

**PANGRIO SUGAR MILLS LIMITED  
COST AUDITORS' REPORT  
FOR THE YEAR ENDED  
SEPTEMBER 30, 2014**

**COST AUDITORS' REPORT, 2012-2013**  
**PANGRIO SUGAR MILLS LIMITED**

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## SECTION - 1

### 1 Corporate Information

## CORPORATE INFORMATION

DIRECTORS	Mr.Abbas Ally Agha Begum Akhtar Abid Ms.Naheed Zaffar Mirza Mr.Aftab Ahmad Mr.Ali Ghazi Mirza Mr.Abdullah Kamran Soomro Mr.Asif Saeed Mr.Akber Ali Mirza Mr.Muhammad Asif (NIT)	Chairman & Chief Executive Director Director Director Director Director Director Director Director
CHIEF FINANCIAL OFFICER	Mr. Tahir Mahmood	
COMPANY SECRETARY	Mr.Muhammad Yunus Ansari	
AUDIT COMMITTEE	Ms.Naheed Zaffar Mirza Mr.Akber Ali Mirza Mr.Abdullah Kamran Soomro	Chairperson Member Member
HR & REMUNERATION COMMITTEE	Mr.Abdullah Kamran Soomro Mr.Aftab Ahmad Mr.Akber Ali Mirza	Chairman Member Member
STATUTORY AUDITORS	M/s Aslam Malik & Co. (Chartered Accountants)	
COST AUDITORS	M/s Azeem Hussain & Co. (Chartered Accountants)	
REGISTERED OFFICE / MILLS	Deh Rajauri II Taluka Tando Bago, District Badin, Sindh	
REGISTRAR	M/s Technology Trade (Pvt.) Ltd. Dagia House, 241-C Block-2, PECHS Off: Shahrah-e-Quaideen Karachi	

## SECTION - 2

- 1 Cost Auditors' Report
- 2 Appendix
- 3 Statement of Capacity Utilization
- 4 Statement of Stock in Trade



## COST AUDITORS' REPORT

We **Azeem Hussain & Co. Chartered Accountants** having been appointed to conduct an audit of cost accounts of **Messrs Pangrio 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 on 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 have been received by us;
  - c) the said books and records give the information required by the rules in the manner so required; and
- (3) In our opinion and subject to best of our information-
  - a) the annexed statement of capacity utilization and stock in trade are in agreement with the books of account of the Company and exhibit true and fair view of the Company's affair; 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 under mentioned products of the Company, namely-
    - i) Sugar; and
    - ii) Molasses

The matter contained in the **ANNEX** forms part of this report.

Karachi: 28 JAN 2015



*Azeem Hussain*  
**Azeem Hussain & Co.**  
Chartered Accountants

**PANGRIO SUGAR MILLS LIMITED**  
**APPENDIX III**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**1. CAPACITY (Tonnes)**

	Qty. in Tonnes		
	Licensed / Installed Capacity	Utilised Capacity	% of Installed Capacity
(a) Cane Crushing	648,000	20,431	3.15%

(b) The Company is not engaged in any other activity except manufacturing of white sugar and its by products.

**2. COST ACCOUNTING SYSTEM**

- Manufacturing of sugar is a continuous process. The Company, however, uses financial and cost integrated accounting system which shows overall cost of production. There is, however, the need to develop process cost accounting so as to be able to develop cost data at each stage of production process.
- The Company is operating a computer based inhouse software, which generates cost statements relating to manufacturing of sugar.

**3. PRODUCTION**

	Qty. in tonnes					
	Installed Capacity		Production		% of installed Capacity	
	Years					
	2014	2013	2014	2013	2014	2013
(a) <b>- Main Product</b>						
- White Sugar Bagged	64,800	64,800	-	1,688	-	2.60
<b>- By Product</b>						
- Molasses	32,400	32,400	-	930	-	2.87
- Bagasse	226,800	226,800	-	34	-	0.01
- V. Filter Cake	19,440	19,440	-	3	-	0.02
<b>Standard Recovery</b>						
- Molasses		5%				
- Bagasse		35%				
- V. Filter Cake		3%				

(b) Non-availability of sugarcane coupled with non-feasibility of economic conditions was the limiting factor due to which the year ended with low production.

(c) There was no addition to the production capacity during the year under review.

**4. RAW MATERIAL**

(a) Major Raw Materials Consumed

	2014			2013		
	Quantity (Tonnes)	Rupces In '000	Rate per ton	Quantity (Tonnes)	Rupces in '000	Rate per ton
Sugarcane (Annexure - 3)	-	8,153	-	20,431	94,944	4,647
Process Material (Annexure - 5)	-	-	-	-	1,096	-

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

	*Standard Tonnes	Actual		
		2014 Tonnes	2013 Tonnes	2012 Tonnes
Sugarcane	10.00	-	8.61	9.20

\* Standard 10.00 tonnes sugarcane = 1 tonne sugar

  
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(c) Explanation of variances

- Sugarcane yield depends upon the quality of sugarcane; 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

- Sugarcane is purchased from local growers on the basic price fixed by Government/negotiated price and it is crushed immediately to extract the juice by processing. Other chemicals are purchased from the market after due approval of competent authority.
- The Company is maintaining raw material perpetual inventory records.

5. SALARIES, WAGES & BENEFITS

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

	Increase/Decrease						
	2014	2013	2012	As compared to 2013		As compared to 2012	
	Rs. In '000	Rs. In '000	Rs. In '000	Rs. In '000	%	Rs. In '000	%
(i) Direct labour cost on production	5,343	22,338	30,784	(18,995)	(76.08)	(25,441)	(82.64)
(II) Indirect employees cost on production	721	3,019	4,160	(2,298)	(76.12)	(3,439)	(82.67)
(III) Employees cost of administration	8,373	35,016	48,256	(26,643)	(76.09)	(39,883)	(82.65)
(iv) Employees cost on selling & distribution	-	-	-	-	-	-	-
(v) Total employees cost	14,437	60,373	83,200	(45,936)	(76.09)	(68,763)	(82.65)
(vi) Bonus to workers already included above	-	573	5,281	(573)	(100.00)	(5,281)	(100.00)
(vii) Other employees' cost	-	-	-	-	-	-	-

- Salaries and wages have decreased mainly due to decrease in production of sugar during the year under review as compared to previous year.

(b) Salaries and perquisites of chief executive and directors

	No. of Persons	Increase/Decrease						
		2014	2013	2012	As compared to 2013		As compared to 2012	
		Rs. In '000	Rs. In '000	Rs. In '000	Rs. In '000	%	Rs. In '000	%
- Chief Executive	1	1,243	3,764	3,856	(2,521)	(66.98)	(2,613)	(67.76)
- Directors	2	1,747	2,758	2,588	(1,011)	(36.66)	(841)	(32.50)
		2,990	6,522	6,444	(3,532)	(54.16)	(3,454)	(53.60)

- The Chief executive and Directors are entitled to the free use of Company maintained cars. Chief executive is also provided telephone and utility facilities.
- Salary to Chief executive was from October, 2013 to January, 2014 while salary to Directors were paid from October, 2013 to June, 2014.

(c) Average number of production workers employed

2014	2013	decrease %
174	355	51%

(d) Direct labour cost per ton

	Increase/Decrease						
	2014	2013	2012	As compared to 2013		As compared to 2012	
	Rs. In '000	Rs. In '000	Rs. In '000	Rs. In '000	%	Rs. In '000	%
Production of white sugar (Tonne)	-	1,688	10,698	(1,688)	(100.00)	(10,698)	(100.00)
Direct Labour (Rs. In '000)	5,343	22,338	30,784	(18,995)	(76.08)	(25,441)	(82.64)
Direct Labour Cost (Rs. Per Tonne)	-	13,233	2,878	(13,233)	(100.00)	(2,878)	(100.00)

(e) Brief explanations for variances

- Same explanation at item 5(a) above

(f) Comments on Incentives Scheme (Staff retirement benefits)

- The Company contributes to an approved provident fund scheme.

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 (Tonnes)
- (iii) Amount per tonne of white sugar produced (Rs. Per Tonne)

2014	2013	2012
-	9,303	32,564
-	1,688	10,698
-	5,511	3,044

- The cost of stores and spare parts consumed has decreased due to decline in production of sugar.

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(b) System of stores

- The cost is determined on moving average basis having bincards for each type of materials in stores.

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

- Slow moving items are stated to value Rs. 1.01 Million which represents 4.25 % of total stores inventory (Year 2013 : Rs.1.01 Million or 4.25 % of total stores inventory) as per financial accounts.

7. DEPRECIATION

(a) Method of Depreciation

- Depreciation is charged to income applying the reducing balance method.
- Depreciation on additions of fixed assets is charged from the quarter in which the assets are put to use while no depreciation is charges in the quarter in which the assets are disposed off.
- Gains or losses on disposal of assets, if any, are recognized as and when incurred.

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

- Depreciation on common assets is allocated as under:

2014		2013	
Rs. In '000	%	Rs. In '000	%
3,064	65.71	3,418	63.21
1,599	34.29	1,989	36.79
4,663	100.00	5,407	100.00

- (i) Cost of Sales
- (ii) Administrative Expenses

(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

- (i) Factory
- (ii) Administration
- (iii) Selling and distribution
- (iv) Financial

2014	2013	2012
Rs. In '000	Rs. In '000	Rs. In '000
1,463	7,387	11,425
12,513	46,925	72,056
80	887	1,800
1,180	2,044	3,635
15,236	57,243	88,916

(i) Factory Overheads

2014	2013	2012	Increase/Decrease			
			As compared to 2013		As compared to 2012	
Rs. In '000	Rs. In '000	Rs. In '000	Rs. In '000	%	Rs. In '000	%
-	615	759	(615)	(100.00)	(759)	(100.00)
-	121	225	(121)	(100.00)	(225)	(100.00)
-	1,276	2,125	(1,276)	(100.00)	(2,125)	(100.00)
1,312	975	1,538	337	34.56	(226)	(14.69)
-	433	1,643	(433)	(100.00)	(1,643)	(100.00)
112	1,550	2,491	(1,438)	(92.77)	(2,379)	(95.50)
-	1,702	1,462	(1,702)	(100.00)	(1,462)	170,200.00
-	341	510	(341)	(100.00)	(510)	34,100.00
39	374	672	(335)	(89.57)	(633)	(94.20)
1,463	7,387	11,425	(5,924)	(80.19)	(9,962)	(87.19)

- Factory overheads have decreased mainly due to decline in production of sugar.

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Chartered Accountants  
28 JAN 2015

**(ii) Administrative Overheads**

	Increase/Decrease						
	2014	2013	2012	As compared to 2013		As compared to 2012	
	Rs. In '000	Rs. In '000	Rs. In '000	Rs. In '000	%	Rs. In '000	%
Salaries, wages and benefits	8,373	35,016	48,256	(26,643)	(76.09)	(38,883)	(82.65)
Rent, rates and taxes	69	299	922	(230)	(76.92)	(853)	(92.52)
Insurance	634	741	789	(107)	(14.44)	(155)	(19.65)
Water, gas and electricity	133	1,084	2,596	(951)	(87.73)	(2,463)	(94.88)
Printing and stationery	149	172	402	(23)	(13.37)	(253)	(62.94)
Postage, telegram, telephone, fax and telex	121	1,036	1,681	(915)	(88.32)	(1,560)	(92.80)
Repair and maintenance	44	649	2,235	(605)	(93.22)	(2,191)	(98.03)
Travelling and conveyance	11	115	223	(104)	(90.43)	(212)	(95.07)
Subscriptions, books and periodicals	-	36	46	(36)	(100.00)	(46)	(100.00)
Entertainment	124	144	144	(20)	(13.89)	(20)	(13.89)
Legal and professional expenditure	50	392	487	(342)	(87.24)	(437)	(89.73)
Auditors' remuneration	583	583	583	-	-	-	-
Vehicle running expenses	595	3,943	9,100	(3,348)	(84.91)	(8,505)	(93.46)
Charity and donation	-	54	93	(54)	(100.00)	(93)	(100.00)
Depreciation	1,599	1,989	2,452	(390)	(19.61)	(853)	(34.79)
Other expenses	28	672	2,047	(844)	(95.83)	(2,019)	(98.63)
	12,513	46,925	72,056	(34,412)	(1,042)	(59,543)	(1,169)

- There was decrease in administrative overheads mainly due to decline in production of sugar.

**(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	Rs. In '000	%	Rs. In '000	%
Freight outwards	-	230	616	(230)	(100.00)	(616)	(100.00)
Loading and stacking	-	573	1,125	(573)	(100.00)	(1,125)	(100.00)
Advertising for sales promotion	80	84	59	(4)	(4.76)	21	8,400.00
	80	887	1,800	(807)	(205)	(1,720)	8,200

- The selling overheads have decreased mainly due decline in production and sales of sugar as compared to preceding years.

**(iv) Financial Expenses**

	Increase/Decrease						
	2014	2013	2012	As compared to 2013		As compared to 2012	
	Rs. In '000	Rs. In '000	Rs. In '000	Rs. In '000	%	Rs. In '000	%
Mark-up on long term finance	1,167	1,713	2,791	(546)	(31.86)	(1,624)	(58.19)
Mark-up on WPPF	-	-	-	-	-	-	#DIV/0!
Bank and other charges	13	331	844	(318)	(96.08)	(831)	(98.46)
	1,180	2,044	3,635	(864)	(128)	(2,455)	#DIV/0!

- There was decrease in financial cost due to the decrease in mark-up on loans and bank charges as compared to preceding years.

**(b) Brief explanations for variance**

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

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

- The allocation was made on activity based on percentage basis.

**(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	Rs. In '000	%	Rs. In '000	%
Packing Material	-	743	4,415	(743)	(100.00)	(4,415)	(100.00)

- The consumption of packing material have decreased mainly on account of decline in production and sales of sugar.

**9. ROYALTY/TECHNICAL AID PAYMENTS**

Not Applicable

**10. ABNORMAL NON-RECURRING FEATURES****(a) Features affecting production**

None



- (b) **Special expenses**  
None

**11. COST OF PRODUCTION**

**White Sugar**  
Production (Tonnes)

2014	2013
0	1,688

2014		2013		Increase/(Decrease)	
Rs. In '000	Rs. Per ton	Rs. In '000	Rs. Per ton	Rs. Per ton	%
22,403	-	135,643	80,357	(80,357)	(100.00)

**12. SALES**

- (a) **Net Sales Realization - White Sugar**  
Sales (Tonnes)

2014	2013
0	2,951

2014		2013		Increase/(Decrease)	
Rs. In '000	Rs. Per ton	Rs. In '000	Rs. Per ton	Rs. Per ton	%
-	-	139,247	47,186	(47,186)	(100.00)
-	-	10,321	3,497	(3,497)	(100.00)
-	-	100	34	(34)	(100.00)
-	-	10,421	3,531		
-	-	128,826	43,655	(43,689)	(100.08)

Gross Sales - White Sugar

Less:

Sales tax and excise duty  
Brokerage and Commission

Net Sales

- (b) **Export Sales**

- There was no export sales during the year under review.

**13. PROFITABILITY**

**White Sugar**  
Sales (Tonnes)

2014	2013
0	2,951

2014		2013		Increase/(Decrease)	
Rs. In '000	Rs. Per ton	Rs. In '000	Rs. Per ton	Rs. Per ton	%
-	-	128,826	43,655	(43,655)	(100.00)
22,403	-	135,643	45,965	(45,965)	(100.00)
-	-	53,077	20,534	(20,534)	(100.00)
22,403	-	188,720	66,500	(66,500)	(100.00)
(22,403)	-	(59,894)	(22,844)	22,844	(100.00)
80	-	887	301	(301)	(100.00)
12,513	-	46,925	15,901	(15,901)	(100.00)
1,180	-	2,044	693	(693)	(100.00)
13,773	-	49,856	16,895	(1)	(0.01)
(36,176)	-	(109,750)	(39,739)	22,845	57.49
(7,520)	-	1,420			
(43,696)	-	(115,850)			

Net sales

Cost of Production (Annexure - 1)

Inv. Adjustment (Finished Goods)

Gross profit / (loss)

Less:

Selling expenses  
Administrative expenses  
Financial charges

Loss from sugar segment

Add: Other income

Loss before tax

- The Company experienced a severe loss this year on account of no production and sale during the year.

  
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#### 14. COST AUDITORS' OBSERVATIONS AND CONCLUSIONS

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

- No such matters appear to be found so far except the Company had the accumulated loss of Rs.974 million as at September 30, 2014 as against Rs. 930 million of the previous year, and its current liabilities have exceeded its current assets by Rs. 628 million as of the same date against Rs. 499 million of the previous year. The accumulated loss has increased because of discontinuance of operations which consequently resulted in insufficient generation of funds and defaults in payments to banks and financial institutions. These conditions indicate the existence of a material uncertainty that may cause significant doubt about the Company's ability to continue as a going concern. The Company may, therefore, not be able to realize its assets to discharge its liabilities in the normal course of business. Consequently, the cost accounts do not conform with the approved accounting standards as applicable in Pakistan, do not properly give the required information and therefore do not give a true and fair view of the state of company's loss.

(b) **Cases where the Company funds have been used in a negligent or Inefficient manner.**

None

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

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

(d) (i) **The adequacy or otherwise of budgetary control system, if any, in vogue in the Company.**

- The Company prepares annual budget for planning purpose.

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

- The Company has constituted an internal audit committee.

(e) **Suggestions for improvements in performance.**

(i) **Rectification of general imbalance in production facilities.**

- The mill may run smoothly with the availability of working capital and sugar cane at low support price.

(ii) **Further utilisation of Installed capacity**

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

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

(a) **Cost reduction**

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

(b) **Increased productivity**

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

(c) **Key limiting factors causing production bottlenecks.**

- Availability of sugarcane together with feasibility of economic conditions were the limiting factor in the production.

(d) **Improved inventory policies**

- Present inventory policies are satisfactory.

(e) **Energy conservancy**

- Electricity power is self generated. 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 defalcation, melt and phosphitation process.

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

- The plant was new when installed after the Incorporation of the Company. However, betterment have been made from time to time.

  
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#### 15. RECONCILIATIONS WITH FINANCIAL STATEMENTS

- After the auditor is 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.

#### 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 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 and rupee one. Previous year's figures have been re-arranged are re-grouped where necessary to facilitate comparison.

*Azeem Hussain*  
  
28 JAN 2015

**PANGRIO SUGAR MILLS LIMITED**  
Deh Rajauri II, Taluka Tando Bago, District Badin, Sindh

**STATEMENT OF CAPACITY UTILIZATION**  
under Rule 4(1)(a) of Companies (Audit of Cost Accounts), Rule 1998  
As at September 30, 2014 compared with September 30, 2013

**CANE CRUSHING CAPACITY**

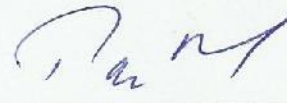
	Installed Capacity Utilization			Actual Capacity Utilization			Capacity Utilization
	No. of Days	Tons Per Day	Crushing Tons	No. of Days	Tons Per Day	Crushing Tons	%
Year 2013-14	180	3,600	648,000	-	-	-	0.00%
Year 2012-13	180	3,600	648,000	8	2,554	20,431	3.15%

**Reason for shortfall:**

The actual production was lower than installed capacity due to non availability of sugarcane coupled with non-feasibility of economic conditions during the year.



\_\_\_\_\_  
Chief Executive



\_\_\_\_\_  
Chief Financial Officer

**PANGRIO SUGAR MILLS LIMITED**  
Deh Rajauri II, Taluka Tando Bago, District Badin, Sindh

**STATEMENT OF STOCK IN TRADE**  
under Rule 4(1)(b) of Companies (Audit of Cost Accounts), Rule 1998  
As at September 30, 2014 compared with September 30, 2013

	Current Year		Previous Year	
	2013-14		2012-13	
	Qty in Tonnes	Rs. In '000	Qty in Tonnes	Rs. In '000
<b>White Sugar</b>				
- in process	145.87	7,520	145.87	7,520
- finished goods	-	-	-	-
		7,520		7,520

Note: Provision for slow moving stock made


**Other Notes:**

In terms of clause 3(2) of Companies (Audit of Cost Audit) Rules, 1998 (SRO:846/(1)/98 dt. July 24, 1988, the Cost Auditor was appointed by the directors with the prior approval of Securities and Exchange Commission of Pakistan within sixty days of the close of financial year of the company.

In view of the above mentioned constraints appointing the Cost Auditors after the close of the financial year: the cost auditors were not present on the date of the 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 and certified by the statutory auditors as of September 30, 2014 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 Executive**



**Chief Financial Officer**

## SECTION - 3

- 1 Production Data
- 2 Annexure 1-11
- 3 Reconciliation



**PANGRIO SUGAR MILLS LIMITED**  
**SCHEDULE II**

**A. COMPANY INFORMATION**

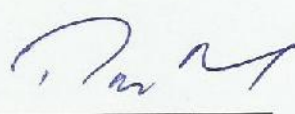
1	Name of Company	: Pangrio Sugar Mills Limited
2	Date of incorporation	: June 12, 1984
3	Location registered office	: Deh Rajauri II, Taluka Tando Bago, District Badin, Sindh
4	Location of factory	: Deh Rajauri II, Taluka Tando Bago, District Badin, Sindh
5	Products other than sugar being manufactured	: By product - Molasses
6	Installed sugarcane crushing capacity in tonnes	: 648,000

**B. PRODUCTION DATA**

S/No.	Particulars	2013-14	2012-13
1 (a)	<b><u>Sugarcane Crushed</u></b>		
	Date started	-	11/01/20
	Date finished	-	09/02/20
	Duration of run days	-	3
	Actual crushing days	-	
	Total numbers of hours in duration	-	70
	Total number of hours of actual crushing	-	18
	Total number of hours lost	-	51
	Total cane milled (tonnes)	-	20,43
	Converted maunds (40 Kgs)	-	510,77
	Total mixed juice obtained (tonnes)	-	19,55
	(b) <b><u>Gur Melted</u></b>	-	-
2	<b><u>Juice &amp; Added Water</u></b>		
	Average mixed juice % cane	-	95.72
	Average added water % cane	-	29.37
3	<b><u>Sugar made</u></b>		
	Total sugar bagged of all grade (100 kgs.)	-	-
	Total sugar bagged of all grade (50 kgs.)	-	33,76
	Sugar bagged (tonnes)	-	1,68
	Sugar in process (tonnes)	146	14
4	<b><u>Molasses extracted</u></b>		
	Total molasses sent out (tonnes)	-	93
	Molasses in process (tonnes)	-	-
5	<b><u>Recovery percent</u></b>		
	Average recovery of marketable white sugar % cane	-	8.6
	Average production of final molasses % cane	-	4.8
6	<b><u>By-Products</u></b>		
	Bagasse % cane (tonnes)	-	33.8
	V.F. Cake % cane (tonnes)	-	3.1
7	<b><u>Clarification process</u></b>		
	Defecation remelt phosphitation and sulphitation process		



Chief Executive



Chief Financial Officer

**PANGRIO SUGAR MILLS LIMITED**  
**STATEMENT SHOWING COST OF PRODUCTION AND SALE OF**  
**WHITE BAGGED SUGAR FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Quantitative data - Bagged sugar	2013-14 M. Ton	2012-13 M. Ton
Opening stock	-	1,263
Production	-	1,688
Closing stock	-	-
Sales	-	2,951

S/No.	Particulars	2013-14		2012-13	
		Amount Rs. In '000	Cost per ton Rs.	Amount Rs. In '000	Cost per ton Rs.
	Raw Material				
	a) Sugarcane	8,153	-	94,944	56,246.45
	b) Beet	-	-	-	-
	c) Gur	-	-	-	-
	d) Raw sugar	-	-	-	-
	e) Process material	-	-	1,074	636.26
	Salaries wages and benefits	4,331	-	18,111	10,729.27
	Consumable stores	432	-	6,218	3,683.65
	Repairs and maintenance	103	-	1,485	879.74
	Utilities		-		-
	a) Steam	88	-	1,731	1,025.47
	b) Electric power	1,189	-	8,705	5,156.99
	Insurance	3,590	-	4,197	2,486.37
	Depreciation	3,064	-	3,418	2,024.88
	Other factory overheads	1,453	-	7,335	4,345.38
	<b>Total cost</b>	<b>22,403</b>	<b>-</b>	<b>147,218</b>	<b>87,214.46</b>
	Opening stock of WIP	7,520	-	3,200	1,895.73
	Closing stock of WIP	(7,520)	-	(7,520)	(4,454.98)
	<b>Total cost of goods manufacturing</b>	<b>22,403</b>	<b>-</b>	<b>142,898</b>	<b>84,655.21</b>
	Realizable value of by-products				
	a) Molasses	-	-	(7,998)	(4,738.15)
	b) Bagasse	-	-	-	-
	<b>Net cost of goods manufacturing</b>	<b>22,403</b>	<b>-</b>	<b>134,900</b>	<b>79,917.06</b>
	Packing material and handling	-	-	743	440.17
	<b>Net cost of bagged sugar</b>	<b>22,403</b>	<b>-</b>	<b>135,643</b>	<b>80,357.23</b>
	Direct taxes levied and brokerage	1	-	10,421	6,173.58
	<b>Total cost of bagged sugar</b>	<b>22,404</b>	<b>-</b>	<b>146,064</b>	<b>86,530.81</b>
	Opening stock of sugar / molasses	-	-	57,397	34,002.96
	Closing stock of sugar / molasses	-	-	-	-
	<b>Cost of sales</b>	<b>22,404</b>	<b>-</b>	<b>203,461</b>	<b>120,533.77</b>
	Administrative expenses	12,513	-	46,925	27,799.17
	Selling and distribution expenses	80	-	887	525.47
	Financial expenses	1,180	-	2,044	1,210.90
	Other Income	7,520	-	(1,420)	(841.23)
	<b>Total cost to make and sell</b>	<b>43,697</b>	<b>-</b>	<b>251,897</b>	<b>149,228.08</b>

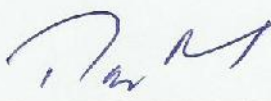
  
 Chief Executive

  
 Chief Financial Officer

**PANGRIO SUGAR MILLS LIMITED**  
**STATEMENT SHOWING COST OF SUGARCANE PRODUCED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**


S/No.	Particulars	2013-14		2012-13			
		Quantity	Amount Rs. in '000	Quantity	Amount Rs. in '000		
	<b>Seeds and other inputs</b>						
	a) Seed						
	b) Fertilizers, herbicides etc.	N	I	L	N	I	L
	c) Insecticides						
	d) Abiana / water charges						
	<b>Labour Cost</b>						
	a) Land preparation						
	b) Plantation						
	c) Maintenance of cand crop / rations						
	d) Operation of tractors						
	e) Harvesting						
	<b>Other Cost</b>						
	a) Fuel for tractor operation						
	b) Maintenance and over haul of tractors						
	c) Insurance						
	d) Interest expenses						
	e) Depreciation of equipments						
	f) Rent of agriculture equipment						
	<b>Total cost of own production</b>	N	I	L	N	I	L

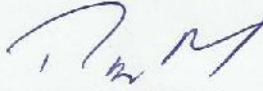
  
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 Chief Executive

  
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 Chief Financial Officer

**PANGRIO SUGAR MILLS LIMITED**  
**STATEMENT SHOWING COST OF SUGARCANE CRUSHED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**


S/No.	Particulars	2013-14			2012-13		
		Quantity	Rate per M.Ton	Amount	Quantity	Rate per M.Ton	Amount
		M.Tons	Rs.	Rs. In '000	M.Tons	Rs.	Rs. In '000
	Total sugarcane purchased at Government fixed rate	-	-	-	20,431	4,299.99	87,853
	Sugarcane produced from own farm	-	-	-	-	-	-
	Less: Loss in transit	-	-	-	-	-	-
	<b>Sugarcane received factory gate</b>	-	-	-	<b>20,431</b>	<b>4,299.99</b>	<b>87,853</b>
	Commission / subsidy	-	-	-	-	7.24	148
	Quality premium	-	-	-	20,431	-	-
	Loading / unloading charges / cane feeding	-	-	-	20,431	22.91	468
	<b>Cane development expenses</b>						
	(a) Salaries and wages of supply and development staff	-	-	1,011	20,431	208.84	4,226
	(b) Sugarcane procurement and development expenses	-	-	-	20,431	0.44	9
	(c) Supply staff and transportation expenses	-	-	-	-	-	-
	(d) Other expenditure	-	-	-	-	-	-
	<b>Taxes and levies</b>						
	(a) Cane cess / purchase tax	-	-	-	-	-	-
	(b) Market committee fee	-	-	7,134	-	-	-
	(c) Road cess	-	-	-	20,431	6.28	128
	(d) Octroi	-	-	-	-	-	-
	(e) Other levies	-	-	-	-	-	-
	<b>Transportation charges</b>						
	(a) Delivery expenses	-	-	-	-	-	-
	(b) Transport subsidy	-	-	-	20,431	98.82	2,019
	(c) Others	-	-	-	-	-	-
	<b>Other expenditure at cane collection centers</b>						
	(a) Salaries and wages	-	-	-	-	-	-
	(b) Stores	-	-	-	-	-	-
	(c) Repairs and maintenance	-	-	-	-	-	-
	(d) Others	-	-	8	20,431	4.55	93
	<b>Total transferred to Annex - 1</b>	-	-	<b>8,153</b>	<b>20,431</b>	<b>4,647.05</b>	<b>94,944</b>

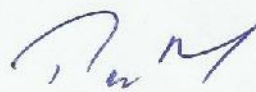
  
 Chief Executive

  
 Chief Financial Officer

**PANGRIO SUGAR MILLS LIMITED**  
**STATEMENT SHOWING COST OF BEET CONSUMED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

S/No.	Particulars	2013-14			2012-13		
		Quantity M.Tons	Rate per M. Ton Rs.	Amount Rs. In '000	Quantity M.Tons	Rate per M. Ton Rs.	Amount Rs. In '000
	Total beet purchased at Government fixed rate	N	I	L	N	I	L
	Loss in transit						
	Beet received factory gate						
	Commission						
	Loading / unloading charges						
	<b>Beet development expenses</b>						
	(a) Salaries and wages of supply and development staff						
	(b) Sugar development research						
	(c) Supply staff and transportation expenses						
	(d) Other expenditure						
	<b>Taxes and levies</b>						
	(a) Purchase tax						
	(b) Market committee fee						
	(c) Road cess						
	(d) Octroi						
	(e) Other levies						
	<b>Transportation charges</b>						
	(a) Delivery expenses / travelling from purchase centre to mill gate						
	(b) Transport subsidy						
	(c) Others						
	<b>Other expenditure at beet collection centers:</b>						
	(a) Salaries and wages						
	(b) Stores						
	(c) Repairs and maintenance						
	(d) Others						
	<b>Total transferred to Annex - 1</b>	<b>N</b>	<b>I</b>	<b>L</b>	<b>N</b>	<b>I</b>	<b>L</b>

  
 Chief Executive

  
 Chief Financial Officer

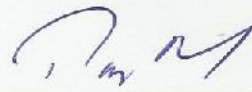
**PANGRIO SUGAR MILLS LIMITED**  
**STATEMENT SHOWING COST OF PROCESS MATERIAL CONSUMED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

S/No.	Particulars	2013-14		2012-13	
		Amount Rs. In '000	Cost per ton Rs.	Amount Rs. In '000	Cost per ton Rs.
	<b>Total Sugar Produced (M.Tons)</b>	-		1,688	
	Unslaked lime	-	-	408	241.71
	Phosphoric acid	-	-	7	4.15
	Filter acid	-	-	24	14.22
	Sulphur	-	-	14	8.29
	Caustic soda	-	-	125	74.05
	Soda ash	-	-	41	24.29
	Tri sodium phosphate	-	-	12	7.11
	Bleaching powder	-	-	16	9.48
	Antifoam	-	-	-	-
	Formaline	-	-	1	0.59
	Laboratory chemicals	-	-	21	12.44
	Filter cloth	-	-	-	-
	Sewing thread	-	-	16	9.48
	Cleaning brushes	-	-	16	9.48
	Lubricant and grease	-	-	147	87.09
	Others	-	-	248	146.92
	<b>Total to be allocated</b>	-	-	1,096	649.30

Allocation	2013-14 Rs. in '000	2012-13 Rs. in '000
Electricity generation	-	11
Steam generation	-	11
Raw material	-	-
Admin expenses	-	-
Selling and distribution expenses	-	-
Others	-	-
	-	22
Production process	-	1,074
<b>Total</b>	-	1,096



Chief Executive



Chief Financial Officer

**PANGRIO SUGAR MILLS LIMITED**  
**STATEMENT SHOWING COST OF SALARIES, WAGES AND BENEFITS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

S/No.	Particulars	2013-14		2012-13	
		Amount Rs. In '000	Cost per ton Rs.	Amount Rs. In '000	Cost per ton Rs.
	Total sugar produced (M. Tons)	-		1,688	
	<b>Salaries and wages</b>				
	Officers, permanent, daily wages & contract staff	13,599	-	52,814	31,287.91
	Bonuses	-	-	573	339.45
	<b>Benefits</b>				
	Medical expenses	382	-	872	516.59
	Canteen expenses	-	-	618	366.11
	Welfare / recreation	4	-	293	173.58
	Education cess	-	-	7	4.15
	Group insurance	-	-	1,387	821.68
	Provident fund	217	-	1,708	1,011.85
	Gratuity / pension	154	-	253	149.88
	Other benefits				
	- EOBI	56	-	1,155	684.24
	- Social security	-	-	269	159.36
	- Others	25	-	424	251.18
	<b>Total to be allocated</b>	<b>14,437</b>	<b>-</b>	<b>60,373</b>	<b>35,765.98</b>

Allocation	2013-14 Rs. in '000	2012-13 Rs. in '000
Electricity generation	577	2,415
Steam generation	144	604
Raw material	1,011	4,226
Administrative expenses	8,373	35,016
	<u>10,105</u>	<u>42,261</u>
Production process	4,332	18,112
<b>Total</b>	<b><u>14,437</u></b>	<b><u>60,373</u></b>



Chief Executive



Chief Financial Officer

**PANGRIO SUGAR MILLS LIMITED**  
**STATEMENT SHOWING COST OF STEAM GENERATED / CONSUMED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

S/No.	Particulars				Variance
		Unit	2013-14	2012-13	
	<b>Types of Steam Boilers Used</b>		Water tube boiler	Water tube boiler	
1	No. of days worked		-	30	(30.00)
2	Installed capacity (Steam in tonnes)	Tons/hour	120	120	-
3	Utilized capacity (Steam in tonnes)	Tons/hour	0	40	(40.00)
4	Production:				
	(a) High pressure steam		-	-	-
	(b) Medium pressure	Tons/hour	-	40	(40)
	(c) Low pressure steam		-	-	-
	(d) Transit losses (5%)	Tons/hour	-	2	(2)
	(e) Total	Tons/hour	-	38	(38)
5	Percentage of capacity utilization	Tons/hour	0.00%	33.33%	-33.33%

S/No.	Particulars	2013-14			2012-13		
		Quantity Tons	Rate per ton Rs.	Amount Rs. in '000	Quantity Tons	Rate per ton Rs.	Amount Rs. in '000
	Water	-	-	-	-	-	-
	Fuels						
	a) Bagasse	-	-	-	28,040	61.70	1,730
	b) Pith	-	-	-	-	-	-
	c) Coal	-	-	-	-	-	-
	d) Furnace Oil	-	-	-	28,040	4.03	113
	e) Firewood	-	-	-	28,040	17.44	489
	f) Husk	-	-	-	-	-	-
	g) Other fuels	-	-	-	-	-	-
	Process material	-	-	-	28,040	0.39	11
	Salaries, wages and benefits	-	-	144	28,040	21.54	604
	Repairs and maintenance	-	-	13	28,040	6.63	186
	Other direct expenses	-	-	3	28,040	0.53	15
	<b>Total cost of steam raised</b>	-	-	<b>160</b>	<b>28,040</b>	<b>112.26</b>	<b>3,148</b>
	Outside sale	-	-	-	-	-	-
	<b>Total cost of steam consumed</b>	-	-	<b>160</b>	<b>28,040</b>	<b>112.26</b>	<b>3,148</b>

Allocation	2013-14 Rs. in '000	2012-13 Rs. in '000
White bagged sugar	88	1,731
Electric power house	72	1,417
Others	-	-
a) Staff colony	-	-
b) Office building etc.	-	-
<b>Total</b>	<b>160</b>	<b>3,148</b>

  
 Chief Executive

  
 Chief Financial Officer



**PANGRIO SUGAR MILLS LIMITED**  
**STATEMENT OF COST OF ELECTRIC POWER PURCHASED / GENERATED AND CONSUMED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

S/No.	2013-14	2012-13	Variance	
1	Installed capacity (KWH) (Based on actual crushing hours)	-	1,854,848	(1,854,848)
2	No. of Units generated (KWH) (steam + diesel generator)	-	1,042,118	(1,042,118)
3	No. of units purchased (KWH)	-	155,130	(155,130)
4	Total (2+3)	-	1,197,248	(1,197,248)
5	Consumption in power house including other losses	-	72,948	(72,948)
6	Net units consumed (4-5)	-	1,124,300	(1,124,300)
7	Percentage of consumption and losses to total units available =5/4*100	0.00%	7%	(0.07)
8	Percentage of power generated to installed capacity 2/1* 100	0%	56%	-56.00%

S/No.	Particulars	2013-14			2012-13		
		Quantity KWH	Rate per KWH Rs.	Amount Rs. in '000	Quantity KWH	Rate per KWH Rs.	Amount Rs. in '000
	Steam	-	-	72	969,170	1.46	1,417
	Consumable stores	-	-	-	969,170	0.01	11
	Salaries and wages	-	-	577	969,170	2.49	2,415
	Diesel for generator	-	-	-	969,170	1.69	1,637
	Repairs and maintenance	-	-	52	969,170	0.77	742
	Duty on electricity	-	-	-	-	-	-
	Other factory overheads	-	-	7	969,170	0.04	37
	Cost of power generated	-	-	708	969,170	6.46	6,259
	Cost of power purchased	-	-	518	155,130	17.50	2,715
	Total cost of power consumed	-	-	1,226	1,124,300	7.98	8,974

Allocation	2013-14 Rs. in '000	2012-13 Rs. in '000
White bagged sugar	1,189	8,705
Others		
a) Staff Colony	-	-
b) Office Building	-	-
c) Others	37	269
<b>Total</b>	<b>1,226</b>	<b>8,974</b>

  
 Chief Executive

  
 Chief Financial Officer

**PANGRIO SUGAR MILLS LIMITED**  
**STATEMENT SHOWING OTHER FACTORY OVERHEADS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

S/No.	Particulars	2013-14		2012-13	
		Amount Rs. In '000	Cost per ton Rs.	Amount Rs. In '000	Cost per ton Rs.
	<b>Total Sugar Produced (M.Tons)</b>	-		1,688	
	Printing and stationery	-	-	615	57.48
	Postage, telegram, telephone, fax and telex	-	-	121	11.33
	Travelling and conveyance	-	-	1,276	119.22
	Fees and subscriptions	1,312	-	975	91.14
	Entertainment	-	-	433	40.47
	Vehicle running expenses	112	-	1,550	144.88
	Freight and handling charges	-	-	1,702	159.10
	Removal of bagasse, mud and boiler ash	-	-	341	31.88
	Other expenses	39	-	374	34.98
	<b>Total to be allocated</b>	<b>1,463</b>	-	<b>7,387</b>	<b>690.51</b>

Allocation	2013-14 Rs in '000	2012-13 Rs in '000
White bagged sugar	1,453	7,335
Electric power house	7	37
Steam generation	3	15
Others		
a) Staff colony	-	-
b) Office building etc.	-	-
c) Raw material	-	-
<b>Total</b>	<b>1,463</b>	<b>7,387</b>

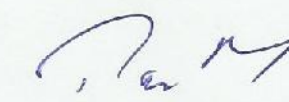
  
 \_\_\_\_\_  
 Chief Executive

  
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 Chief Financial Officer

**PANGRIO SUGAR MILLS LIMITED**  
**STATEMENT SHOWING ADMINISTRATION EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

S/No.	Particulars	2013-14		2012-13	
		Amount Rs. In '000	Cost per ton Rs.	Amount Rs. In '000	Cost per ton Rs.
	<b>Total Sugar Sold (M.Tons)</b>	-		2,951	
	Salaries, wages and benefits	8,373	-	35,016	11,865.8
	Rent, rates and taxes	69	-	299	101.3
	Insurance	634	-	741	251.1
	Water, gas and electricity	133	-	1,084	367.3
	Printing and stationery	149	-	172	58.2
	Postage, telegram, telephone, fax and telex	121	-	1,036	351.0
	Repair and maintenance	44	-	649	219.9
	Travelling and conveyance	11	-	115	38.9
	Subscriptions, books and periodicals	-	-	36	12.2
	Entertainment	124	-	144	48.8
	Advertising	-	-	-	-
	Legal and professional expenditure	50	-	392	132.8
	Auditors' remuneration	583	-	583	197.8
	Vehicle running expenses	595	-	3,943	1,336.2
	Charity and donation	-	-	54	18.3
	Depreciation	1,599	-	1,989	674.0
	Other expenses	28	-	672	227.1
	<b>Total transferred to Annex - 1</b>	<b>12,513</b>	<b>-</b>	<b>46,925</b>	<b>15,901.4</b>

  
 \_\_\_\_\_  
**Chief Executive**


  
 \_\_\_\_\_  
**Chief Financial Officer**

**PANGRIO SUGAR MILLS LIMITED**  
**STATEMENT SHOWING SELLING EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

S/No.	Particulars	2013-14		2012-13	
		Amount Rs. In '000	Cost per ton Rs.	Amount Rs. In '000	Cost per ton Rs.
	Total sugar sold (M.Tons)	-		2,951	
	Freight outwards	-	-	230	77.94
	Loading and stacking	-	-	573	194.17
	Advertising for sales promotion	80	-	84	28.46
	Total transferred to Annex - 1	80	-	887	300.57



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**Chief Executive**



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**Chief Financial Officer**

**PANGRIO SUGAR MILLS LIMITED**  
**Reconciliation of financial accounts with cost accounts**  
**For the Year Ended 30 September, 2014**

	Note	2014 (Rupees)
Cost of sales	21	12,469,761
Administrative expenses	22	15,393,168
Distribution cost		-
Finance cost	23	1,180,131
Other charges / income	24	14,653,924
		43,696,984
Add : Direct levies and brokerage		-
Less : Molasses sold		-
<b>Total cost as per financial accounts</b>		<b>43,696,984</b>
<b>Total cost rounded to nearest '000</b>		<b>43,697</b>
		-
<b>Total cost as per cost accounts (Annex - 1)</b>		<b>43,697</b>



Chief Executive



Chief Financial Officer