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# Cost Auditors' Report

*For the year ended September 30, 2014*

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سانگھڑ شوگر ملز لمیٹڈ

**Sanghar Sugar Mills Limited**



# Sanghar Sugar Mills Limited

Registered / Head Office: C-27, Plot No. F-24, Block - 9, Clifton, Karachi - 75600  
Phone: 021 35371441 to 43 (3 lines), Fax: 021 35371444,  
E-mail: info@sangharsugarmills.com, Website: www.sangharsugarmills.com

February 27, 2015

To,  
The Directors and Shareholders of  
Sanghar Sugar Mills Limited

**Circulation & Distribution of Cost Auditors' Report  
Along With Reconciliation with Financial Accounts of  
SANGHAR SUGAR MILLS LIMITED  
For the Year Ended September 30, 2014**

It is hereby notified that in order to comply with the requirements mentioned in the Companies Cost Accounting Record (General Order) 2008 issued by Securities & Exchange Commission of Pakistan (The Commission), the Cost Auditors' Report together with the Reconciliation as cited above, be and are hereby circulated and distributed to the directors, members and shareholders of the Company, the Commission and the Registrar concerned.

Regards,

For **Sanghar Sugar Mills Limited**

Company Secretary

***Copy submitted for compliance to:***

- 1). **The Director Enforcement**  
Securities & Exchange Commission of Pakistan  
NIC Building, Jinnah Avenue, Islamabad.
- 2). **The Registrar of Companies.**  
Securities & Exchange Commission of Pakistan  
4th Floor State Life Building No-2  
Wallace Road, Karachi.

# COST AUDITORS' REPORT 2013-2014 SANGHAR SUGAR MILLS LIMITED

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# SIDDIQI & COMPANY

*Cost & Management Accountants*

## COST AUDITORS' REPORT

We, **SIDDIQI & COMPANY, Cost & Management Accountants** having been appointed to conduct an audit of cost accounts of **SANGHAR 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 statements 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 Refined Sugar
    - (ii) By Products
      - Molasses
      - Bagasse

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

**SIDDIQI & COMPANY**

*Cost & Management Accountants*

Engagement Partner: Wasful Hassan Siddiqi

Karachi:

**1. CAPACITY (Tonne)**

(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 151 days x 6,000 tonne per day) (Year 2013: Duration of season 121 days x 6,000 tonne per day)	906,000	726,000
– Capacity utilized	738,209	542,289
– Percentage of capacity utilized	81%	75%

(b) The company is engaged in manufacture and sale of white refined sugar and its by products.

**2. COST ACCOUNTING SYSTEM**

– The actual cost incurred by the company is charged to various cost centers / units on actual basis. The cost accounting system of the company is adequate and enables to determine correctly the cost of sugar produced.

**3. PRODUCTION**

(a)	Qty. in Tonne					
	Installed Capacity		Production		% of Installed	
	YEARS					
– Main Product:	2014	2013	2014	2013	2014	2013
– White Sugar Bagged	90,600	72,600	72,530	52,823	80%	73%
– By Product:	Qty. in Tonne					
– Molasses	45,300	36,300	39,260	27,460	87%	76%
– Bagasse	317,100	254,100	243,609	178,955	77%	70%
– V. Filter Cake	27,180	21,780	22,146	16,269	81%	75%

**Standard Recovery**

Molasses	05% cane (tonne)
Baggasse	35% cane (tonne)
V. Filter Cake	03% cane (tonne)

(b) Although the company has produced higher volume of production as compared to last year, the main reason for under-utilisation of capacity remained the insufficient availability of sugar cane.

(c) There was no addition in crushing capacity in the last two years.

**4. RAW MATERIAL****(a) Major Raw Materials Consumed**

	2 0 1 4		2 0 1 3		2 0 1 2	
	Quantity (Tonne)	Rupees in '000	Quantity (Tonne)	Rupees in '000	Quantity (Tonne)	Rupees in '000
Sugar Cane (See Annexure - III)	738,209	3,232,411	542,289	2,401,905	483,352	1,944,596
Process Material (See Annexure - V)	–	26,845	–	17,172	–	7,102

**(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	10.18	10.27	1.78	2.66

Standard : 10.00 tonne sugar cane = 1 tonne sugar

Actual :

Year 2014 : 10.18 tonne sugar cane = 1 tonne sugar

Year 2013 : 10.27 tonne sugar cane = 1 tonne sugar

Year 2012 : 10.39 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. Higher maturity of crop means higher quality and higher yield.

**(d) Method of Accounting**

- These are valued at lower of the weighted average cost and net realizable value.

**5. SALARIES, WAGES & BENEFITS:****(a) Total salaries, wages and benefits paid for all categories of employees**

	2014	2013	2012	Increase / (Decrease)			
				As compared to 2013		As compared to 2012	
				Rs. in '000	%	Rs. in '000	%
(i) Direct labour cost on production	83,694	83,128	61,208	566	1	22,486	37
(ii) Indirect labour cost on production	15,785	13,682	12,657	2,103	15	3,128	25
(iii) Employees' cost on administration	44,662	44,724	52,597	(62)	(0)	(7,935)	(15)
(iv) Employees' cost on selling and distribution	-	-	-	-	-	-	-
(v) Total employees cost ( i to iv )	144,141	141,534	126,462	2,607	2	17,679	14
(vi) Bonus to workers and employees already included above employees cost	23,332	21,144	18,957	2,188	10	4,375	23
(vii) Other employees cost	----- N I L -----						

- There is no significant variance as compared to last year.

**(b) Salaries and perquisites of chief executive and directors**

- The aggregate amount charged in the accounts for the period for remuneration, including all benefits to the chief executive, directors and executives of the company were as follows :

	Chief Executive		Directors		Executives		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
	----- ( Rupees in `000 ) -----							
Directors' fee	-	-	170	145	-	-	170	145
Managerial remuneration	5,383	5,106	1,236	1,236	7,142	5,398	13,761	11,740
Allwances & others	1,827	1,827	804	804	2,708	2,230	5,339	4,861
	7,210	6,933	2,040	2,040	9,850	7,628	19,100	16,601
Number of persons	1	1	2	2	3	4	6	7

The chief executive, two executive directors and executives as stated above are provided with the company maintained cars for the business and personal use and the Chief Executive and two Executive Directors are also provided with telephone facilities for the business and personal use.

**(c) Total men-days of direct labour**

	Worked	Available	% Worked
520 men x 142 days (worked)			
520 men x 151 days (available)	73,840	78,520	94

**(d) Average number of production workers employed**

2014	2013	% Increase/(Decrease)
520	513	1%

**(e) Direct labour cost per ton**

	2014	2013	2012	Increase / (Decrease)			
				As compared to 2013		As compared to 2012	
					%		%
Sugar (Tonne)	72,530	52,823	46,516	19,708	37	26,014	56
Direct Labour (Rs. in '000)	83,694	83,128	61,208	566	1	22,486	37
Direct Labour Cost (Rs. per Tonne)	1,154	1,574	1,316	(420)	(27)	(162)	(12)

**(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**

- The company operates an un-funded gratuity scheme for all its eligible employees to the scheme with qualifying service period.

**6. STORES AND SPARE PARTS****(a) The expenditure per unit of output on stores, etc.**

- (i) Total amount of expenditure (Rs. in '000)  
(ii) Production of white sugar (Tonne)  
(iii) Amount per tonne of white sugar produced (Rs. per Tonne)

2014	2013
66,036	68,918
72,530	52,823
910	1,305

- Per tonne cost of stores & spares consumed decreased due to increase in volume of production as compared to last year.

**(b) System of stores**

- These are valued at cost calculated on weighted average basis less provision for obsolescence and slow moving items, except for the items in transit, which are valued at cost.

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

- Slow moving items amount to Rupees 14.354 millions which represent 25% of closing inventory as against Rupees 13.327 million representing 23% last year.

**7. DEPRECIATION****(a) Method of depreciation**

- Depreciation is charged, on a systematic basis over the economic useful life of the asset, on reducing balance method, which reflects the pattern in which the assets economic benefits are consumed by the company. 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.

The Surplus on revaluation of Property, Plant and Equipment is recognized in accordance with section 235 of the Companies Ordinance, 1984. The surplus on revaluation of Property, Plant and Equipment to the extent of incremental depreciation net of deferred tax thereon charged on the related assets is transferred by the Company to statement of changes in equity under unappropriated profit. In case of disposal of revalued Property, Plant and Equipment, any revaluation surplus is directly transferred to retained earning through statement of Other Comprehensive Income. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Profit or loss on disposal of property, plant and equipment, if any, is taken to profit and loss account.

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

- Depreciation on common assets is allocated as under:

- (i) Cost of sales  
(ii) Admin. & general

2014	2013
Rs. in '000	Rs. in '000
35,537	36,966
4,222	4,063
<u>39,759</u>	<u>41,029</u>

**(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****(a) Total amounts of the overheads**

	2014	2013	2012
	Rs.in '000	Rs. in '000	Rs.in '000
(i) Factory	25,363	23,364	12,766
(ii) Administration	72,783	81,859	96,104
(iii) Selling & distribution	5,326	6,934	9,578
(iv) Financial	99,355	80,309	93,952
	<u>202,827</u>	<u>192,466</u>	<u>212,400</u>

**(i) Factory Overheads**

	2014	2013	2012	% Increase / (Decrease)			
				As compared to 2013		As compared to 2012	
				Rs.in '000	Rs. in '000	Rupees	%
Vehicle running expenses	9,478	9,777	5,213	(299)	(3)	4,265	82
Repair and maintenance	2,029	6,640	7,553	(4,611)	(69)	(5,524)	(73)
Lease rentals	5,650	-	-	5,650	100	5,650	100
Other expenses	8,206	6,947	-	1,259	18	8,206	100
	<u>25,363</u>	<u>23,364</u>	<u>12,766</u>	<u>1,999</u>	<u>9</u>	<u>12,597</u>	<u>99</u>

- There was increase in factory overheads mainly on account of lease rentals and partly other expenses as compared to last two years.

**(ii) Administration Overheads**

	2014	2013	2012	% Increase / (Decrease)			
				As compared to 2013		As compared to 2012	
				Rs.in '000	Rs. in '000	Rupees	%
Salaries, wages & benefits	44,662	44,724	52,597	(62)	(0)	(7,935)	(15)
Rent, rate and taxes	251	473	1,182	(222)	(47)	(931)	(79)
Insurance	2,687	3,258	2,691	(571)	(18)	(4)	(0)
Utilities	583	769	2,311	(186)	(24)	(1,728)	(75)
Printing & stationery	1,398	985	1,358	413	42	40	3
Telephone, fax & telex	728	828	1,307	(100)	(12)	(579)	(44)
Repair & maintenance	412	319	4,492	93	29	(4,080)	(91)
Travelling & conveyance	2,668	2,318	7,363	350	15	(4,695)	(64)
Entertainment	370	525	1,618	(155)	(30)	(1,248)	(77)
Subscription	1,702	597	1,021	1,105	185	681	67
Legal & professional charges	1,289	499	2,908	790	158	(1,619)	(56)
Auditors remuneration	710	642	630	68	11	80	13
Charity & donations	1,263	1,226	2,165	37	3	(902)	(42)
Depreciation	4,222	4,063	3,906	159	4	316	8
Others	9,838	20,633	10,555	(10,795)	(52)	(717)	(7)
	<u>72,783</u>	<u>81,859</u>	<u>96,104</u>	<u>(9,076)</u>	<u>(11)</u>	<u>(23,321)</u>	<u>(24)</u>

- Overall there is decrease in administration overheads as compared to last two years except increase in printing & stationery and subscription expenses as compared to last year.

(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	%
Handling, stacking & others	1,362	3,112	3,812	(1,750)	(56)	(2,450)	(64)
Export expenses	3,964	3,822	5,766	142	4	(1,802)	100
	5,326	6,934	9,578	(1,608)	(23)	(4,252)	(44)

- There was no significant variance in selling overheads as compared to last year.

(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	%
Markup on:							
– Long term financing	-	-	2,433	-	-	(2,433)	(100)
– Short term borrowings	86,043	69,664	79,850	16,379	24	6,193	8
– Assets subject to finance lease	7,314	7,816	10,282	(502)	(6)	(2,968)	(29)
– Bank guarantee	4,384	-	-	4,384	100	4,384	100
Bank charges	1,538	2,829	1,186	(1,291)	(46)	352	30
Interest on WPPF	76	-	201	76	100	(125)	(62)
	99,355	80,309	93,952	19,046	24	5,403	6

- Financial expenses increased mainly due to in increase in markup on short term borrowings and bank guarantees.

**(b) Brief explanation for variance**

- Explanations of variances have already been given under the respective heads as shown above.

**(c) Basis of allocation of overheads**

- The overheads are charged to cost of production.

**(d) Cost of Packing**

				% Increase / (Decrease)			
	2014	2013	2012	As compared to 2013		As compared to 2012	
	Rs.in '000	Rs. in '000	Rs. in '000	Rupees	%	Rupees	%
– Packing Material (empty polypropylene bags)	37,725	24,026	17,304	13,699	57	20,421	118

- Owing to increase in volume of production and increase in total cost of packing material, the amount increased 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**

- The Company has filed a case in the Honourable High Court of Sindh against the levy of market committee fee by the Government of Sindh on sugarcane purchases at the factory. The Sindh High Court has granted status quo. Full provision of Rs. 41,621 thousands (2013: 34,239 thousands) has been made in the accounts for the year under review, which includes Rs. 7,382 thousands for the current crushing season 2013-2014.

**11. COST OF PRODUCTION****White Bagged Sugar**  
Production (Tonne)

2014	2013
72,530	52,823

Cost of Production  
(See Annexure - I)

2014		2013		Increase / (Decrease)	
Rs. in '000	Rs.Per Ton	Rs. in '000	Rs.Per Ton	Rs.PerTon	%
3,124,280	43,076	2,425,489	45,917	(2,842)	(6)

**Reasons for variance in per tonne cost**

- There was decrease in per ton cost of production as compared to last year mainly on account of decrease in sugar cane prices.

**12. SALES**– **Net Sales Realization**

- (a) Local Sales  
(b) Export Sales  
Total net sales

2014		2013	
Qty. in Tonne	Rs. in '000	Qty. in Tonne	Rs. in '000
65,579	3,035,724	40,366	1,866,017
3,390	161,227	17,658	905,437
68,969	3,196,951	58,024	2,771,454

**a) LOCAL SALES**  
White Sugar (Tonne)

2014	2013
65,579	40,366

Gross sales  
Less:  
Federal excise duty

2014		2013		Increase / (Decrease)	
Rs. in '000	Rs.Per Ton	Rs. in '000	Rs.Per Ton	Rs.PerTon	%
3,269,946	49,863	1,936,340	47,970	1,893	4
(234,222)	(3,572)	(70,323)	(1,742)	(1,829)	105
3,035,724	46,291	1,866,017	46,227	64	0

Net local sales

**b) EXPORT SALES**  
White Sugar (Tonne)

2014	2013
3,390	17,658

Export sales

2014		2013		Increase / (Decrease)	
Rs. in '000	Rs.Per Ton	Rs. in '000	Rs.Per Ton	Rs.PerTon	%
161,227	47,560	905,437	51,276	(3,717)	(7)

The export sales were made to Saudi Arabia, UAE, Singapore and Afghanistan during the year under review.

**13. PROFITABILITY / (LOSS)****– Net profit / (loss) before taxation**

	2014		2013	
	Qty. in Tonne	Rs. in '000	Qty. in Tonne	Rs. in '000
<b>Sugar Segment</b>				
(a) Local	65,579	33,893	40,366	(27,185)
(b) Export	3,390	2,775	17,658	41,456
<b>Net profit sugar segment</b>	<b>68,969</b>	<b>36,668</b>	<b>58,024</b>	<b>14,271</b>
(c) Loss from trading activities		(577)		Nil
<b>Net profit before taxation</b>		<b>36,091</b>		<b>14,271</b>

– The company earned net profit of Rs. 36.091 million as against profit of Rs. 14.271 million in the last year.

**a) LOCAL**

White Sugar (Tonne)

2014	2013
65,579	40,366

	2014		2013		Increase / (Decrease)	
	Rs. in '000	Rs.Per Ton	Rs. in '000	Rs.Per Ton	Rs.PerTon	%
Net sales	3,035,724	46,291	1,866,017	46,227	64	0
Less:						
Cost of production	2,978,253	43,076	1,614,681	45,917	(2,842)	(6)
Inv. adjustment (Finished goods)	(141,078)	-	197,393	-	-	-
Cost of goods sold	2,837,175	43,263	1,812,074	44,891	(1,628)	(4)
Gross profit	198,549	3,028	53,943	1,336	1,691	127
Less:						
Selling expenses	1,362	21	3,112	77	(56)	(73)
Admin. expenses	69,206	1,055	56,947	1,411	(356)	(25)
Financial charges	94,471	1,441	55,869	1,384	57	4
Other income	(383)	(6)	(34,801)	(862)	856	(99)
	164,656	2,511	81,128	2,010	501	25
Profit / (loss) before taxation	33,893	517	(27,185)	(673)	1,190	(177)

**a) EXPORT**

White Sugar (Tonne)

2014	2013
3,390	17,658

	2014		2013		Increase / (Decrease)	
	Rs. in '000	Rs.Per Ton	Rs. in '000	Rs.Per Ton	Rs.PerTon	%
Net sales	161,227	47,560	905,437	51,276	(3,717)	(7)
Less: Cost of production	146,027	43,076	810,808	45,917	(2,842)	(6)
Gross profit	15,200	4,484	94,629	5,359	(875)	(16)
Less:						
Selling expenses	3,964	1,169	3,822	216	953	440
Admin. expenses	3,577	1,055	24,912	1,411	(355)	(25)
Financial charges	4,884	1,441	24,440	1,384	57	4
	12,425	3,665	53,173	3,011	654	22
Profit / (loss) before taxation	2,775	819	41,456	2,348	(1,529)	(65)

#### **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 has the budgetary control system.

**(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 sugar cane during the year under review.

**(iii) Comments on areas offering scope for**

**(a) Cost reduction**

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

**(b) Increased productivity**

- It depends on the availability of sugar cane in sufficient quantity to utilize the full capacity of the plant.

- (c) Key limiting factors causing production bottle necks
  - Non-availability of sugar cane in sufficient quantity is the hurting factor 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, melt and phosphitation process.

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

- The plant was new when installed in 1988. It has completed approximately twenty six years of its useful life.

## **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 reconciliation statement is annexed herewith.

## **16. COST STATEMENTS**

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

## **17. MISCELLANEOUS**

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

**SIDDIQI & COMPANY**  
*Cost & Management Accountants*  
Engagement Partner: Wasful Hassan Siddiqi

Karachi :

**Reconciliation of Cost of Sales  
between  
Cost Accounts with Audited Financial Accounts**

For the year ended September 30, 2014

	<b>2014 Rs. in '000</b>
Cost of sales (as per cost accounts)	<u><u>2,983,202</u></u>
Cost of sales (as per financial accounts)	<u><u>2,983,202</u></u>

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

# SANGHAR SUGAR MILLS LIMITED

C-27, Plot No. F-24, Block-9, Clifton, Karachi-75600.  
Phone: (021) 35371441 to 43 (3 lines), Fax: (021) 35371444

## 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
	No. of Days	Tons Per Day	Crushing Tons	No. of Days	Tons Per Day	Crushing Tons	%
Year 2013-2014	151	6,000	906,000	142	5,199	738,209	81%
Year 2012-2013	121	6,000	726,000	109	4,975	542,289	75%

#### REASONS FOR SHORTFALL:

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

Chief Financial Officer

Chief Executive

Karachi:



# SANGHAR SUGAR MILLS LIMITED

C-27, Plot No. F-24, Block-9, Clifton, Karachi-75600.  
Phone: (021) 35371441 to 43 (3 lines), Fax: (021) 35371444

## 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	
	Quantity	Rs. in '000	Quantity	Rs. in '000
<b>1. Sugar</b>				
– Finished	10,192	440,832	6,631	299,754
– In Process	102	886	214	1,936
		441,718		301,690
<b>2. Molasses</b>				
– In Process	51	250	112	490
<b>3. Baggasse</b>	500	150	400	120
<b>TOTAL</b>		<b>442,118</b>		<b>302,300</b>

### NOTES:-

01. 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.
02. 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:

# SANGHAR SUGAR MILLS LIMITED

## PRODUCTION DATA FOR THE YEAR ENDED 30 SEPTEMBER 2014

### Schedule-1

S.NO	PARTICULARS	2013 - 2014	2012 - 2013
1	2	3	4
<b>1</b>	<b>(a) CANE CRUSHED</b>		
	DATE STARTED .	01 November 2013	03 November 2012
	DATE FINISHED.	31 March 2014	03 March 2013
	DURATION OF RUN DAYS.	151	121
	TOTAL DAYS OF ACTUAL CRUSHING	142	109
	TOTAL NUMBER OF HOURS IN DURATION	3,624	2,904
	TOTAL NUMBER OF HOURS OF ACTUAL CRUSHING	3,418:20	2,627:55
	TOTAL NUMBER OF HOURS LOST	189:40	247:35
	TOTAL CANE MILLED (TONS)	738,208.550	542,288.993
	CONVERTED MAUNDS	18,455,213.750	13,557,225.000
	TOTAL MIXED JUICE OBTAINED (TONS)	797,444.893	591,484.787
	<b>(b) GUR MELTED:</b>	NIL	NIL
	<b>(c) IMPORTED SUGAR PROCESSED:</b>	NIL	NIL
<b>2</b>	<b>JUICE &amp; ADDED WATER:</b>		
	AVERAGE MIXED JUICE % CANE	108.024	109.071
	AVERAGE ADDED WATER % CANE	39.041	41.290
<b>3</b>	<b>SUGAR MADE:</b>		
	TOTAL SUGAR BAGGED OF ALL GRADES (100KG)	NIL	NIL
	TOTAL SUGAR BAGGED OF ALL GRADES (50KG)	1,450,600	1,056,450
	SUGAR BAGGED (TONS)	72,530	52,823
	SUGAR IN PROCESS (TONS)	102.395	214.137
<b>4</b>	<b>MOLASSES EXTRACTED:</b>		
	TOTAL MOLASSES SENT OUT (TONS)	39,260.000	27,460.000
	MOLASSES IN PROCESS (TONS)	50.849	112.447
<b>5</b>	<b>RECOVERY PERCENT:</b>		
	LABORATORY TEST PERCENTAGE RECOVERY OF SUGAR CANE	9.810	9.770
	AVERAGE PRODUCTION OF FINAL MOLASSES % CANE	5.310	5.080
<b>6</b>	<b>BY PRODUCTS:</b>		
	BAGASSE % CANE (CALCULTED) (TONS)	243,609	178,955
	V.F.CAKE % CANE	3.000	3.000
<b>7</b>	<b>CLARIFICATION PROCESS:</b>		
	SPECIFY THE PROCESS USED BY THE MILL	Defecation, Melt, Phosphitation	

Chief Financial Officer

Chief Executive

Karachi:

## SANGHAR SUGAR MILLS LIMITED

### STATEMENT SHOWING COST OF PRODUCTION AND SALE OF WHITE BAGGED SUGAR FOR THE YEAR ENDED 30 SEPTEMBER 2014

*Annexure-I*

QUANTITATIVE DATA - BAGGED SUGAR	2013 – 2014	2012 – 2013
OPENING STOCK (TONNE)	6,631	11,832
PRODUCTION (TONNE)	72,530	52,823
CLOSING STOCK (TONNE)	10,192	6,631
SALES (TONNE)	68,969	58,024

S.NO	PARTICULARS	2013 – 2014		2012 – 2013	
		RUPEES IN '000	COST PER TON OF SUGAR	RUPEES IN '000	COST PER TON OF SUGAR
1	2	3	4	5	6
1	RAW MATERIAL :				
	a) SUGAR CANE (ANNEX-III)	3,232,411	44,567	2,401,905	45,471
	b) BEET (ANNEX-IV)	-		-	
	c) GUR	-		-	
	d) IMPORTED SUGAR FOR PROCESSING	-		-	
	e) PROCESS MATERIAL (ANNEX-V)	26,845	370	17,172	325
	<b>Total</b>	<b>3,259,256</b>	<b>44,937</b>	<b>2,419,077</b>	<b>45,796</b>
2	SALARIES/WAGES BENEFITS (ANNEX-VI)	76,106	1,049	76,155	1,442
3	CONSUMABLE STORES	23,995	331	29,242	554
4	REPAIRS AND MAINTENANCE	-	-	-	-
5	UTILITIES	-	-	-	-
	STEAM (ANNEX-VII)	24,505	338	19,806	375
6	ELECTRIC POWER (ANNEX-VIII)	111,448	1,537	98,599	1,867
7	WATER & GAS	-	-	-	-
8	INSURANCE	7,255	100	8,797	167
9	DEPRECIATION	28,429	392	29,573	560
10	OTHER FACTORY OVER HEAD (ANNEX-IX)	12,682	175	11,682	221
11	<b>TOTAL COST</b>	<b>3,543,676</b>	<b>48,858</b>	<b>2,692,931</b>	<b>50,981</b>
12	ADD: OPENING STOCK OF W.I.P.	1,936	-	1,156	-
13	LESS CLOSING STOCK OF W.I.P	(886)	-	(1,936)	-
14	<b>TOTAL COST OF GOODS MANUFACTURING</b>	<b>3,544,726</b>	<b>48,873</b>	<b>2,692,151</b>	<b>50,966</b>
15	LESS REALISABLE VALUE OF BY PRODUCTS				
	MOLASSES	(385,088)	(5,309)	(238,970)	(4,524)
	BAGASSE	(73,083)	(1,008)	(51,718)	(979)
	OTHERS	-	-	-	-
16	<b>NET COST OF GOODS MANUFACTURING</b>	<b>3,086,555</b>	<b>42,556</b>	<b>2,401,463</b>	<b>45,463</b>
17	ADD PACKING MATERIAL AND HANDLING	37,725	520	24,026	455
18	<b>NET COST OF BAGGED SUGAR</b>	<b>3,124,280</b>	<b>43,076</b>	<b>2,425,489</b>	<b>45,918</b>
19	ADD: EXCISE DUTY / SALES TAX	-	-	-	-
20	<b>TOTAL COST OF BAGGED SUGAR</b>	<b>3,124,280</b>	<b>43,076</b>	<b>2,425,489</b>	<b>45,918</b>
21	ADD: OPENING STOCK OF SUGAR	299,754	-	497,147	-
22	LESS: CLOSING STOCK OF SUGAR	(440,832)	-	(299,754)	-
23	<b>COST OF SALES</b>	<b>2,983,202</b>	<b>43,254</b>	<b>2,622,882</b>	<b>45,204</b>
24	ADMINISTRATIVE EXPENSES (ANNEX-X)	72,783	1,055	81,859	1,411
25	SELLING AND DISTRIBUTION EXP (ANNEX-XI)	5,326	77	6,934	120
26	FINANCIAL EXPENSES	99,355	1,441	80,309	1,384
27	OTHER CHARGES / (INCOME)	(383)	(6)	(34,801)	(600)
	<b>TOTAL COST TO MAKE AND SELL</b>	<b>3,160,283</b>	<b>45,822</b>	<b>2,757,183</b>	<b>47,518</b>

Chief Financial Officer

Chief Executive

# SANGHAR SUGAR MILLS LIMITED

## STATEMENT SHOWING COST OF SUGAR CANE PRODUCED FOR THE YEAR ENDED 30 SEPTEMBER 2014

*Annexure-II*

S. No.	Particulars	2013-2014		2012-2013	
		Quantity (Rs.)	Rupees in '000	Quantity (Rs.)	Rupees in '000
1.	<b>Seeds and Other Inputs</b>  Seed Fertilizers, herbicides etc. Insecticides Abiana / Water Charges Total Cost of Inputs				
2.	<b>Labour</b>  Land preparation Plantation Maintenance of cane crop / ratoons Operation of tractors Harvesting Total Labour Cost				
2.	<b>Other Cost</b>  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

**Notes:**

1. This Annexure will be prepared by those enterprises which cultivate sugarcane on their own farms.
2. Similar Annexure will be prepared by those enterprises which cultivate beet on their own farms.

**Chief Financial Officer**

**Chief Executive**

**SANGHAR SUGAR MILLS LIMITED**  
**STATEMENT SHOWING COST OF SUGAR CANE CRUSHED**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

*Annexure-III*

S.NO	PARTICULARS	2013 - 2014			2012 - 2013		
		QUANTITY M.TONS	RATE RS/ M.TON	RUPEES IN '000	QUANTITY M.TONS	RATE RS/ M.TON	RUPEES IN '000
1	2	3	4	5	6	5	6
1	<b>TOTAL SUGAR CANE PURCHASED AT GOVT. FIXED RATE</b>						
	SUGAR CANE PURCHASED AT DIFFERENT RATES	738,209	4,207	3,105,724	542,289	4,258	2,309,027
	SUGAR CANE PRODUCED FROM OWN FARM (Annex-II)	-	-	-	-	-	-
	LESS: LOSS IN TRANSIT	-	-	-	-	-	-
	<b>SUGAR CANE RECEIVED AT FACTORY GATE</b>	<b>738,209</b>	<b>4,207</b>	<b>3,105,724</b>	<b>542,289</b>	<b>4,258</b>	<b>2,309,027</b>
2	<b>COMMISSION</b>	-	-	-	-	-	-
3	<b>QUALITY PREMIUM</b>	738,209	139	102,426	542,289	134	72,531
4	<b>LOADING / UNLOADING CHARGES</b>	738,209	2	1,585	542,289	2	1,230
5	<b>CANE DEVELOPMENT EXPENSES</b>						
	a) SALARIES/WAGES OF SUPPLY & DEVELOP (Annex-VI)	738,209	10	7,588	542,289	13	6,973
	b) SUGAR CANE DEVELOPMENT RESEARCH	-	-	-	-	-	-
	c) SUPPLY STAFF & TRANSPORTATION EXPENSES	-	-	-	-	-	-
	d) OTHER EXPENDITURE	-	-	-	-	-	-
6	<b>TAXES AND LEVIES :</b>						
	a) CANE CESS / PURCHASE TAX	-	-	-	-	-	-
	b) MARKET COMMITTEE FEE	738,209	10	7,382	542,289	10	5,423
	c) ROAD CESS	738,209	6	4,614	542,289	6	3,389
	d) OCTROI	-	-	-	-	-	-
	e) OTHER LEVIES	-	-	-	-	-	-
7	<b>TRANSPORTATION CHARGES:</b>						
	a) DELIVERY EXPENSES	-	-	-	-	-	-
	b) TRANSPORT SUBSIDY	738,209	4	3,092	542,289	6	3,332
	c) OTHERS	-	-	-	-	-	-
8	<b>OTHER EXPENDITURES AT CANE COLLECTION CENTERS</b>						
	a) SALARIES AND WAGES (Annex-VI)	-	-	-	-	-	-
	b) STORES	-	-	-	-	-	-
	c) REPAIRS AND MAINTENANCE	-	-	-	-	-	-
	d) OTHERS	-	-	-	-	-	-
	<b>TOTAL COST OF SUGARCANE TRANSFERRED TO PRODUCTION PROCESS (ANNEX-I)</b>	<b>738,209</b>	<b>4,379</b>	<b>3,232,411</b>	<b>542,289</b>	<b>4,429</b>	<b>2,401,905</b>

Chief Financial Officer

Chief Executive

# SANGHAR SUGAR MILLS LIMITED

## STATEMENT SHOWING COST OF BEET CONSUMED FOR THE YEAR ENDED 30 SEPTEMBER 2014

*Annexure-IV*

S. No.	Particulars	2013-2014			2012-2013		
		Quantity in Tonne	Cost per Tonne	Rupees in '000	Quantity in Tonne	Cost per Tonne	Rupees 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 Cane 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) Freight handling and Octroi						
	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) Sector Office Rent						
	e) Sector Office expenses						
9.	Total Cost of 'BEET' transferred						
	to production processe (Annexure - I)						

NOT APPLICABLE

**Chief Financial Officer**

**Chief Executive**

## SANGHAR SUGAR MILLS LIMITED

### STATEMENT SHOWING COST OF PROCESS MATERIAL CONSUMED FOR THE YEAR ENDED 30 SEPTEMBER 2014

*Annexure-V*

S.NO	PARTICULARS	2013 - 2014		2012 - 2013	
		RUPEES IN '000	COST PER TON OF SUGAR	RUPEES IN '000	COST PER TON OF SUGAR
1	2	3	4	5	6
	<b>TOTAL SUGAR PRODUCED (TONNE)</b>	<b>72,530</b>		<b>52,823</b>	
1	ANTI FOAM	5	0.07	50	0.95
2	BLEACHING POWDER	524	7.22	267	5.05
3	CAUSTIC SODA	2,099	28.94	1,270	24.04
4	DECALITE	8,651	119.27	4,440	84.05
5	FORMALINE	3	0.04	2	0.04
6	HYDROCHLORIC ACID	4	0.06	5	0.09
7	MYTHYLATED SPIRIT	182	2.51	129	2.44
8	PENVOL VISC AID	80	1.10	124	2.35
9	PHOSPHORIC ACID	1,756	24.21	1,539	29.14
10	POLYELECTIOLITE (PRESTOL)	970	13.37	832	15.75
11	ROCK SALT	16	0.22	6	0.11
12	SODA ASH	242	3.34	144	2.73
13	TRI SODIUM PHOSPHATE	118	1.63	98	1.86
14	UNSLACKED LIME	4,717	65.04	2,673	50.60
15	TALOFLOC LIQUID	5,963	82.21	4,689	88.77
16	TALOFLOC ACID	220	3.03	135	2.56
17	BIO CITE	1,295	17.85	769	14.56
	<b>TOTAL</b>	<b>26,845</b>	<b>370.12</b>	<b>17,172</b>	<b>325.09</b>
	<b>TRANSFERD TO PRODUCTION PROCESS ANNEXURE-I</b>	<b>26,845</b>	<b>370.12</b>	<b>17,172</b>	<b>325.09</b>

Chief Financial Officer

Chief Executive

## SANGHAR SUGAR MILLS LIMITED

### STATEMENT SHOWING COST OF SALARIES, WAGES BENEFITS FOR THE YEAR ENDED 30 SEPTEMBER 2014

*Annexure-VI*

S.NO	PARTICULARS	2013 - 2014		2012 - 2013	
		RUPEES IN '000	COST PER TON OF SUGAR	RUPEES IN '000	COST PER TON OF SUGAR
1	2	3	4	5	6
	<b>TOTAL SUGAR PRODUCED (TONNE)</b>	<b>72,530</b>		<b>52,823</b>	
	<b>COST:</b>				
<b>1</b>	<b>SALARIES / WAGES</b>				
1	OFFICERS AND PERMANENT STAFF	86,455	1,192	79,129	1,498
2	DAILY RATED, SEASONAL/CONTRACT LABOUR	20,975	289	26,075	494
3	BONUSES	23,332	322	21,144	400
<b>2</b>	<b>BENEFITS</b>				
1	MEDICAL EXPENSES	6	0	19	0
2	WELFARE, RECREATION	1,011	14	481	9
3	EDUCATION CESS	22	0	125	2
4	GROUP INSURANCE EXPENSES	-	-	-	-
5	WORKMEN COMP. INSURANCE	-	-	-	-
6	P.F. (EMPLOYERS CONTRIBUTION)	-	-	-	-
7	GRATUITY / PENSION	9,091	125	10,440	198
8	E.O.A.B.I.	2,196	30	2,124	40
9	WORKERS WELFARE FUND	-	-	-	-
10	LEAVE ENCASHMENT	223	3	133	3
11	DEATH COMPENSATION	40	1	860	16
12	CHARITY DISPENSARY	600	8	772	15
13	OTHER BENEFITS (IF ANY)	190	3	232	4
	<b>TOTAL</b>	<b>144,141</b>	<b>1,987</b>	<b>141,534</b>	<b>2,679</b>
	<b>LESS: ALLOCATED TO:</b>				
	a) ELECTRICITY GENERATION (Annex-VIII)	5,443		4,817	
	b) STEAM GENERATION (Annex-VII)	10,342		8,865	
	c) RAW MATERIAL (Annex-III)	7,588		6,973	
	d) ADMIN EXPENSES (Annex-X)	44,662		44,724	
	e) SELLING & DISTRIB. EXP. (Annex-XI)	-		-	
	f) FACTORY OVERHEAD (Annex-IX)	-		-	
		-		-	
	<b>BALANCE TRANSFERD TO PRODUCTION PROCESS ANNEXURE-1</b>	<b>76,106</b>		<b>76,155</b>	

Chief Financial Officer

Chief Executive



**SANGHAR SUGAR MILLS LIMITED**

**STATEMENT SHOWING COST OF STEAM / GENERATED CONSUMED  
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

Annexure-VII

S.NO	PARTICULARS	UNIT	2013-2014	2012-2013	VARIANCE	Remarks
1	2	3	4	5	6	7
1	TYPES OF STEAM BOILERS USED		WATER TUBE, BAGASSE AND OIL FIRE			
2	NO. OF DAYS WORKED		151	121		
3	INSTALLED CAPACITY (STEAM IN TONNE PER HOUR)		170	170		1 boiler of 80 tons 2 boilers of 45 tons each
4	UTILISED CAPACITY (STEAM IN TONNE PER HOUR)		133	124		Under-utilization of boilers is due to non-availability of sugar cane.
5	PRODUCTION:					
	a) HIGH PRESSURE STEAM		NIL	NIL		
	b) MEDIUM PRESSURE STEAM		482,107	359,563		
	c) LOW PRESSURE STEAM		-	-		
	d) LESS: TRANSIT LOSSES		24,105	14,383		
	e) TOTAL		458,002	345,180		
6	PERCENTAGE OF CAPACITY UTILIZATION (4/3 * 100)	%	78	73		

S.NO	PARTICULARS OF COST OF STEAM	2013 - 2014			2012 - 2013		
		QUANTITY	RATE PER UNIT RS	RUPEES IN '000	QUANTITY	RATE PER UNIT RS	RUPEES IN '000
1	2	3	4	5	6	7	8
1	WATER	458,002	0.57	259	345,180	0.64	220
2	FUELS:						
	a) BAGASSE:						
	I) OWN	458,002	157.59	72,178	345,180	140.85	48,618
	II) PURCHASED	-	-	-	-	-	-
	b) PITH	-	-	-	-	-	-
	c) COAL PURCHASED	-	-	-	-	-	-
	d) FURNACE OIL	458,002	0.51	235	-	-	-
	e) FIRE WOOD	-	-	-	-	-	-
	f) GAS	-	-	-	-	-	-
	g) OTHER FUELS (IF ANY SPECIFY)	-	-	-	-	-	-
3	QUANTITY OF WASTE HEAT FROM THE PLANT IF ANY	-	-	-	-	-	-
4	CONSUMABLE STORES	458,002	22.75	10,419	345,180	42.88	14,801
5	DIRECT SALARIES, WAGES AND BENEFITS (Annex-VI)	458,002	22.58	10,342	345,180	25.68	8,865
6	REPAIRS AND MAINTENANCE	458,002	1.43	655	345,180	1.03	355
7	OTHER DIRECT EXP. (Bagasse Removal Expenses)	458,002	4.94	2,264	345,180	9.29	3,208
8	INSURANCE	458,002	1.76	806	345,180	2.83	977
9	DEPRECIATION	458,002	7.76	3,554	345,180	10.71	3,697
10	OVERHEADS (Annex-IX)	458,002	12.74	5,833	345,180	15.57	5,374
	<b>TOTAL COST OF STEAM RAISED</b>	<b>458,002</b>	<b>232.63</b>	<b>106,545</b>	<b>345,180</b>	<b>249.48</b>	<b>86,115</b>
	LESS: OUTSIDE SALE	-	-	-	-	-	-
11	TOTAL COST OF STEAM FOR SELF CONSUMPTION	458,002	232.63	106,545	345,180	249.48	86,115
12	ADD: COST OF STEAM PURCHASED	-	-	-	-	-	-
13	<b>TOTAL COST OF STEAM CONSUMED</b>	<b>458,002</b>	<b>232.63</b>	<b>106,545</b>	<b>345,180</b>	<b>249.48</b>	<b>86,115</b>
	<b>ALLOCATION</b>						
	TOTAL OF ITEM 13 ALLOCATED TO						
	I) WHITE BAGGED SUGAR (Annex-I)	105,340	232.63	24,505	79,391	249.48	19,806
	II) ELECTRIC POWER HOUSE (Annex-VIII)	352,662	232.63	82,040	265,789	249.48	66,309
	III) OTHERS:						
	a) STAFF COLONY	-	-	-	-	-	-
	b) OFFICE BUILDING ETC.	-	-	-	-	-	-
	<b>TOTAL</b>	<b>458,002</b>	<b>232.63</b>	<b>106,545</b>	<b>345,180</b>	<b>249.48</b>	<b>86,115</b>

Chief Financial Officer

Chief Executive

**SANGHAR SUGAR MILLS LIMITED**

**STATEMENT OF COST OF ELECTRIC POWER PURCHASED / GENERATED AND CONSUMED  
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

*Annexure-VIII*

S.NO	PARTICULARS	2013 – 2014	2012 – 2013	VARIANCE
1	INSTALLED CAPACITY (KWH)	13,500	13,500	
2	NO OF UNITS GENERATED (KWH)			
	– TURBINE	22,197,805	16,245,964	
	– DIESEL GENERATOR	8,320	70,786	
3	NO OF UNITS PURCHASED (KWH)	192,120	155,840	
4	TOTAL (2+3)	22,398,245	16,472,590	
5	CONSUMPTION IN POWER HOUSE INCLUDING OTHER LOSSES	2,239,825	1,639,023	
6	NET UNITS CONSUMED (4-5)	20,158,420	14,833,567	
7	PERCENTAGE OF CONSUMPTION AND LOSSES TO TOTAL UNITS AVAILABLE = (5/4) / 100 (%)	10.00	9.95	
8	PERCENTAGE OF POWER GENERATED TO INSTALLED CAPACITY (2/1) / 100 (%)	54	50	

S.NO	PARTICULARS OF COST OF ELECTRIC POWER	2013 – 2014			2012 – 2013		
		QUANTITY KWH	RATE PER KWH RS	RUPEES IN '000	QUANTITY KWH	RATE PER KWH RS	RUPEES IN '000
1	2	3	4	5	6	7	8
1	STEAM (Annex-VII)	20,158,420	4.07	82,040	14,833,567	4.47	66,309
2	CONSUMABLE STORES	20,158,420	0.24	4,777	14,833,567	0.52	7,703
3	SALARIES AND WAGES (Annex-VI)	20,158,420	0.27	5,443	14,833,567	0.32	4,817
4	OTHER DIRECT EXPENSES ( Inspection Fee )	-	-	-	-	-	-
5	REPAIRS AND MAINTENANCE	20,158,420	0.02	378	14,833,567	0.04	570
6	DUTY ON ELECTRICITY (KWH)	20,158,420	0.01	178	14,833,567	0.01	131
7	GENERATOR RUNNING EXPENSES (KWH)	20,158,420	0.25	5,015	14,833,567	0.34	4,994
8	DEPRECIATION	20,158,420	0.18	3,554	14,833,567	0.25	3,697
9	OVERHEADS (Annex-IX)	20,158,420	0.34	6,848	14,833,567	0.43	6,308
	<b>TOTAL</b>	<b>20,158,420</b>	<b>5.37</b>	<b>108,233</b>	<b>14,833,567</b>	<b>6.37</b>	<b>94,529</b>
10	LESS: a) CREDIT FOR EXHAUST STEAM USED IN PROCESS ETC.	-	-	-	-	-	-
	b) OTHER CREDITS (IF ANY)	-	-	-	-	-	-
11	<b>COST OF POWER GENERATED (KWH)</b>	<b>20,158,420</b>	<b>5.37</b>	<b>108,233</b>	<b>14,833,567</b>	<b>6.37</b>	<b>94,529</b>
12	LESS: COST OF POWER SOLD/SELF CONSUMED/LOSSES	-	-	-	-	-	-
13	ADD: COST OF POWER PURCHASED (KWH)	192,120	16.73	3,215	155,840	26.12	4,070
14	<b>TOTAL NET COST OF POWER CONSUMED (KWH)</b>	<b>20,350,540</b>	<b>5.48</b>	<b>111,448</b>	<b>14,989,407</b>	<b>6.58</b>	<b>98,599</b>
	<b>TOTAL AT ITEM 14 ALLOCATED TO :-</b>						
	I) WHITE BAGGED SUGAR	18,110,715	5.48	99,182	13,210,164	6.58	86,895
	II) SELF CONSUMPTION	2,239,825	5.48	12,266	1,779,243	6.58	11,704
	III) OTHERS:						
	a) STAFF COLONY	-	-	-	-	-	-
	b) OFFICE BUILDING	-	-	-	-	-	-
	c) OTHER (SPECIFY)	-	-	-	-	-	-
	<b>TOTAL - TRANSFER TO ANNEX-I</b>	<b>20,350,540</b>	<b>5.48</b>	<b>111,448</b>	<b>14,989,407</b>	<b>6.58</b>	<b>98,599</b>

Chief Financial Officer

Chief Executive

## SANGHAR SUGAR MILLS LIMITED

### STATEMENT SHOWING OTHER FACTORY OVERHEADS FOR THE YEAR ENDED 30 SEPTEMBER 2014

*Annexure-IX*

S.NO	PARTICULARS	2013 – 2014		2012 – 2013	
		RUPEES IN '000	COST PER TON OF SUGAR	RUPEES IN '000	COST PER TON OF SUGAR
1	2	3	4	5	6
	<b>TOTAL SUGAR PRODUCED (TONNE)</b>	<b>72,530</b>		<b>52,823</b>	
	<b>COST:</b>				
1	RENT, RATE AND TAXES	-	-	-	-
2	PRINTING AND STATIONERY	-	-	-	-
3	POSTAGE AND TELEGRAM	-	-	-	-
4	TELEPHONE, FAX AND TELEX	-	-	-	-
5	TRAVELING & CONVEYANCE	-	-	-	-
6	SUBSCRIPTION BOOKS,PERIODICALS	-	-	-	-
7	VEHICLE RUNNING EXPENSES	9,478	131	9,777	185
8	REPAIRS & MAINTENANCE	2,029	28	6,640	126
9	LEASE RENTALS	5,650	78	-	-
10	OTHER EXPENSES	8,206	113	6,947	132
<b>11</b>	<b>TOTAL</b>	<b>25,363</b>	<b>350</b>	<b>23,364</b>	<b>442</b>
	<b>ALLOCATED TO :</b>				
	a) WHITE BAGGED SUGAR (Annex-I)	12,682	175	11,682	221
	b) ELECTRIC POWER HOUSE (Annex-VIII)	6,848	94	6,308	119
	c) STEAM GENERATION (Annex-VII)	5,833	80	5,374	102
	d) OTHERS :				
	a) STAFF COLONY	-	-	-	-
	b) OFFICE BUILDING ETC.	-	-	-	-
	<b>TOTAL AS PER ITEM 12 ABOVE</b>	<b>25,363</b>	<b>350</b>	<b>23,364</b>	<b>442</b>

Chief Financial Officer

Chief Executive

# SANGHAR SUGAR MILLS LIMITED

## STATEMENT SHOWING ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 30 SEPTEMBER 2014

*Annexure-X*

S.NO	PARTICULARS	2013 – 2014		2012 – 2013	
		RUPEES IN '000	COST PER TON OF SUGAR	RUPEES IN '000	COST PER TON OF SUGAR
1	2	3	4	5	6
1	<b>TOTAL SUGAR SOLD (TONNE)</b>	<b>68,969</b>		<b>58,024</b>	
2	<b>COST:</b>				
	SALARIES, WAGES AND BENEFITS (Annex-VI)	44,662	648	44,724	771
	RENT, RATE AND TAXES	251	4	473	8
	INSURANCE	2,687	39	3,258	56
	WATER, GAS AND ELECTRICITY	583	8	769	13
	PRINTING AND STATIONERY	1,398	20	985	17
	TELEPHONE, FAX AND TELEX	728	11	828	14
	REPAIR AND MAINTENANCE	412	6	319	5
	TRAVELING & CONVEYANCE	2,668	39	2,318	40
	SUBSCRIPTION, BOOKS & PERIODICAL	1,702	25	597	10
	ENTERTAINMENT	370	5	525	9
	LEGAL & PROFESSIONAL EXPENSES	1,289	19	499	9
	AUDITORS REMUNERATION	710	10	642	11
	CHARITY AND DONATION	1,263	18	1,226	21
	DEPRECIATION	4,222	61	4,063	70
	OTHERS	9,838	143	20,633	356
	<b>TOTAL</b>	<b>72,783</b>	<b>1,055</b>	<b>81,859</b>	<b>1,411</b>

**Chief Financial Officer**

**Chief Executive**

# SANGHAR SUGAR MILLS LIMITED

## STATEMENT SHOWING SELLING EXPENSES FOR THE YEAR ENDED 30 SEPTEMBER 2014

*Annexure-XI*

S.NO	PARTICULARS	2013 – 2014		2012 – 2013	
		RUPEES IN '000	COST PER TON OF SUGAR	RUPEES IN '000	COST PER TON OF SUGAR
1	2	3	4	5	6
1	<b>TOTAL SUGAR SOLD (TONNE)</b>	<b>68,969</b>		<b>58,024</b>	
2	<b>COST:</b>				
	SALARIES, WAGES AND BENEFITS (Annex-VI)	-	-	-	-
	TRAVELING AND CONVEYANCE	-	-	-	-
	COMMISSION	-	-	-	-
	FREIGHT OUTWARD	-	-	-	-
	STACKING / RESTACKING & OTHERS	1,362	20	3,112	54
	LOADING / UNLOADING	-	-	-	-
	EXPORT EXPENSES	3,964	57	3,822	66
	VEHICLE RUNNING EXPENSES	-	-	-	-
	ADVERTISING FOR SALES PROMOTIC	-	-	-	-
	BROKERAGE & COMMISSION	-	-	-	-
	<b>TOTAL</b>	<b>5,326</b>	<b>77</b>	<b>6,934</b>	<b>120</b>

Chief Financial Officer

Chief Executive

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**Registered / Head Office:** C-27, Plot No. F-24, Block - 9, Clifton, Karachi - 75600

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