
2	No. of days worked (Boiler 1)	Days	96	136	(40)
	No. of days worked (Boiler 2)	Days	96	142	(46)
	No. of days worked (Boiler 3)	Days	356	331	25
3	Installed Capacity (steam in tonnes)	Tons	1,445,400	1,449,360	(3,960)
4	Utilized capacity (steam in tonnes)	Tons	452,232	408,580	43,652
5	Production:				
	(a) High pressure steam.	Tons	-	-	-
	(b) Medium pressure steam.	Tons	452,232	408,580	43,652
	(c) Low pressure steam.	Tons	-	-	-
	(d) Less: transit losses.	Tons	-	-	-
	(e) Total.	Tons	452,232	408,580	43,652
	Percentage of capacity utilization (4/3 * 100)		31.29%	28.19%	3.10%

S. No.	Particulars	Current Year			Previous Year		
		Quantity M. Ton	2013		Quantity M. Ton	2012	
			Rate per unit	Amount (Rs. In 000's)		Rate per unit	Amount (Rs. In 000's)
1	2	3	4	5	6	7	8
1	Water						
2	Fuels:						
	(a) Baggage:						
	(i) Own. (Tons)	155,214	1,981.19	307,509	131,271	936.17	122,892
	(ii) Purchased. (Tons)	698	3,000.00	2,094	-	-	-
	(b) Pith.	-	-	-	-	-	-
	(c) Coal purchased.	-	-	-	-	-	-
	(d) Furnace Oil. (tons)	-	5.61	2,537	-	15.11	6,174
	(e) Fire Wood. (tons)	-	1.76	797	-	1.07	436
	(f) Bio Gas. (cu/mtrs)	-	-	-	-	-	-
	(g) Other fuels, if any (to be specified)	-	-	-	-	-	-
3	Quantity of waste heat from the plant, if any.	-	-	-	-	-	-
	Stores and spares	-	-	-	-	-	-
4	Consumable stores. (Annex 5)	-	0.43	193	-	0.03	14
5	Direct salaries, Wages and benefits. (Annex 6)	-	15.07	6,816	-	26.63	10,879
6	Repairs and Maintenance.	-	4.88	2,207	-	1.16	472
7	Oil & Lubricants	-	-	-	-	-	-
8	Other direct expenses (Annex 9)	-	0.67	301	-	0.61	248
9	Baggage handling	-	7.43	3,362	-	6.29	2,569
10	Depreciation	-	38.30	17,321	-	42.91	17,533
11	Total Cost of Steam Raised.	-	758.76	343,137	-	394.58	161,217
12	Less: Outside sale.	-	-	-	-	-	-
13	Total Cost of Steam for Self Consumption.	-	758.76	343,137	-	394.58	161,217
	Add: Cost of steam purchased.	-	-	-	-	-	-
	Total Cost of Steam Consumed	-	758.76	343,137	-	394.58	161,217
	ALLOCATION						
	Total of item 13 allocated to:						
	(i) White bagged sugar. Annex-1			157,537			125,358
	(ii) Electric powerhouse. Annex-8			7,923			4,296
	(iii) Distillery			177,677			31,563
	Total			343,137			161,217

## Notes:

- Cost allocated on the basis of estimated consumption by cost centers, which is determined by their requirement of steam on different levels of operation
- Transfer price of baggage is calculated on the basis market price less cost of freight.

  
Chief Financial Officer

  
Chief Executive Officer

## AL-ABBAS SUGAR MILLS LIMITED

STATEMENT OF COST OF ELECTRIC POWER PURCHASED / GENERATED AND CONSUMED  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

S. No	Particulars	Current Year 2013	Previous Year 2012	Variance
1	Installed Capacity (KWH)	65,700,000	65,880,000	(180,000)
2	No. of units generated (KWH)	21,675,020	30,178,240	(8,503,220)
3	No. of units purchased (KWH)	70,894	32,693	38,201
4	Total (2+3).	21,745,914	30,210,933	(8,465,019)
5	Consumption in Power House including other losses	380,554	528,691	(148,137)
6	Net units consumed (4-5)	21,365,360	29,682,242	(8,316,882)
7	Percentage of Consumption and losses to total units Available = $5/4 \times 100$	1.75%	1.75%	0.000
8	Percentage of power generated to installed capacity $2/1 \times 100$	32.99%	45.81%	(0.13)

S. No	Particulars	Current year			Previous year		
		Quantity	Rate Rs. / Kwh	Amount (Rs. In 000's)	Quantity	Rate Rs. / Kwh	Amount (Rs. In 000's)
1	2	3	4	5	6	7	8
		2013			2012		
1	Steam (Annex 7).	-	0.37	7,923	-	0.14	4,296
2	Consumable Stores.(Annex 5)	-	0.00	24	-	0.00	19
3	Stores and Spares	-	-	-	-	-	-
4	Oil & Lubricants	-	-	-	-	-	-
5	Salaries and Wages. (Annex 6)	-	0.76	16,318	-	0.49	14,637
6	Other direct expenses.(Annex 9)	-	-	-	-	-	-
7	Repairs and maintenance.	-	0.20	4,333	-	0.09	2,671
8	Duty on electricity and inspection fee	-	-	-	-	-	-
9	Depreciation.	-	0.24	5,149	-	0.18	5,213
	Total	-	1.58	33,747	-	0.90	26,836
	Less:						
10	(a) Credit for exhaust steam used in process etc.	-	-	-	-	-	-
	(b) Other credits, if any.	-	-	-	-	-	-
11	Cost of power generated	-	1.58	33,747	-	0.90	26,836
12	Less: Cost of power sold	-	-	-	-	-	-
13	Add: Cost of power purchased	-	-	-	-	-	-
14	Total net cost of power consumed	21,365,360		33,747	29,682,242		26,836
15	Average cost per unit average			1.58			0.90
	Total at item 15 allocated to:						
	(i) White bagged sugar (Annexure-1)			33,747			26,836
	(ii) Distillery			-			-
	(iii) Others:			-			-
	Total			33,747			26,836

## Notes:

- 1 Cost allocated on the basis of estimated consumption by cost centers, which is determined by their requirement of power on different levels of operation.

  
Chief Financial Officer

  
Chief Executive Officer



AL-ABBAS SUGAR MILLS LIMITED  
STATEMENT SHOWING OTHER FACTORY OVERHEADS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

S. No.	Particulars	Current Year		Previous Year	
		Rupees in '000	Cost per M/Ton of Sugar	Rupees in '000	Cost per M/Ton of Sugar
1	2	3	4	5	6
		2013		2012	
	<b>Total Sugar Produced (M.Tons):</b>		52,727		39,479
	<b>Cost:</b>				
1	Security services	7,908	149.98	5,486	138.95
2	Printing and stationery	142	2.69	222	5.62
3	Vehicle running expenses	5,534	104.96	4,678	118.50
4	Insurance expenses	7,580	143.76	7,627	193.20
5	Traveling and conveyance	3,245	61.54	846	21.44
6	Communication charges	349	6.62	514	13.03
7	Fees and subscription	1,056	20.03	610	15.46
8	Newspaper and periodicals	34	0.64	56	1.42
9	Entertainment	3,593	68.14	3,708	93.93
10	Miscellaneous expenses	1,689	32.03	1,843	46.67
11	<b>Total</b>	<b>31,130</b>	<b>590.40</b>	<b>25,591</b>	<b>648.23</b>
	<b>Allocated to:</b>				
	(i) White bagged sugar. Annex-1	30,467	577.83	25,046	634.41
	(ii) Cane field Annex- 3	362	6.87	297	7.54
	(iii) Steam generation. Annex-7	301	5.71	248	6.28
	(iv) Electric power house. Annex-8		-	-	-
	<b>Total as per item 12 above</b>	<b>31,130</b>	<b>590.40</b>	<b>25,591</b>	<b>648.23</b>



Chief Financial Officer



Chief Executive Officer

**AL-ABBAS SUGAR MILLS LIMITED**  
**STATEMENT SHOWING ADMINISTRATIVE EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

S. No.	Particulars	Current Year		Previous Year	
		Rupees in '000	Cost per M/Ton of Sugar	Rupees in '000	Cost per M/Ton of Sugar
1	2	3	4	5	6
		2013		2012	
1	Total Sugar Sold (M-Tons).		53,340		56,760
	Cost:				
2	Salaries, wages and benefits (Annex 6)	31,476	590.10	33,842	596.23
3	Rent, rates and taxes	3,506	65.73	3,180	56.03
4	Communication charges	1,987	37.25	2,236	39.39
5	Traveling and conveyance	1,006	18.86	2,304	40.59
6	Printing and stationery	927	17.38	600	10.57
7	Entertainment	1,273	23.87	1,278	22.52
8	Vehicle running expenses	7,299	136.84	7,397	130.32
9	Repairs and maintenance	1,492	27.97	2,072	36.50
10	Insurance	1,692	31.72	1,660	29.25
11	Fees and subscription	2,831	53.07	2,713	47.80
12	Legal and professional charges	5,398	101.20	3,910	68.89
13	Auditors' remuneration	759	14.23	783	13.79
14	Charity and donations	451	8.46	1,177	20.74
15	Newspaper and periodicals	44	0.82	24	0.42
16	Utilities	2,267	42.50	2,098	36.96
17	Depreciation	5,753	107.86	4,689	82.61
18	Amortization expense	1	0.02	367	6.47
19	Miscellaneous expenses	1,891	35.45	1,349	23.77
	Total of "Administrative expenses" Transferred to production processes (Annex 1).	70,053	1,313.33	71,679	1,262.84

Note

  
 Chief Financial Officer

  
 Chief Executive Officer

AL-ABBAS SUGAR MILLS LIMITED  
STATEMENT SHOWING SELLING EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

S. No.	Particulars	Current Year		Previous Year	
		Rupees in '000	Cost per M/Ton of	Rupees in '000	Cost per M/Ton of
		3	4	5	6
1	2	2013		2012	
1	Total sugar sold (M-Tons).		53,340		56,760
2	Cost:				
	Sugar bags handling expenses	7,973	149.48	6,362	112.09
	Marking fees	2,778	52.08	3,361	59.21
	Service charges	-	-	81,604	1,437.70
	Local transportation expenses	-	-	16,128	284.14
	Export transportation and other expenses	246	4.61	13,308	234.46
	<b>Total</b>	<b>10,997</b>	<b>206.17</b>	<b>120,763</b>	<b>2,127.60</b>

  
Chief Financial Officer

  
Chief Executive Officer

AL-ABBAS SUGAR MILLS LIMITED  
STATEMENT SHOWING PRODUCTION CAPACITY OF THE PLANT  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Machine hours	
	2013	2012
Total capacity (based on duration of crushing period)	2239	2117
Actual utilization of machine hours	2150	1898
Hours lost	89	218
	Production units M.Tons	
	2013	2012
Total capacity (based on duration of crushing period)	72,312	68,564
Actual Production (tonnes)	52,727	39,479
Under utilization	19,585	29,085

Notes:

1. Non utilization of machine hours is due to shortager of cane and stoppage for various reasons as described in RT-4
2. The total capacity in production unit is based on 10.48% (2012: 9.83%) recovery which is actual recovery for the crushing season.

  
Chief Financial Officer

  
Chief Executive Officer

**AL-ABBAS SUGAR MILLS LIMITED**  
**STATEMENT SHOWING STOCK IN TRADE**  
**AS AT YEAR ENDED SEPTEMBER 30, 2013**

	2013		2012		2011	
	Quantity (M.Tons)	Amount (in 000's)	Quantity (M.Tons)	Amount (in 000's)	Quantity (M.Tons)	Amount (in 000's)
Work in process	133	5,823	127	5,584	388	19,416
Finished Stock	11,449	526,717	12,062	587,477	29,343	1,547,374

Work in process is adjusted to an appropriate stage of completion of process.

Finished goods are valued at lower of cost and net realizable value.

  
 Chief Financial Officer

  
 Chief Executive Officer